

**CENTRAL UNIVERSITY**  
**CENTRAL BUSINESS SCHOOL**  
**MANAGEMENT & PA DEPARTMENT**



**END-OF- SECOND SEMESTER EXAMINATION**  
**(JULY, 2023)**  
**(2022/2023 ACADEMIC YEAR)**  
**COMPANY LAW – CBFW 202**  
**(3 CREDITS)- LEVEL: 200**  
**DURATION: 2 ½ HOUR(S)**

**STUDENT ID. NO..... SIGNATURE.....**

***INSTRUCTIONS***

- **Answer all questions under SECTIONS A and B.**
- **Answer any two (2) questions under SECION C (MIOTSO STUDENTS)**
- **Answer any two (2) questions under SECTION D (MATEHEKO STUDENTS)**
- **Please, write your index number clearly on each page.**

**DO NOT TURN OVER THIS PAGE UNTIL YOU HAVE BEEN TOLD TO DO SO BY  
THE INVIGILATOR**

**EXAMINERS: Frederick Asamoah, Esq • Kwasi Opare-Wiredu, Esq**

**SECTION A**  
**COMPULSORY QUESTION**  
**20 MARKS**

You recently received an invitation from your alma mater to lead a discussion on the types of companies in Ghana. Your audience are made up of university graduate who are desirous of starting various businesses in Ghana, and would want to know the various types of companies in Ghana, and their unique characteristics. They also want to know more about capitalisation of their businesses, and the ways that can raise capital for their startup.

*With your knowledge of company law, principles and practices discuss the law relating to their concerns.*

**SECTION B**  
**ANSWER ALL QUESTIONS FROM THIS SECTION**  
**20 MARKS**

1. Debenture is best described as
  - a. Written acknowledgment of indebtedness
  - b. Credit facility of indebtedness
  - c. Long term facility of indebtedness
  - d. A written down facility
  
2. Companies limited by guarantee are companies whose members have agreed and guaranteed to pay the amount outstanding on their shares.
  - a. True
  - b. False
  
3. Member of a private company are prohibited for transferring their shares.
  - a. True
  - b. False
  
4. Pre-incorporation contracts are voidable in Ghana.
  - a. True
  - b. False
  
5. Promoter includes a person acting in a professional capacity.
  - a. True
  - b. False

6. A company first AGM must be held within ..... months after incorporation.
- a. 12
  - b. 15
  - c. 18
7. Public companies are those companies owned by the Government or the State.
- a. True
  - b. False
8. Who holds the debenture
- a. The lending company
  - b. The borrowing company
  - c. Both parties
9. The governing statute for company law in Ghana is
- a. The Companies Act 2019, Act 992
  - b. Companies Act 2019, Act 929
  - c. The Company Act 2020, Act 292
  - d. Company Act 2019, Act 992
10. A company having the liability of its members limited to such amount as the members may respectively undertake to contribute to the assets of the company in the event of its being wound up, is referred to as a ...  
*limited = 6* .....
11. Promoters are persons engaged in the formation of a companies, and all persons engaged in the formation of companies are deemed as promoters
- a. True
  - b. False
12. The ability of a company to own its own property is not determined by its incorporation.

fraud

- a. True
  - b. False
13. The work of a promoter is purely sacrificial. He or she is therefore not duty bound to compensate the company for any losses the company suffers from his actions.
- a. True
  - b. False
14. Shares, unlike debentures, are used for capitalization of companies
- a. True
  - b. False
15. A person, who, although not duly appointed, but on whose instructions the duly appointed directors of the company act is referred to as .....
16. Debentures cannot be converted into shares
- a. True
  - b. false
17. The abbreviation "LBG" added to names of certain companies in Ghana means .....
18. Dickson is a share holder in ABC Company Ltd. He is entitled to ..... once profit is declared and shared.
19. "A company having the liability of its members limited to the amount, if any, unpaid on the shares respectively held by them, is referred to as a ....."
20. Name three categories of persons who are disqualified from becoming directors of companies under Act 992
- a.....
  - b.....
  - c.....

**SECTION C (MIOTSO CAMPUS STUDENTS ONLY)**  
**ANSWER ONLY TWO QUESTIONS FROM THIS SECTION**

**20 MARKS**

1. Discuss the role and functions of promoters under the companies act. Your discussion should include their liability (if any) under both Ghanaian and the English laws.

[10 MARKS]

2. The Board of Directors are very important body in the administration of businesses. There are several types of directors in law. Write short notes on the following types

- a. *Substitute directors*
- b. *Alternate directors*
- c. *De Factor directors*
- d. *De Jure directors*
- e. *Managing directors*

[10 MARKS]

3. It is a well known principle under company law that a company is separated and distinct from the people who form it by a veil of incorporation. However, from statute and case law, this veil can be lifted for purposes of meting out liabilities to persons who have various roles in the company. Discuss four statutory provisions regarding lifting the veil and show the respective liabilities of the actors of the company involved.

[10MARKS]

4. Discuss how companies are formed in Ghana, while stating and explaining any five incidence of incorporation.

[10 MARKS]

5. State and discuss the various classification of shares under the company's Act.

[10MARKS]

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**SECTION D (MATEHEKO STUDENTS ONLY)**  
**ANSWER ONLY TWO QUESTIONS FROM THIS SECTION**

1. Discuss the concept of incorporation. State and explain 4 incidence of incorporation.  
[10 MARKS]
2. State and discuss the various classification of shares under the company's Act.  
[10 MARKS]
3. What are the relative merits of investing in a company in the form of shares or in the form of debentures.  
[10 MARKS]
4. Draw distinction between:
  - a) Substitute and Alternate Director
  - b) Executive and Non-Executive Directors[10 MARKS]
5. State and explain
  - a. Two (2) ways to become a member of a company.
  - b. Two (2) rights of members of a company.[10 MARKS]