



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

PROFESSIONAL EXAMINATION

FINAL LEVEL

COMPANY AND BUSINESS LAW

MARCH 2024

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

Samitra invested in about 200,000 ordinary shares in a company, Zibuan Bhd which is located in Pahang. The company is involved in quarrying and has been doing well for the past 10 years. Samitra has never attended any shareholders' meetings and hardly took any initiative to find out details of the company's business.

Lately, the company has been in the news, whereby its directors have been queried by the Securities Commission on some of the company's related party transactions and various company acquisitions. Samitra has very little knowledge of the Companies Act 2016 and her rights as a shareholder of Zibuan Bhd.

Required:

With reference to the provisions of the Companies Act 2016,

- (a) **Advise Samitra as to how her rights are derived as a shareholder of Zibuan Bhd.**
(4 marks)
- (b) **The rights of Samitra as a shareholder of Zibuan Bhd?**
(16 marks)

[Total: 20 marks]

Question 2

Mercury Sdn Bhd's shareholders are Timmy, Melissa, Karim and Sunil. They own equal shares in the company and also directors of the company. The company is involved in trading in all types of goods in the Asia Pacific region. The company has been doing well and has decided to issue further shares to its existing shareholders and directors to raise capital. However, Melissa owing to her other financial commitments is unable to purchase the shares and had recently discussions with Timmy, Karim, and Sunil on whether the company could in any way provide her a loan to purchase shares in the company since she is a shareholder and director of the company.

Required:

With reference to the provisions of the Companies Act 2016, advise whether Mercury Sdn Bhd will be able to assist Melissa in providing a loan either directly or indirectly through a third party.

[Total: 20 marks]

Question 3

Karim has recently been appointed as the company secretary of Mercury Sdn Bhd. Although he has a law degree but he does not have any experience being a company secretary. Karim knows as a company secretary he could be held liable for any breach of his duties as an officer of the company.

Required:

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

[Total: 20 marks]

SECTION B BUSINESS LAW

Question 4

Ah Chong, Bernie, and Zoey are planning to start a bakery business and wish to register their business as a limited liability partnership (LLP).

Required:

Explain five (5) advantages of setting up a business as a LLP.

[Total: 20 marks]

Question 5

Andria, a 16-year-old female wants to know whether she can enter into commercial contracts.

Required:

She seeks your advice as to the type of contracts she can legally enter into.

[Total: 20 marks]

Question 6

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

(5 marks)

(b) Would dishonored cheques be returned to the account holders?

(15 marks)

[Total: 20 marks]

(END OF QUESTION PAPER)