



Examiner's report

F4 (BWA) Corporate & Business Law

For Paper Variant exams June 2017

General Comments

The June 2017 paper was divided into two sections, A and B. Section A contained 45 multiple choice questions worth 1 or 2 marks each. In total Section A carried 70 marks. Section B contained five multitask questions worth 6 marks each, for a total of 30 marks.

The overall performance of candidates in this session was good. Time management was efficient and there was no evidence of time pressure. Answers were presented succinctly although some candidates could have given more detail in their answers in Section B.

Candidates performed well in the following syllabus areas: offer, acceptance and invitation to treat; human rights in the Botswana legal system; and remedies for unfair dismissal and rules of redundancy. Candidates performed less well than expected in the following areas: the difference between various contractual terms; decision making in board meetings and general meetings; and the test for independent contractors.

Comments about Section A performance

Performance in Section A was satisfactory. Looking ahead to future sessions, candidates are advised to read each syllabus area thoroughly in order to enable them to distinguish between the correct answer and very plausible distractors in Section A. In this examination session, it was noted that some candidates were unable to identify the correct answer, probably as a result of poor preparation. One such question is discussed below.

Question 19

The Shareholders of Kao (Pty) Ltd wish to alter their constitution.

Which of the following statements with regard to the proposed alternation are correct?

- (1) A special resolution of the Board is required
- (2) The decision should be taken at a general meeting of shareholders
- (3) A 75% majority of members entitled to vote will be required
- (4) An ordinary resolution of the general meeting is required

A 1 and 4

B 2 and 3

C 1 and 3

4 2 and 4

The answer to this question is B. A decision to alter the company's constitution may only be taken by the shareholders in general meeting by special resolution. A special resolution requires a special majority of 75% of shareholders entitled to vote. Most candidates opted for C. C is incorrect because the board does not take decisions by special resolution. Only the general meeting takes decisions by way of special resolutions for several matters including alternation of the constitution. The candidates who had prepared thoroughly would be familiar with the requirements for decision making at each company meeting. Thorough preparation in all syllabus areas is necessary.

Comments about Section B performance

Performance in Section B was generally good. However, one area of concern was the concept of company charges, both fixed and floating and the procedure for registration of such charges. Performance in this area was somewhat lacking. Candidates are advised to prepare thoroughly in all areas and avoid prioritising some areas over others.

Another general observation that cut across all questions in this section is that some candidates gave surprisingly brief answers to questions which required considerably longer and more detailed response. Candidates are encouraged to consider the language used in the prompt, together with the mark allocation for the question, and react accordingly.

Conclusion

In conclusion, performance in the June 2017 session was generally good. Candidates are reminded to note the following important points: First, prepare thoroughly in each area of the syllabus. Avoid skim-reading and prioritising some areas over others. Second, be mindful that all distractors in the multiple choice section of the exam are plausible. Eliminating the incorrect answers is possible only where the candidate is sufficiently familiar with and has grasp of the material. Third, where the questions require discussion and explanation, do not curtail or shorten your answer unnecessarily. Highlight all salient points in order to garner full marks.