



CENTRAL UNIVERSITY

MANAGEMENT & PA DEPARTMENT

COMPANY & PARTNERSHIP LAW

(CBFW 202)

RESIT EXAMS JANUARY 2019

THERE ARE THREE SECTIONS IN THIS EXAMS; SECTIONS A, B & C
ANSWER ALL THE QUESTIONS UNDER THE SECTIONS

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SECTION A – COMPULSORY QUESTION

1. Discuss **three** (3) circumstances under which the veil of incorporation can be lifted under the Companies Act of Ghana.

[30 MARKS]

SECTION B – TRUE OR FALSE

ANSWER ALL QUESTIONS

1. Share transferability is prohibited in private companies
 - a. True
 - b. False
2. Public companies do not restrict membership to 50 people
 - a. True
 - b. False
3. Promoters are persons engaged in the formation of companies. This means all persons who engage in the formation of companies are deemed promoters?
 - a. True
 - b. False
4. The word 'Limited' is added to names of companies limited by guarantee
 - a. True
 - b. False
5. Promoters do not owe any fiduciary duties to the company when the company is not yet formed.
 - a. True
 - b. False
6. According to section 13 of Companies Act of Ghana pre-incorporation contracts do not have the sanctions of the yet to be formed company and so such contracts cannot be ratified by the company later after incorporation
 - a. True
 - b. False
7. The 'registered office' clause is a compulsory requirement in the Regulations
 - a. True
 - b. False
8. The ability of a company to own property is determined by incorporation.
 - a. True
 - b. False

9. The inclusion of the names of the first directors of the company in the Regulations of a company is not a compulsory requirement according to section 16.
- a. True
 - b. False
10. The work of promoter is purely sacrificial. They are therefore not duty bound to compensate the company for any losses the company suffers from their actions.
- a. True
 - b. False

SECTION C – MULTIPLE CHOICE

ANSWER ALL QUESTIONS

11. Amy operates a sole proprietorship table-top business in her neighborhood called "Amy & Daughters Mall". She borrowed money from a friend to stock her shop but failed to repay. Who is the proper person to sue for the debt?
 - a. Amy
 - b. Amy & Daughters Mall
 - c. The daughters

12. Company law in Ghana is chiefly governed by the
 - a. Company Act 1963 (Act 197)
 - b. Companies Act 1963 (Act 197)
 - c. Companies Act 1963 (Act 179)

13. Certificate to Commence Business is the first certificate issued before a company can commence business
 - a. Yes
 - b. No

14. How many certificates will be issued to Gloria after she incorporates her dream business 'Gloria Logistics Company Ltd'
 - a. One
 - b. Two
 - c. Three

15. Kukua operates a table-top business at Makola. She failed to pay her market toll. Can the veil of incorporation be lifted in this instance?
 - a. Yes
 - b. No

16. When the Registrar directs a company to change its name under section 15(4) what time frame is provided for the change of name to be effected
 - a. 4 weeks
 - b. 6 weeks
 - c. 8 weeks

17. When a company operates under section 38 of the Companies Act what is the statutory legal procedure to take against persons operating the company
 - a. Lifting the veil of incorporation
 - b. Perpetual injunction
 - c. Payment of fine

18. The minimum number of Directors for a company is
 - a. 2
 - b. 4
 - c. 8

19. Which section of the Companies Act supports the correct answer in Question 18 above?
- Section 810
 - Section 180
 - Section 108
20. How long can a company operate without a member?
- 3 months
 - 6 months
 - 9 months
21. Miss Bonney runs Bon Fabrics Company Ltd as the only director with 5 shareholders for 5 weeks in breach of the law. Which parties will be liable under the Companies Act for the actions of the company
- The Bon Fabrics Company, Miss Bonney and the 5 shareholders
 - Miss Bonney
 - The 5 shareholders
22. What punishment is prescribed by law for any person liable under Question 21?
- Payment of 25 pounds
 - 25 months ban
 - Payment to be determined by the Registrar
23. What additional punishment (if any) will be fixed to Miss Bonney and the members who are cognizant of the fact that the company had less than the minimum number of directors
- Joint and several liabilities for company's debts and liabilities incurred during the time
 - Joint and several liabilities for penalties to the Registrar for default
 - No personal liabilities
24. The Ghanaian case of *Morkor v Kuma* was decided by
- District Court
 - Circuit Court
 - Supreme Court
25. In law, a company is a
- Person
 - Business entity
 - Commercial entity
26. The register of members must at all times be kept at the
- Registered office of the company
 - Established office of the company
 - Office of the Registrar of Companies
27. The requirement to have the name of the company clearly inscribed or fixed at the premises of the company is
- Statutory

- b. Optional
 - c. To be determined by the directors of the company
28. A company is a person but acts through
- a. The Management
 - b. The Directors
 - c. The Promoters
29. Name the various certificates that are issued to companies after incorporation
- a.
 - b.
 - c.
30. Companies are broadly categorized into two branches. (section 9(2), (4) of the Companies Act) They are
31. Section 10 of the Companies Act, prohibits companies limited by guarantee from
32. Generally, any person who is, or has been, engaged or interested in the formation of a company shall be deemed to be a of that company.
33. Josh wants to incorporate his hire purchase business. Which certificate will be issued to soon after incorporation by the Registrar.....
34. In a company limited by shares, the liability of the members is limited to.....?
35. The Regulations of a company becomes a between the company and its officers and members when it is registered.
- a. Normal contract
 - b. Contract under seal
 - c. A conditional contract