

CENTRAL UNIVERSITY
UNDERGRADUATE STUDIES
COMPANY LAW
END OF SEMESTER EXAMS, 2021/2022

INSTRUCTION: ANSWER FOUR (4) QUESTIONS IN ALL

Answer **ALL** Questions in Section A and **Two (2)** Questions in Section B

LECTURER: FREDERICK ASAMOAH.

SECTION A - COMPULSORY QUESTION

(30 Marks)

Justine Electricals Plc. was set up in 2020 to operate as Limited Liability Company. It started operations with three directors, Eric Ansong, Richard Opoku and Alex Boateng, without any secretary. Soon after incorporation Eric resigned to relocate from Ghana. He did not have any shares in the company. Richard and Alex continued to operate the company as directors until Alex retired in the month of April 2022/Richard, so far has done a wonderful work as director till date and has successfully paid off all the debts of the company incurred from December 2021 to June 2022. Although the company has not held any of the statutory meetings since its inception the company nonetheless has not received any complaints from its shareholders, obviously because they appear to be happy about the financial performance of the company. The company, recently received a proposal from Aldin Co. Ltd wanting to be a director of the Justine Electricals Pls. Richard considered this proposal and has accepted to bring on board Aldin Co Ltd. The purpose is tap into the rich experience of Aldin Co Ltd at the Board level in the interest of Justine.

REQUIRED:

With your knowledge of company law, principles and practices identify the various company infractions, if any, in the above case study and advice Justine Electricals Plc.

MULTIPLE CHOICE AND FILL INS

(10 Marks)

1. Equity share is also known as

- a. Ordinary share
- b. Common share
- c. Special share

2. In Ghana shares under the Companies Act 2019, Act 992 belong to types.

- a. Two
- b. Three
- c. Four

3. Decisions of a company, both at the membership level and the board levels are usually referred to as

4. When not less than 75% of the vote cast at a meeting of members is required to make a company decision, such a decision is referred to as

5. Carl was asked by Emmanuel to represent him as a member of Vodacom Ltd at their AGM. Emmanuel is a member of the company. Carl is not a member of the company. In what capacity therefore will he attend the meeting

- a. Special Agent
- b. Proxy
- c. Special representative

6. How many days of notice period is required to be given to members to attend an AGM

7. Ernest Osei is a retired banker. He has neither held himself out, nor allowed himself to be held out as director of Selco Constructions Ltd. However, there are several instances where his directions and instructions were consistently acted upon by Miss Opoku, Mr Adjei, and Madam Osei the Managing Director, Executive Director, and Director/Secretary respectively of the company. What is the best description of Ernest Osei

- a. De jure director
- b. Shadow director
- c. Alternate director

8. From the above questions, Selco Construction ltd operated for a year and incurred some debts which have brought the company to its knees. The news got to the attention of the Registrar and the steps are being taken to charge the company to pay some administrative penalties. Which directors will be liable for this penalty
9. Dr Owusu was appointed to act in the absence of Mr Oteng, a director of Kafam co. ltd for a period of not more than six months. Dr Owusu is
- De factor director
 - Alternate director
 - Substitute director
10. Alpha co. ltd was incorporated in 2020. It contracted a loan from Fidelity Trust Bank but failed to repay the loan. The bank has sued Alpha co. ltd. The bank's ability to sue the company in its own name is premised on
- Separate legal personality
 - The company credibility
 - Failure to repay the loan

**SECTION B - ANSWER ONLY TWO QUESTIONS FROM THIS SECTION
(20 MARKS)**

- Compare the basic features of shares and debentures
[10 marks]
- Discuss the qualification and the role of a Company Secretary
[10 marks]
- Discuss the four types of companies in Ghana under the Companies Act 2019, Act 992
[10 marks]
- Duties four duties of promoters under the Companies Act of Ghana
[10 marks]
- Compare and contrast Company and Partnership
[10 marks]