

INSTITUTE OF CHARTERED ACCOUNTANTS (GHANA)



**MAY 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

- (a) Distinguish between the following:
- (i) A condition and a warranty. (4 marks)
 - (ii) A representation and a term. (4 marks)
 - (iii) An invitation to treat and an offer. (4 marks)
 - (iv) Past consideration and executory consideration. (4 marks)
- (b) It was to be one of the greatest musical shows in the world. All the tickets were already sold out. It was however not to be as the great Michael Jackson did not live to see the day. His demise has thrown up issues between the organisers and the prospective fans. Discuss the legal issues in the matter and the modes of resolving them. (4 marks)
- (Total: 20 marks)**

Question 2

- (a) Johnny Koch, your friend from Singapore, has just arrived in Ghana. Since his arrival his immediate preoccupation has been becoming familiar with the general laws of the land. The obligation to meet the desire has fallen on you. Outline to him the sources of law in Ghana. (14 marks)
- (b) Mr. Godfred Anku is the Public Relations Manager of “Exquisite Brands”, a limited liability company with its Headquarters in Accra. In March 2010, he was sent to Geneva on attachment for two months. In his absence, Mrs. Josephine Anku, his wife, collected a variety of items from ‘Classique Shopping Mall’ worth one thousand Ghana Cedis (GHS1,000) on credit and pledged that the husband will pay on his return. Mr. Anku, upon his return, has refused to pay with the excuse that he is not liable. What is the legal basis for the wife’s claim? What arguments must Mr. Anku advance to convince a court that he is indeed not liable? (6 marks)
- (Total: 20 marks)**

QUESTION 3

- (a) What requirements must be met before a hire purchase agreement becomes enforceable? (10 marks)
- (b) What are “protected goods”? How are they recovered by an owner or seller and what are the consequences for not conforming to that mode of recovery? (10 marks)
- (Total: 20 marks)**

SECTION B:

Answer two (2) questions from this section

QUESTION 4

- (a) List the procedures for incorporation and explain the effects of incorporation. *(10 marks)*
- (b) Explain 'lifting the veil of incorporation' and give **two (2)** circumstances under which the veil may be lifted or pierced. *(10 marks)*

(Total: 20 marks)

QUESTION 5

On what grounds may the Registrar, by a written order, call on any company to produce for his inspection all or any of the books of the company?

20 marks

QUESTION 6

- (a) How may the official winding up of a company be commenced other than by a petition to the court? *(6 marks)*
- (b) Who are entitled to present a petition to the court for the official winding up of a company? *(4 marks)*
- (c) On what grounds may the court order the official winding up of the company? *(10 marks)*

(Total: 20 mark)

SECTION C:

Answer one (1) question from this section

QUESTION 7

- (a) Apart from an application by a partner to the court, in what other instances shall a partner cease to be a partner in a firm?
(8 marks)
- (b) On what grounds may a court order that any partner ceases to be a partner in the firm on application by a partner to the court?
(12 marks)

(Total: 20 marks)

QUESTION 8

- (a) Describe the nature of the partnership firm from the date of registration.
(8 marks)
- (b) Explain the implications of a partner's fiduciary duty to the firm and other partners.
(12 marks)

(Total: 20 marks)