

**THE INSTITUTE OF CHARTERED  
ACCOUNTANTS (GHANA)**



**NOVEMBER 2011 EXAMINATIONS  
(PROFESSIONAL)**

**PART 2  
BUSINESS & CORPORATE LAW  
(Paper 2.3)**

**Attempt**

**Two questions from Section A,  
Two questions from Section B, and  
One question from Section C**

**TIME ALLOWED:**

**Reading & Planning - 15 Minutes**

**Workings - 3 Hours**

**SECTION A:**

**Answer two (2) questions from this section**

**QUESTION 1**

Consideration is one of the essential elements of a valid contract. Explain the changes that the Contracts Act (Act 25) has made in the law relating to consideration.

**20 marks**

**QUESTION 2**

Under sale of goods there is the maxim “Caveat Emptor” or “let the buyer beware”. Explain the circumstance under which a seller would not be allowed to benefit from this maxim.

**20 marks**

**QUESTION 3**

(a) Define a bill of exchange and give **two (2)** examples of a bill of exchange.

**(5 marks)**

(b) Generally speaking collecting banks are protected if they receive payment in good faith and without negligence on behalf of a customer. Outline **five (5)** main areas of negligence of a collecting bank.

**(15 marks)**

**(Total: 20 marks)**

## **SECTION B:**

### **Answer two (2) questions from this section**

#### **QUESTION 4**

Outline the distinctive features among ordinary shareholders, preference shareholders and debenture holders.

**20 marks**

#### **QUESTION 5**

Under the Companies Code, after incorporation and before a company can commence business, it has to be issued with a certificate to commence business.

Outline the particulars of information that have to be included in the returns filed with the Registration.

**20 marks**

#### **QUESTION 6**

In order to protect persons dealing with a company the Code states that such persons are entitled to make certain assumptions. Outline these assumption and the exceptions to them.

**20 marks**

## SECTION C:

### Answer two (1) question from this section

#### QUESTION 7

In a partnership each partner is regarded as an agent for the partners and the firm. Explain the extent of the agency of partners.

**20 marks**

#### QUESTION 8

Explain the distinctive features between a partnership and a limited liability company.

**20 marks**