

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



**MAY 2010 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
Working - 3 Hours**

SECTION A:

Answer two (2) questions from this section

QUESTION 1

Explain the essential elements of a valid contract.

20 marks

QUESTION 2

a) Explain the term “Nemo dat quod non habet”.

(2 marks)

b) Explain the exceptions to this rule under the sale of Goods Act 1962 (Act 137).

(18 marks)

(Total: 20 marks)

QUESTION 3

a) Explain the circumstances under which an employer will be liable for the negligence of an employee.

(5 marks)

b) Explain the defence of “volenti non fit injuria”.

(5 marks)

c) Explain any **five (5)** circumstances under which the termination of employment would be considered unfair.

(10 marks)

(Total: 20 marks)

SECTION B:

Answer two (2) questions from this section

QUESTION 4

- a) Explain the nature of a company limited by guarantee. *(10 marks)*
- b) Outline the procedure for the conversion of a company limited by shares into a company limited by guarantee. *(10 marks)*

(Total: 20 marks)

QUESTION 5

Outline the procedure for the removal of an auditor.

(20 marks)

QUESTION 6

In preparing a balance sheet a company is expected to show its assets and liabilities. List the items that will reflect as part of the assets of the company.

20 marks

SECTION C:

Answer one (1) Question from this Section

QUESTION 7

Explain what is a partnership formed under Act 152.

20 marks

QUESTION 8

Subject to any agreement, explain the rules that apply to a partnership.

20 marks