



CHARTERED TAX INSTITUTE OF MALAYSIA

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

PROFESSIONAL EXAMINATION

FINAL LEVEL

COMPANY & BUSINESS LAW

JUNE 2023

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

Debbie has recently bought 50,000 ordinary shares in Rexton Holdings Berhad (“Rexton”), listed on the main board in Bursa Malaysia. Rexton is involved in the manufacturing and supply of solar panels in Malaysia. Debbie knows very well that there is a huge market for solar panels in Malaysia and it was a great investment on her part in purchasing the shares in Rexton. She intends to slowly increase her investment in Rexton. This is the first time Debbie has ever bought shares in a company and she would like to know her rights as a shareholder in Rexton.

Required:

- (a) Advise Debbie on how her rights are derived under the Companies Act 2016. (4 marks)
- (b) State briefly what are the rights of Debbie as a shareholder of Rexton. (16 marks)

[Total: 20 marks]

Question 2

Lim Kim Hock, a shareholder of Luminous Sdn Bhd wishes to know whether the company could provide him a loan to purchase shares in the company or alternatively in the event of him being appointed as a director of the company, will the company be able to provide him a loan being a director of the company?

Required:

With reference to the Companies Act 2016, advise Lim Kim Hock on the above queries.

[Total: 20 marks]

Question 3

Jackson has just been appointed as the company secretary of Maxton General Insurance Bhd, an insurance company listed in Bursa Malaysia.

Required:

Advise Jackson on his duties and liabilities as a company secretary.

[Total: 20 marks]

**SECTION B
BUSINESS LAW**

Question 4

State and elaborate briefly five (5) essential features of a Limited Liability Partnership.

[Total: 20 marks]

Question 5

Ernie owned a 1940 Rolls Royce and, in order to raise a deposit for her new house, she decided to sell the Rolls Royce to Simon, a mechanic, for RM50,000. As part of the deal, Ernie agreed to have it restored for Simon. Ernie asked Rocky, a vintage car restorer, to carry out the work within eight (8) weeks for RM8000. A month later, Ernie was worried that Rocky would not meet the deadline and, eventually offered him an extra RM2,000 if the restoration was completed on time. Simon was anxious to have the car on time as he was going to sell it and had a purchaser for it, so he offered to give Rocky RM500 for doing the work. Rocky completed the restoration on time but Ernie has refused to pay him the extra RM2,000, arguing that Rocky was already obliged to complete the work for RM8,000. Furthermore, Simon has told Rocky that he can only give him RM100, which Rocky has reluctantly agreed to accept.

Required:

Can Rocky insist on the full payments promised by Ernie and Simon?

[Total: 20 marks]

Question 6

(a) What is the definition of a 'cheque'?

(5 marks)

(b) Is an undated cheque valid?

(5 marks)

(c) Rizal issued a cheque on 1 March 2023 to his friend, Ah Chong for the sum of RM2,000/. However, today Ah Chong informs Rizal that he has misplaced the cheque. Rizal wants to stop payment of the said cheque and he calls the Bank.

Advise him whether this is effective.

(10 marks)

[Total: 20 marks]

(END OF QUESTION PAPER)