

Fundamentals Level – Skills Module

Corporate and Business Law (Malaysia)

Monday 8 June 2015



Time allowed: 2 hours

This paper is divided into two sections:

Section A – ALL 45 questions are compulsory and MUST be attempted

Section B – ALL FIVE questions are compulsory and MUST be attempted

Do NOT open this paper until instructed by the supervisor.

You must NOT write in your answer booklet until instructed by the supervisor.

Do NOT record any of your answers on the exam paper.

This question paper must not be removed from the examination hall.

The Association of Chartered Certified Accountants

Paper F4 (MYS)

ACCA

Section B – ALL FIVE questions are compulsory and must be attempted

Please write your answers to all parts of these questions on the lined pages within the Candidate Answer Booklet.

- 1 James received a parcel in the mail from an unknown source, containing \$100,000. Without conducting any investigation as to its origin or source, he deposited the money into his bank account with the help of his friend Jack, an officer of the bank who is aware of the facts. It is now discovered that this money was stolen from an individual in Singapore.

Required:

- (a) Explain whether James has committed any offence under the Anti-Money Laundering and Anti-Terrorism Financing Act 2001. (3 marks)
- (b) Explain whether Jack has committed any offence under the Anti-Money Laundering and Anti-Terrorism Financing Act 2001. (3 marks)

(6 marks)

- 2 Tom made the following offers to Ken:

- (i) An offer to lease his land in Kuantan, 'for as long as Ken wishes'.
(ii) An offer to sell his pen collection for RM20,000.

Ken immediately accepted the first offer. As for the second offer, Ken initially replied that he would be willing to pay RM15,000 for the pen collection but Tom refused. Later Ken replied that he was willing to accept Tom's original offer at RM20,000.

However, Tom now refuses both to grant the lease as well as to sell the pen collection to Ken.

Required:

- (a) Explain whether there is a valid contract between Ken and Tom in respect of the offer for the lease of the land in Kuantan. (3 marks)
- (b) Explain whether Ken can successfully sue Tom for breach of contract with respect to the offer for the sale of the pen collection. (3 marks)

(6 marks)

- 3 Ahmad, Balu and Chong are partners of a firm called ABC & Partners. Chong has always been a sleeping partner and has never participated in the running of the partnership business. Balu retired from the partnership nine months ago. The partnership is now experiencing financial difficulties and has incurred liabilities amounting to RM500,000. The assets of the partnership are insufficient to cover its liabilities.

Required:

- (a) Explain the liability of Chong as a sleeping partner; (3 marks)
- (b) Explain the liability of Balu as a retired partner. (3 marks)

(6 marks)

- 4 Downhill Sdn Bhd borrowed RM2 million from Bank Kawan. The loan was secured by a floating charge over all its assets. It later borrowed RM2 million from Bank Bagus. The security for this loan was a fixed charge over its office building.

Required:

- (a) Explain whether the charges require registration under the Companies Act 1965. (2 marks)
- (b) State the consequences of failure to register the charges, presuming the charges were registrable but not registered. (2 marks)
- (c) Explain the order of priority of the charges between Bank Kawan and Bank Bagus in the event the company is unable to pay its debts in full. (2 marks)

(6 marks)

- 5 Ben is one of the executive directors of Sunshine Bhd. He is in need of money to finance his father's heart surgery at a hospital in Singapore. He wishes to obtain a loan from Sunshine Bhd for this purpose. He also wishes to purchase a house and wants to obtain a loan from Sunshine Bhd to finance this purchase.

Required:

- (a) Explain whether Sunshine Bhd is permitted under the Companies Act 1965 to give the desired loans to Ben. (4 marks)
- (b) State the consequences if a company gives loans to directors in contravention of the Companies Act 1965. (2 marks)

(6 marks)

End of Question Paper