



Examiners' report

F4 Corporate and Business Law (SGP)

December 2007

General Comments

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

The candidates' overall performance was disappointing and below expectation.

Question 1

The first part of this question required an explanation of the doctrine of stare decisis, and binding precedent, and most of the candidates were able to explain this. Few candidates attempted to answer the second part of the question which required a discussion of the situations in which the courts do not have to follow a ruling as precedent, by means of reversing, overruling and distinguishing a case.

Question 2

Most of the candidates could define the elements for an actionable misrepresentation but many could not explain correctly the three different types of misrepresentation and the remedies available.

Question 3

The answers given to this question were generally disappointing. Most candidates did not explain the special relationship test in *Hedley Byrne v Heller* and how it was applied in *Caparo Industries PLC v Dickman* in relation to shareholders.

Question 4

Most candidates could explain the doctrine of separate or corporate personality but answers were unsatisfactory in explaining the consequences that flow from incorporation.

Question 5

For this question, candidates provided a sound overall explanation of the ways in which directors can be appointed and removed.

Question 6

Most candidates had a reasonable understanding of the issues relating to corporate governance. Many candidates were able to illustrate using examples in terms of directors' duties.

Question 7

The majority of candidates were unable to provide a sound explanation of the concept of unfair preference. Few candidates included a discussion of the elements of an unfair preference as prescribed under the Companies Act.

Question 8

Many candidates did not answer the question that was asked. Instead of addressing the issues of specific performance and discharge of contract, some candidates discussed the different types of terms in a contract.

Question 9

This question was done well by most of the candidates. Candidates are familiar with the law on directors' duties.

Question 10

The candidates who were able to identify the issue as one of insider trading and were generally able to give a reasonable discussion of the law as applied to the facts in question. Many candidates however, mistook this for a question on directors' duties.