



CHARTERED TAX INSTITUTE OF MALAYSIA
(Institut Percukaian Malaysia)
Registration Number: 199101015438 (225750-T)

PROFESSIONAL EXAMINATION

FINAL LEVEL

COMPANY & BUSINESS LAW

DECEMBER 2022

Student
Registration No.

Date

Desk No.

Examination Centre

Time allowed: 3 hours

INSTRUCTIONS TO CANDIDATES

1. This paper consists of **TWO** sections, **SECTION A** contains **THREE** questions and **SECTION B** contains **THREE** questions.
2. Answer **FIVE** questions. **TWO** questions from each section and **ONE** from either section.
3. Each answer should begin on a separate answer template.

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**SECTION A
COMPANY LAW**

Question 1

- (a) State at least five (5) particulars the person forming a company must provide to the Registrar of Companies when applying to form a company. (5 marks)
- (b) What are the types of companies that may be incorporated under S. 10 of the Companies Act 2016 and the extent of the members' liability under the said type of companies? (10 marks)
- (c) What is the procedure for converting:
- (i) A public company to a private company? (2 marks)
 - (ii) A private company to a public company? (3 marks)

[Total: 20 marks]

Question 2

Samson and Delilah intend to go into business by forming a private company. They are not sure about what the constitution of a company is about and the powers of a company, once it is formed.

Required:

Explain to Samson and Delilah:

- (a) What a constitution is and its significance in relation to the Companies Act 2016. (10 marks)
- (b) The doctrine of ultra vires with reference to the position under the common law and the Companies Act 2016. (10 marks)

[Total: 20 marks]

Question 3

Morandy Furniture Sdn Bhd (“the Company”) manufactures exclusive designer chairs for a company in Japan. Morandy who formed the Company in 2018, is a director and he also owns 85% of the shares in the Company. The other directors and shareholders of the Company are Vignesh, Abdul and Chan.

As part of its expansion plan, the Company purchased a factory for RM10 million in Senawang, from a company, Cleo Manufacturers Sdn Bhd (“Cleo”). Morandy owns 70% of the shares in Cleo. Morandy purchased the Senawang factory without discussing or consulting the other directors, as he was the one generally managing and making most major decisions for the Company.

Morandy sometimes uses the Company’s assets for his personal family matters and puts in claims to the Company for laptops and handphones bought for his children. He wantonly shares the Company’s business plans with his other friends in the furniture industry.

Vignesh, Abdul and Chan seek your advice on the actions of Morandy.

Required:

- (a) **With reference to the Companies Act 2016, advise Vignesh, Abdul and Chan on the various breaches of statutory duties by Morandy as the director of the Company.**
(15 marks)
- (b) **Briefly state the common law duties of a director that Morandy may have breached.**
(5 marks)

[Total: 20 marks]

**SECTION B
BUSINESS LAW**

Question 4

Andria, a 16-year-old female wants to know whether she can enter into commercial contracts. She seeks your advice as to the type of contracts she can legally enter into.

[Total: 20 marks]

Question 5

(a) In relation to Bills of Exchange, describe briefly the following:

- (i) Drawer**
- (ii) Drawee**

(10 marks)

(b) In relation to cheques, describe the following:

- (i) General crossing**
- (ii) Special crossing**

(10 marks)

[Total: 20 marks]

Question 6

(a) Describe what is a 'hire purchase agreement'.

(10 marks)

(b) Ahmad bought a car under a hire-purchase agreement with ABC Bank Bhd. Syukri acted as his guarantor. Ahmad has been in default of his monthly instalments for the past two (2) months. Discuss the legal position of Syukri and ABC Bank Bhd.

(10 marks)

[Total: 20 marks]

(END OF QUESTION PAPER)