



Examiners' report

F4 Corporate and Business Law (MLA)

December 2007

The number of candidates who did not answer all the required number of questions was minimal and it does not appear that those who did not answer ten questions failed to do so due to time pressure. It is noted that this was the first session where candidates were expected to attempt all questions in the paper and the majority did so. This demonstrates that candidates covered all areas of the syllabus.

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 rules of interpretation used in Malta to interpret legislation. Unfortunately while there were some candidates who provided satisfactory answers and answered accordingly explaining the different rules of interpretation which exist and those which are applied in Malta, there were many candidates who dealt with the sources of Maltese law.

Question 2

This question dealt with contract law and in particular candidates were required to explain the internal requisite of subject matter. Some candidates listed all requisites without discussing in any detail the requisite mentioned in the question. Some candidates confused the requisite in the question with other internal requisites. Particular attention should be given to the wording of the question to avoid answering out of point.

Question 3

This question dealt with the dissolution of partnerships. The question was worded in a straightforward manner indicating that candidates had to deal with the dissolution of two types of partnerships and to bring out any differences between them. Most of the answers given gave sufficient detail.

Question 4

This question was straightforward and was divided into two parts. The first part only required a short answer and required candidates to detail the definition of an officer in terms of the Companies Act. Most candidates answered this part well although there were quite a few who did not mention all those persons who are deemed company officers. The second part dealt with the removal of company auditors. Some further detail was expected in answering this part of the question.

Question 5

This question dealt with the decision making process at general meetings of a company. Candidates were expected to refer to the legal provisions which dealt with ordinary and extraordinary resolutions. The majority of the candidates gave very satisfactory answers.

Question 6 – This question dealt with the payment of wages and the protection afforded to employees to ensure their due and proper receipt of the wages owing to them by their employers. Once again most candidates gave satisfactory answers listing most of the modes in which such protection is afforded.

Question 7

The question requested candidates to deal with the offences of wrongful and fraudulent trading found under the Companies Act. Candidates did make reference to the relevant legal provisions and were even able to bring out the differences which existed between them even though this was not requested in the question. Most candidates gave satisfactory answers.

Question 8

This question provided the candidates with a scenario. Candidates were given a case study and were expected to answer the questions as to whether the facts given describe a valid contract. The questions dealt with the concepts of a valid offer and a valid acceptance, which are both necessary for a valid contract to be deemed concluded. Most candidates gave very detailed and satisfactory answers to this question.

Question 9

This question was straightforward but seemed to trouble quite a few candidates. The question dealt with the variation of rights of shareholders and the procedure which had to be followed in order to vary such rights in terms of the articles of association of a company or the provisions of the schedule to the Companies Act. The question did not require any reference to article 402 of the Companies Act, which deals with minority rights.

Question 10

This question dealt with corporate recovery. Although a relatively recent introduction to local law, most candidates gave very satisfactory answers to this question.