



Examiners' report

F4 Corporate and Business Law (MLA)

June 2008

There were a small number of candidates who did not answer all the required number of questions but it does not appear that those who did not answer ten questions failed to do so due to time pressure.

The question paper was based on clearly worded questions allowing candidates to immediately understand the questions, think and plan the answer and write the answers without being pressurised for time. Most questions were one part allowing candidates to focus on one specific subject area and some were divided into two parts requiring candidates to give shorter answers to each part.

Question 1

This question dealt with the manner in which the courts in Malta are structured and the jurisdiction of the different courts. Most candidates who answered this question gave satisfactory answers.

Question 2

This question dealt with contract law and in particular candidates were required to explain the difference between contracts and quasi-contracts, torts and quasi-torts. Overall most candidates gave very satisfactory answers to this question and explained the different types of quasi-contracts and quasi-torts which are regulated under Maltese law.

Question 3

This question dealt with the private companies and private exempt limited liability companies. The question was a very straightforward question. However some candidates failed to clearly explain the nature of private exempt companies as against private companies.

Question 4

This question required candidates to indicate what must be contained in the memorandum of association of a limited liability company. Most candidates answered this question well but some merely listed the contents. A short explanation on each feature would have earned candidates some extra marks.

Question 5

This question dealt with mandate and candidates were expected to deal with the rights and obligations of each party to such a relationship. Once again the question was worded in a very straightforward manner and the majority of the candidates gave satisfactory answers.

Question 6

This question dealt with employment law divided into two parts. The first part dealt with the concept of probation and the second with the termination of contracts of employment for a good and sufficient cause. Once again most candidates gave satisfactory answers.

Question 7

The question required candidates to explain the concept of corporate governance in the context of both public and private companies. Many candidates gave a satisfactory explanation of the concept, gave examples of how corporate governance may be implemented in practice and also made reference to the guidelines drawn up locally.

Question 8

This question provided the candidates with a scenario. Candidates were given a case study and were expected to answer questions on the pledging of shares and the procedure to be followed in order to pledge shares in a Malta company. Answers to this question were not very detailed and some candidates were not very informed about the content of the relative provisions of the Companies Act.

Question 9

This question contained the facts of a case which dealt with whether the invalidity of a contract could be sustained. Answers to this question were not awarded high marks as candidates failed to relate their answers to the provisions at law on the requisites for a valid contract.

Question 10

This question dealt with two aspects of company law, single member companies and the modes of dissolution of private limited liability companies. Most candidates gave overall satisfactory answers to this question.