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# Answers

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1 The question asked candidates to explain the roles of the legislature, the executive and the judiciary.

- (a) Vietnamese law is based largely on statute, or legislation, and it is the legislature's responsibility to create laws. The body entrusted with this function under the provisions of Article 6 of the Constitution are the National Assembly and People's Councils. Article 83 confirms that the National Assembly is the highest representative body of the people and is the only body vested with constitutional and legislative powers.

The purposes of laws are to set rules within which citizens and legal entities behave, to reduce or eliminate undesirable behaviour and to regulate interactions and transactions between citizens.

The Vietnamese system is based on the codified (or civil) law model. This relies on the creation and implementation of legal codes that set down broad principles of law, which are then amplified by more specific, detailed legislation. Legal codes and legislation can only be altered, replaced or repealed by the National Assembly. These sources are subordinate only to the Constitution and may be general or specific in nature. For example, the Law on Enterprises provides a broad set of rules relating to many types of business organisation, including sole traders, limited liability companies, shareholding companies, partnerships, etc). It is comprehensive in that it deals with formation, management, administration and capital. By contrast the Law on Bankruptcy provides for very specific measures and processes in the event of insolvency.

The Civil Code is pivotal in establishing the rights and obligations of citizens and legal entities.

Law has to evolve over time in order to meet the changing needs of society. The National Assembly therefore has to revise laws, which can be done by making amendments replacing some laws altogether and creating entirely new laws.

Under the Constitution, many bodies subordinate to the National Assembly have the right to enact laws through delegated powers. This is sometimes referred to as subordinate, secondary, or delegated legislation. For example, government ministries are able to create regulations under powers conferred by the government. Such enabling laws accelerate the process through which decision takers can respond to the evolving needs of society.

- (b) The executive organ of government executes the law, or brings it into effect. It is alternatively referred to as the administration.

The prime mover of the executive is government departments and other agencies that are empowered with implementing the provisions of the law, and the civil service acting within its terms of reference. These fall under the authority of the Standing Committee of the National Assembly.

Article 91 of the Constitution states that the duties of the Standing Committee include 'to supervise the implementation of the Constitution, laws and resolutions of the National Assembly...'.

Article 110 of the Constitution states that the government consists of the Prime Minister, Deputy Prime Ministers, Ministers and other members. These persons in effect lead the administration. Article 110 goes on to state that apart from the Prime Minister, these persons may not necessarily be members of the National Assembly.

It is impossible for the National Assembly to enact detailed laws on every aspect of life, so the executive has delegated authority to draft and implement rules, regulations and guidelines. Such authority is hierarchical in nature, with government departments at the apex.

The primary function of the executive is therefore to facilitate the proper operation of the law by establishing appropriate administrative controls.

- (c) The judiciary is the courts of law. Its role is to apply the law to given sets of circumstances placed before it.

Chapter X of the Constitution makes provisions in respect of the bodies and structure of the judiciary. Specifically, Article 127 states that:

'The Supreme People's Court, the local People's Courts, the Military Tribunals and other Tribunals provided by the law are the judicial bodies of the Socialist Republic of Vietnam.

Under special circumstances the National Assembly may decide to set up Special Tribunals.

Appropriate people's organisations shall be formed at the grass-roots level to deal with minor breaches of law and disputes among the people in accordance with the law'.

The courts deal with matters relating to criminal and civil matters. Where an individual or entity is accused of breaking the law, the court hears the case and takes a decision based on the facts placed before it. If the accused is found guilty, penal sanctions may then be imposed as laid down in statute law.

Civil cases often involve a dispute between two individuals or bodies. Such issues are resolved by the courts considering the facts and then taking a decision that is consistent with legal codes and legislation. For example, many matters relating to civil obligations between two parties are decided according to principles laid down in the Civil Code.

As Vietnam has a codified system, the judges interpret and apply the law, but do not create legal principles. This is in contrast to the courts of common law systems such as Australia, Hong Kong and the United Kingdom. However, when there is no direct reference in code or statute to a matter before them, the judges may have to consider the most relevant legal sources and apply analogy in order to come to a fair outcome.

Importantly, Article 130 of the Constitution states explicitly that the judges are independent and subject only to the law. This guarantees the independence of the judiciary from the legislature and the executive.

- 2 The question tested the candidates' knowledge of the provisions of the Civil Code in relation to breaches of civil obligations, and the liability to compensate for damage arising from breaches in civil obligations.

Both matters are regulated by Chapter XVII of the Civil Code.

- (a) Article 302 makes general provisions in respect of civil obligations. It states that an obligor who fails to perform or perform correctly a civil obligation has liability to the obligee, except in the event of *force majeure* or where it can be established that the failure to perform was the fault of the obligee.

Articles 303–306 amplify the general provisions for specific types of breach of civil obligations.

If the breach concerns the failure to deliver a distinct object, the obligee may demand such delivery, or if this is impossible the right to monetary payment for the value of the object (Article 303(1)). If the failure concerns non-delivery of a generic object, the obligee must pay the value of the object (Article 303(2)). If the failure to deliver results in damage to the obligee, the obligor is liable to compensate for the damage (Article 303(3)).

Article 304 lays down similar provisions in respect of failure to perform acts, or improper performance of acts. It envisages both failure to perform acts and failure to observe legally binding commitments not to perform acts. In the former case the obligor may be required to perform the act and in the latter case may be required to desist. Again, if damage arises, it must be compensated.

Article 305 deals with late performance of obligations. The time-limit may be extended, upon which the obligor has a duty to perform the obligation and compensate damage if appropriate. However, if the performance is no longer necessary to the obligee, he or she may refuse to accept late performance and demand compensation instead. Late fulfilment of pecuniary obligations is subject to payment of interest with reference to the basic rate announced by the State Bank or the rate agreed in the contract.

Article 306 lays down reciprocal provisions to Article 305, envisaging situations in which the obligee is late in accepting performance of an obligation. In such cases the obligee must compensate the obligor and accept the risks arising from the late acceptance of performance.

- (b) Article 307 defines the liability to compensate for damage in terms of both physical damage and spiritual damage.

Physical damage refers to physical losses arising from a breach of a civil obligation. Such losses may comprise loss of property, reasonable expenses incurred in prevention, mitigation or restitution of damage and actual losses or reduction in income. Physical losses can therefore usually be calculated or estimated in monetary terms.

Spiritual damage relates to harm to the life, health, honour, dignity or reputation of a party. It is therefore more difficult to estimate in monetary terms. However, Article 307(3) states that spiritual damage may be compensated by the payment of a sum of money. In addition, the party causing the spiritual harm may be required to make a public apology or retraction.

- 3 Part (a) of the question asked candidates to explain the provisions of the Law on Enterprises relating to business lines and business conditions, and limitations that apply to these. Part (b) of the question asked candidates to explain the prohibitions that apply to participation in enterprises.

- (a) Article 7 of the Law on Enterprises lays down provisions relating to lines of business and business conditions. The Article applies to all types of registered enterprise irrespective of corporate form.

**Lines of business:**

The provisions of Article 7 are permissive in nature. Enterprises are allowed to conduct lines of business that are not prohibited by law. However, this is not absolute, and if activity within a specified line of business is subject to legal conditions stipulated by the law on investment or relevant legislation, the enterprise must satisfy the statutory conditions that apply.

Business activities that affect national security or inflict harm are prohibited. These include activities that may adversely effect national defence, security, social order and safety, historical, cultural and ethical traditions, fine customs and traditions of Vietnam and the people's health, or deteriorating natural resources or destroying the environment.

The government publishes a list of prohibited lines of business. Article 7(4) empowers the government to review and reassess business conditions. It can therefore impose new conditions and modify or remove existing conditions.

**Business conditions:**

A 'business condition' is defined as a requirement that must be satisfied or performed when conducting a particular line of business.

Compliance with a business condition may be demonstrated by holding a business licence, certificate of satisfaction of conditions for business, practicing certificate, certificate of professional indemnity insurance, requirement for legal capital or other requirements.

Article 7(5) states that decision-takers who are subordinate to government, such as ministries, people's councils and people's committees, are not permitted to stipulate business conditions.

- (b) In order to participate in the establishment of a business it is necessary for the individual to have active capacity. Those who have not yet reached the age of full capacity and those whose capacity is restricted or lost, such as mentally incapacitated persons and some persons whose affairs are governed by insolvency law, cannot form a business.

Article 13(2) sets down categories of person who do not have the right to establish or manage enterprises:

State bodies and military personnel cannot use State assets to make profits for their own bodies or units.

State officials and employees in accordance with the law on State officials and employees.

Officers, non-commissioned officers, career servicemen, national defence workers in bodies and units of the army.

Officers, career non-commissioned officers in bodies and units of the police.

Management personnel and professional management personnel in enterprises whose capital is wholly owned by the State, with the exception of those appointed to be authorised representatives to manage the State's share of capital in other enterprises.

Persons serving prison sentences and those prohibited by a court from conducting business.

Certain persons affected by the Law on Bankruptcy.

- 4 The question tested the candidates' knowledge of the rights and obligations of limited partners participating in a limited partnership.

The relevant provisions are laid down in Article 140 of the Law on Enterprises. Further conditions may be imposed by the Charter of the limited partnership, provided these do not conflict with the law.

- (a) Article 140(1) specifies the rights of limited partners in relation to participation in the business, the right to information, capital and finance and conducting business activity.

A limited liability partner has full rights of participation in the constitutional affairs of the business, including attending, voting and contributing to the business of meetings. Specifically, Article 140(1)(a) confers rights to participate in decisions on the content of the Charter, the rights and obligations of partners, and reorganisation or dissolution.

A limited liability partner is entitled to receive a copy of the annual report and can request that the chairman of the Partnership Council and the unlimited partners provide complete and accurate information on the business of the company. The partner has a right to check financial records and books of account as well as minute books, contracts, transactions, files and other documents.

The rights in respect of capital and financing include an entitlement to be distributed with annual profits in proportion to the share capital held, and to transfer contributed capital to another person, to dispose of contributed capital by bequest, gift, donation, mortgage, pledge or other forms. On the death of the limited liability partner, the legal heir replaces the deceased as a limited liability partner in the business. If the partnership is dissolved, the limited liability partner has a right to *pro rata* distribution of remaining assets.

The limited liability partner has a right to conduct business activities in the registered lines of business of the partnership, in his or her own name or the name of another, but not in the name of the partnership (see below).

- (b) Article 140(2) states that the limited liability partner is liable for the debts and other property obligations of the business up to the value of his or her contributed capital.

The limited liability partner is prohibited from managing the partnership and cannot conduct business activities in the name of the partnership.

The limited liability partner is obliged to comply with the provisions of the Charter, the internal rules of the partnership and the decisions of the Partnership Council.

- 5 The question asked candidates to explain the rights and duties of the board of management and the statutory conditions that apply to serving on the board of management.

- (a) The board of management is responsible for all aspects of managing the company in all matters except those reserved by law or provisions of the Charter for the general meeting of shareholders.

The primary responsibility of the board of management is to serve the owners of the business by providing strategic direction for the company over the medium and long-term. It must also intervene where necessary in operational matters that require the attention of senior management.

The rights and duties of the board are set down in Article 108 of the Law on Enterprises.

**Capital and financing:**

The board recommends the classes and total number of shares to be offered. When necessary, it may sanction the issue of new shares or raise capital from other sources, such as bonds and other forms of debt. It decides the nominal value of securities offered by the company, and may take decisions on redemption of shares.

**Planning and organisation:**

The board is responsible for planning in relation to investment, projects, market expansion, marketing and technology. It decides the organisational structure and internal management rules. This includes establishment of subsidiaries, branches and associations with other businesses. It appoints the general director or the director and other key managers, and decides their remuneration.

The board of management supervises and directs management personnel.

**Obligations:**

The board approves contracts for purchase, sale, borrowing, lending and other contracts worth 50% or more of the total value of assets as at the last reporting date. Its authority in this respect may be limited by provisions contained in the Charter.

**Constitution and decision taking:**

The board of management decides the content and prepares the agenda for general meetings. It deals with all the administration relating to meetings, including the preparation and submission of financial statements.

**Financial matters:**

The board decides the dividend to be paid to shareholders, and this recommendation is made to the general meeting. Although the Law on Enterprises refers to this as a recommendation, the shareholders may not decide a higher dividend.

If appropriate, the board of management can recommend reorganisation or dissolution of the company, or initiate insolvency proceedings.

- (b) Article 110 of the Law on Enterprises defines the conditions that must be fulfilled in relation to individuals serving on the board of management.

The individual must have full active capacity for civil acts and must not be a prohibited person as defined in Article 13(2) of the Law on Enterprises.

The individual must hold a qualifying shareholding of not less than 5% of the total number of shares, or be a person with relevant professional expertise and experience commensurate with the position. The person may have to fulfil other requirements laid down in the Charter.

For a subsidiary company in which the State owns total shares worth 50% or more of the Charter capital, a member of the board of management may not be a person related to a person managing or a person with authority to appoint managers of the parent company.

- 6 The purpose of this question was to test the candidates' knowledge of the law in relation to the redemption of shares on demand of the shareholders and following the resolution of the company.

- (a) The redemption of shares on demand of the shareholders is governed by Article 90 of the Law on Enterprises.

Any shareholder who votes against the reorganisation of the company or against a change in the rights and obligations of shareholders as stipulated in the Charter has a right to demand the redemption of shares held in the company.

The demand must be submitted in writing to the company within 10 working days of the date of the meeting at which a resolution was passed to reorganise or change the rights and obligations of shareholders.

The written demand to the company must include the name and address of the shareholder, the number of shares of each class, the intended selling price and the reason for demanding redemption.

On receiving a demand for redemption, the company must redeem the shares at the market price, or the price determined on the basis of a principle stipulated in the Charter of the company. The redemption must be effected within 90 days of receipt of the demand.

If the shareholder and the company disagree on the price, the shareholder may sell the shares to a third party, or alternatively the parties may request a valuation from an appropriate professional valuation organisation. The company must recommend a minimum of three professional valuation organisations.

- (b) Article 91 of the Law on Enterprises governs the redemption of shares following a resolution of the company.

No more than 30% of the ordinary shares of the company may be redeemed. There is no limit to the proportion of dividend preference shares that may be redeemed.

Under Article 91(1), the board of management has the right to take a decision on the redemption of no more than 10% of the total number of shares of each class already sold within each period of 12 months. In other cases, the decision must be referred to a general meeting of shareholders.

Under Article 91(2), the board of management decides on the redemption price of ordinary shares. This can be no higher than the market price at the date of redemption, subject to the exception set out in Article 91(3), which applies only to ordinary shares.

Under Article 91(3), the company may redeem shares in proportion to the number of shares held by each shareholder. The notification of the resolution must be sent to all shareholders within 30 days of the date of the resolution. The notice must include the name and address of the head office of the company, the total number and class of shares to be redeemed, the redemption price or principle under which the price for redemption will be determined, the procedures and time-limit for payment, and the procedures and time-limit for shareholders to offer to sell their shares to the company.

Those who agree to have their shares redeemed by the company must send an offer within 30 days of the date of notice. For personal investors, the offer must include the full name, permanent address and number of people's identity card, passport or other lawful personal identification. For corporate investors, the offer must include the name, permanent address, nationality and the number of the decision on establishment or number of business registration. For all investors, the notice must include number of shares owned and offered, payment methods and signature of the shareholder or agent.

Article 92 of the Law on Enterprises sets down conditions for the payment of redeemed shares, and is relevant to both sections of the question. This Article states that payment can only be made if the company will still be able to meet its obligations after the redemption has taken place. The shares that are redeemed must be considered to be shares that are not yet issued among any shares offered for sale. Once shares have been redeemed the share certificates must be destroyed.

If the redemption of shares results in a decrease in net assets of more than 10%, the company must notify the creditors of this within 15 days of payment being made for the redeemed shares.

## 7 The purpose of this question was to test the candidates' knowledge of corporate bankruptcy procedures.

All business enterprises faced with action for insolvency are subject to the Law on Bankruptcy.

Article 5 of the Law on Bankruptcy sets down the general procedures applicable to insolvent enterprises. There are four distinct stages:

- (1) Filing of a petition and commencement of bankruptcy procedures.
- (2) Recovery of business operations.
- (3) Liquidation of assets and debts.
- (4) Declaration that an enterprise is bankrupt.

The first stage involves the submission of a petition to the court by a claimant. Most often this will be creditors to which accounts payable are in default, but Chapter II of the Law on Bankruptcy permits employees, shareholders or other owners of the enterprise to petition the court. In the case of partnerships, any partner can file a petition.

Article 7 defines the jurisdiction of the courts, conferring power on the people's courts of districts, towns and provincial cities to hear petitions and oversee insolvency procedures. Article 8 states the duties and powers of judges. The decision on whether to commence bankruptcy procedures must be taken within 30 days of acceptance of jurisdiction over the case by the court (Article 28).

If procedures are set into motion, the court issues a decision to form a committee for management and liquidation of assets. The purposes of this committee are to ascertain the true position of the enterprise, including identification of assets and liabilities, to prepare a list of creditors and to put forward a plan for recovery or eventual liquidation. The powers and duties of the committee are listed in Article 10.

Within 30 days of the finalisation of a list of creditors, the judge must convene an initial creditors' meeting. Detailed provisions relating to meetings of creditors are set down in Chapter V of the Law on Bankruptcy.

Once bankruptcy proceedings have commenced, business operations continue under supervision of the court and the committee for management and liquidation of assets. The business operations are subject to limitations set out in Article 31. Chapter IV of the Law on Bankruptcy stipulates actions that must be taken to preserve assets.

Chapter VI sets down procedures for recovery of the business. The enterprise must submit a plan for recovery to the judge. The measures that may be taken include raising new capital, changing lines of business, renovating production technology, restructuring management, merging, converting debt to equity, selling or leasing assets or other measures providing these do not conflict with the law (Article 69(2)). The judge may accept the plan as it stands or decide on amendments. The decision is then notified to the creditors. Once implemented, the plan is subject to review at a minimum of six monthly intervals. The plan can be suspended at any time.

If the enterprise is unsuccessful in achieving the objectives set out in the recovery plan, the judge issues a decision to liquidate the assets of the business. This usually means that the business will have no further options to pursue recovery, though Article 85 does envisage the possibility of suspending procedures for liquidation. The order for distribution of assets is set down in Article 37.

Chapter VII lays down procedures in relation to the declaration of bankruptcy.

**8** The question asked candidates to apply their understanding of contract law to a scenario in which three founders of a new limited liability company entered into various transactions.

- (a)** Article 405 of the Civil Code states that a contract comes into effect when it is entered into except where otherwise provided for in law.

The new limited liability company was formed in January 2011, by which time all three founders of the company had taken actions in relation to inventory, ostensibly on behalf of the new company. As the company had not yet been formed, any offer or acceptance that resulted in a binding contract would be the responsibility of the individual and not the company, as it is impossible to bind a company that has not yet been established. A company cannot act in its own right until it attains a separate personality in law. Any contracts formed would therefore be pre-incorporation contracts that would create rights and obligations between each individual founder and the respective counterparty. The only exception to this would be if the founders has entered into a pre-incorporation shareholders' agreement, in which case the obligations would be apportioned in keeping with the agreement.

Chien's letter to 50 prospective customers was addressed to specific persons with clear references to price and quantity. Acceptance by any of the 50 individuals would create a contract to which Chien would be legally bound.

The proposal by Chien to offer any remaining supplies of crab meat for general sale would not be an offer. Such advertisements are regarded as invitations to prospective customers to make offers to purchase the goods. A general advertisement is not made to a 'specific party' and as such fails the test of the definition of an offer as set out in Article 390(1) of the Civil Code.

Linh's five restaurant clients indicated their willingness to purchase boxes of saffron at an agreed price. However, her action in sending the products to each client with an invoice was an offer, which the clients then had the right to accept, modify by way of counter-offer, or reject. As the earlier indication of willingness to purchase the products was made informally, this could at best be regarded as a representation rather than a formal offer. Only if the clients accepted the goods and the terms of the invoice would a contract be created. If so, this would create rights and obligations between Linh and the clients. It would not bind the new company.

Trang clearly entered into an agreement to purchase the Swiss chocolates and as such would be personally bound by the terms of the contract.

- (b)** Trang purchased the consignment of chocolates despite having limited knowledge of the products in the marketplace. Under the provisions of the Civil Code, a contractual obligation is binding once an offer has been accepted. His insistence on paying only 60% of the agreed price came only after his acceptance and as such could not be regarded as a new offer. Generally, the terms of an existing contract cannot be varied unless both parties to the contract are in agreement. Accordingly, Trang would be obliged to pay the price specified in the contract. Under Article 400 of the Civil Code, he would not be able to withdraw from the contract as his change of mind came after acceptance.

Trang's only hope of varying the price payable to the supplier would arise from any inconsistency between the original specification of the goods supplied and those actually delivered.

**9** The question asked candidates to apply their knowledge of the Labour Code to a scenario in which various proposals were made to downsize a company's labour force.

Having decided to reduce the number of workers in the company, the production manager recommended that the company should release certain workers according to their age, experience, gender and family circumstances.

The need to reduce the size of the labour force in the case study scenario is based on economic needs, as the company has to reduce labour costs in order to continue as a viable enterprise. In examining the proposals, therefore, it is necessary to refer to the retrenchment provisions of the Labour Code as well as specific obligations in respect of certain categories of employee.

The retrenchment provisions are set down in Article 17 of the Labour Code. If employees are to be made redundant, it is necessary for the employer to compile a list of those affected and take decisions on retrenchment based on business requirements, seniority, skill, business requirements, family conditions and other factors. This list must then be used as a basis for consultation with worker representatives. Hai's proposals clearly refer to some of these criteria, including seniority, skill and family conditions. These factors do not in themselves provide justification for accepting Hai's recommendations.

Hai wishes to reduce the proportion of female workers based on his examination of levels of staff turnover. Irrespective of their marital status and family situation, this suggestion offends Article 5 of the Labour Code, which forbids discrimination on the grounds of gender (as well as other factors such as race and religion).

Chapter X of the Labour Code lays down detailed obligations in relation to female employees. Specifically, Article 111(1) forbids discriminatory policies and insists on equal treatment irrespective of gender. Crucial to Hai's proposal in relation to releasing women with young families, Article 111(3) prevents the company from terminating a labour contract for reasons of marriage, pregnancy or raising a child under 12 years of age except where the enterprise is to cease operations.

Article 32 of the Labour Code entitles employers to terminate the contracts of workers engaged for a trial (probationary) period without advance notice. It goes on to state that the company does not have to compensate the employee if the work performed did not satisfy the required standards. Implicit in this may be an obligation to compensate the employee if the work was of the required standards. In practice, the company would find this the least difficult of Hai's proposals to implement.

Article 17(1) of the Labour Code imposed an obligation to pay compensation to workers that are released due to retrenchment if their length of service exceeds 12 months. Hai's proposal to release workers with long service would therefore have a financial implication for the company, depending on their length of service.

- 10** The question tested the candidates' ability to apply their knowledge of the provisions of the Law on Enterprises to a situation in which a former general director of a company exploited an opportunity to make a personal gain at the expense of her former employer.

Article 116 of the Law on Enterprises lays down detailed provisions relating to the duties of the general director, and indeed any director, of a shareholding company.

Specifically, Article 116(3) states that the general director must manage the company strictly in keeping with the provisions of the law, the Charter of the company, employment contracts signed with the company and any resolutions of the board of management. If the director's actions are inconsistent with these obligations and as a consequence cause damage to the company, that person is responsible before the law and is liable to compensate the company for the damage.

The obligations contained in Article 116 are amplified by Article 119(1)(b) of the same law which compel any manager (including the general director) to exercise their powers honestly and diligently to the best of their ability and in the best lawful interests of the company.

Article 119(1)(c) goes on to stipulate that the manager should be loyal to the interests of the company and its shareholders, not to use information, secrets or business opportunities for their own personal benefit or for the interests of other organisations and individuals.

At the meeting with PQR Company, Lan informed her clients that her company would be unable to accept the contract for the new business opportunity. This was a false statement that was clearly at odds with the best interests of JKL Company and its shareholders. Lan was therefore in breach of the provisions of Article 116.

Lan's subsequent actions in resigning and then forming a new company in order to exploit the new business opportunity was a dishonest action intended to secure profits that would otherwise have been earned by JKL Company. This was a breach of Article 119.

The board of management of JKL Company would therefore be able to take civil action against Lan for damage incurred by the company in respect of the loss of the contract and missed profits.

Potentially, Lan could also be in breach of any conditions contained in her contract of employment relating to conflicts of interest, competing with her employer and improper use of company information for personal gain.



- 1** (a) Definition of legislature 1 mark  
Role of National Assembly 1 mark  
Description of laws and codes 1 mark  
Reference to provisions of Constitution 1 mark  
(4 marks)
- (b) Definition of executive 1 mark  
Role in administration 1 mark  
(2 marks)
- (c) Definition of judiciary 1 mark  
Roles of courts and judges Up to 2 marks  
Judicial independence 1 mark  
(4 marks)  
**(Total 10 marks)**
- 2** (a) General provisions on breach of obligations 1 mark  
Failure to fulfil obligations Up to 2 marks  
Late fulfilment of obligations Up to 2 marks  
Consequences of breach of obligations 1 mark  
(6 marks)
- (b) Physical damage 1 mark  
Spiritual damage 1 mark  
Remedies awarded for damage Up to 2 marks  
(4 marks)  
**(Total 10 marks)**
- 3** (a) Explanation of lines of business Up to 2 marks  
Explanation of conditions/limitations Up to 3 marks  
(5 marks)
- (b) Prohibited persons, per relevant point 1 mark  
(5 marks)  
**(Total 10 marks)**
- 4** (a) Each right of limited liability partner 1 mark  
(7 marks)
- (b) Each obligation of limited liability partner 1 mark  
(3 marks)  
**(Total 10 marks)**
- 5** (a) Each right or duty of the board of management 1 mark  
(7 marks)
- (b) Full active capacity 1 mark  
Qualifying shareholding 1 mark  
Criterion for company with shares held by State 1 mark  
(3 marks)  
**(Total 10 marks)**

<b>6</b>	<b>(a)</b> Criteria for redemption of shares Written demand to redeem shares Determination of price Time-limits	1 mark 1 mark 1 mark 1 mark (4 marks)
	<b>(b)</b> Time thresholds for decisions Rights of board of management Determination of price Written notice	1 mark Up to 2 marks Up to 2 marks 1 mark (6 marks) <b>(Total 10 marks)</b>
<b>7</b>	Petition stage Recovery of business operations stage Liquidation stage Declaration of bankruptcy	Up to 3 marks Up to 3 marks Up to 3 marks 1 mark <b>(Total 10 marks)</b>
<b>8</b>	<b>(a)</b> Chien's transaction Linh's transaction Trang's transaction General advertisement not binding	Up to 2 marks Up to 2 marks Up to 2 marks 1 mark (7 marks)
	<b>(b)</b> Legally binding nature of offer and acceptance Limitations on right to vary conditions Consequences of actions	1 mark 1 mark 1 mark (3 marks) <b>(Total 10 marks)</b>
<b>9</b>	Application of provisions of Labour Code to: Retrenchment of labour Female workers Workers with young children Probationary workers Senior workers	Up to 2 marks Up to 2 marks Up to 2 marks Up to 2 marks Up to 2 marks <b>(Total 10 marks)</b>
<b>10</b>	Requirement for honesty and diligence Loyalty to company and shareholders Limitations on use of secrets and personal gain Applications to scenario	Up to 2 marks Up to 2 marks Up to 2 marks Up to 4 marks <b>(Total 10 marks)</b>