



CHARTERED TAX INSTITUTE OF MALAYSIA (225750 T)  
(Institut Percukaian Malaysia)

PROFESSIONAL EXAMINATIONS

FINAL LEVEL

COMPANY & BUSINESS LAW

JUNE 2019

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Student  
Registration No.

*Date*

Desk No.

*Examination Centre*

Time allowed: 3 hours

#### INSTRUCTIONS TO CANDIDATES

1. You may answer this paper **EITHER** in English **OR** in Bahasa Malaysia. Only **ONE** language is to be used.
2. This paper consists of **TWO** sections, **SECTION A** contains **THREE** Questions and **SECTION B** contains **THREE** Questions.
3. Answer **FIVE** Questions. **TWO** Questions from each section and **ONE** from either **SECTION**.
4. Each answer should begin on a separate answer booklet.
5. All your answers should be written in either black or blue ink.
6. No Question paper or answer booklet is to be removed from the examination hall.

**DO NOT TURN OVER THIS PAGE UNTIL INSTRUCTED BY THE INVIGILATOR**

**SECTION A**  
**COMPANY LAW**

**Question 1**

- (a) State briefly the differences between a partnership and a body corporate? (10 marks)
- (b) Explain the meaning of “lifting of the corporate veil” and state FIVE (5) common law examples where the courts have lifted the corporate veil. (10 marks)
- [Total: 20 marks]**

**Question 2**

- (a) Explain the following in relation to a share capital of a company:
- (i) No par value stock
  - (ii) Issued capital
  - (iii) Ordinary shares
  - (iv) Preference shares
  - (v) Redeemable preference shares
- (10 marks)
- (b) Ahmad recently bought 1000 ordinary shares for RM500 in a public listed company, Zioman Holdings Berhad. This is the first time Ahmad has ever bought shares in a company. Although Ahmad owns only a nominal number of shares in Zioman Holdings Berhad, he wishes to know the actual significance of him being a shareholder in the company.
- Advise Ahmad on his query.**
- (10 marks)
- [Total: 20 marks]**

**Question 3**

Mifasa Sdn Bhd has been in the business of property development for the past 30 years. The shareholders, Zam, Tan and Muthu, who are also the directors of the company intend to wind up the company, as they feel that they are too old to carry on with the business of the company.

**They opine that the company should be able to settle all its debts and under the circumstances seek your expertise on how they could wind up the company, as they do not wish to go to the courts for any whatsoever reason.**

**Advise the shareholders.**

**[Total: 20 marks]**

**SECTION B**  
**BUSINESS LAW**

**Question 4**

Berny engages Shaun to destroy Daryl's house. He promised to indemnify Shaun for all consequences resulting from the act. Shaun acted on this and destroyed Daryl's house. Daryl successfully sued Shaun for damages amounting to RM50,000 which Shaun promptly paid. Shaun wants to recover from Berny the RM50,000 and also his legal expenses incurred as a result of defending the suit.

**Advise Shaun.**

**[Total: 20 marks]**

**Question 5**

Muhammad, a 14-year-old boy wants to know whether he can enter into commercial contracts.

**Advise him as to what types of contracts he may enter into legally.**

**[Total: 20 marks]**

**Question 6**

**Explain what a "Sole Proprietorship" is and give three (3) examples of sole proprietorship businesses.**

**[Total: 20 marks]**

**(END OF QUESTION PAPER)**