



Examiners' report

F4 Corporate and Business Law (SGP)

June 2008

General Comments

The examination paper consisted of 10 compulsory questions of equal marks.

The candidates' overall performance was acceptable.

Question 1

Part (a) required an explanation of statute law and the answers given were acceptable. Some candidates explained statute law from the perspective of how it is made, which was acceptable.

Part (b) required an explanation of case law, the doctrine of stare decisis, and binding precedent, and most of the candidates were able to explain this. Some candidates added the dimension of the ratio decidendi of case law being binding whereas the obiter dicta were not.

Question 2

The answers given to part (a) of the question were generally acceptable.

The answers given to part (b) of the question were generally disappointing. Some candidates did not seem to understand the concept of a revocation of an offer, while many were weak in their explanation of the ways in which an offer can be revoked.

Question 3

The answers given to this question were generally acceptable.

Question 4

This question was not well answered by the candidates. Most candidates provided an answer that explained negligence and only some candidates were able to address the specific question on the defences that was asked.

Question 5

The answers given to this question were generally acceptable, and most candidates provided a reasonably good explanation of the differences between share capital and loan capital.

Question 6

Most candidates had a reasonably sound understanding of the three different types of meetings.

Question 7

This was a question where the candidates either knew the answer or didn't know the answer. Those who knew the answer were generally able to provide a sound explanation of a derivative action under the Companies Act.

Question 8

Many candidates did not answer the question that was asked. Instead of addressing the issues of discharge of contract (right to terminate) and damages, which requires a discussion on the type of term that was breached and whether the damages fell within the test in *Hadley v Baxendale*, many candidates discussed whether a contract existed and if so whether a term was breached.

Question 9

The answer to this question was acceptable. Candidates appear reasonably familiar with the law on shareholders' liquidation.



Question 10

The candidates who were able to identify the issue as one of the director's authority were generally able to give a reasonably good discussion of the law as applied to the facts in question. Many candidates however, mistook this for a question on breach of directors' duties.