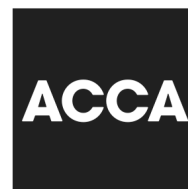


Examiner's report

F4 (ZWE) Corporate & Business Law

For Paper Variant exams December 2016



General Comments

The format of the paper is split into 2 parts, Section A and Section B. Section A comprises 45 multiple choice questions, with 20 1-mark questions (20 marks) and 25 2-mark questions (50 marks), giving a total of 70 marks.

The 1-mark multiple choice questions involve selecting the correct answer out of 3 possible answers whereas for the 2-mark questions candidates are expected to select the correct answer out of 4 possible answers. The remaining 30 marks are derived from Section B whose 5 6-mark scenario-based questions each require a number of short written answers demonstrating both knowledge and application.

Comments on Section A performance

In general, Section A was reasonably well answered. However, a few questions posed difficulties to a significant number of candidates. In particular, the vast majority of candidates did not know that an employer has neither a common law nor a statutory obligation to provide a reference for a former employee. In the context of contract law, few candidates understood the meaning of quasi-mutual assent. Candidates also had difficulty in identifying which contractual remedies were discretionary and relatively few candidates understood the legal position in relation to convertible debentures.

Comments on Section B performance

A question about the conclusion of contracts through the process of offer and acceptance was particularly well answered by many candidates. Candidates were able to distinguish between a firm offer and an invitation to treat and the vast majority were able to apply their knowledge that damages for sentimental loss are not available in breach of contract situations.

The majority of candidates were well-prepared to answer a question on partnerships. The liability and obligations of a sleeping partner were adequately explained and the general duties and obligations of parties to a partnership were satisfactorily dealt with.

However, a substantial number of candidates experienced considerable difficulty with a question on the reduction of share capital, which required them to be familiar with the provisions of s.92 and s.93 of the Companies Act 24:03 on how a reduction of share capital within a company can lawfully be effected. In the same question, candidates were expected to be familiar with S73 of the same Act, dealing with the provisions of financial assistance by a company for the purchase of its own shares or those of a subsidiary company.

Candidates generally provided sound answers to a question covering the various types of directors, the duties and responsibilities of a non-executive director and the actions that could be taken against directors who did perform their duties.

The final question concerned the devices and schemes that are commonly used to effect money laundering and the obligations of banks and financial institutions to report to the relevant regulatory and law enforcement authorities when they have reasonable suspicion that their customers and clients may be involved in such practices. Both aspects of this question were reasonably well answered by many candidates.



Conclusions

In the main, both Sections A and B were well answered by the majority of the candidates. There was no evidence of any of the candidates being unable to finish writing the examination because of pressure of time.