Question	Correct Answer	Marks
1	**C** **Damages** Damages is a compensatory remedy for breach of contract, aiming to place the innocent party in the position they would have been in if the contract had been properly fulfilled (expectation interest).	2
2	**C** **That both parties must intend that their agreement will be legally enforceable** This is the meaning of the requirement for the intention to create legal relations. Agreements do not necessarily need to be in writing (unless in specific cases) nor signed before a lawyer. Parties do not need to receive the same value from the contract.	2
3	**C** **A claim for damages for breach of contract** Wrongful termination cases are determined by the Industrial Disputes Tribunal, criminal cases punishable by more than five years are determined by the Assize Court, and petitions for divorce are determined by the Family Court.	2
4	**B** **The meeting is invalid because shareholders must receive at least 21 days' notice for an annual general meeting** Pursuant to s.125 Companies Law Cap.113, at least 21 days' prior notice is required to hold the annual general meeting.	2
5	**B** **The Registrar of Companies can reject a company name that is too similar to an existing company name to avoid confusion** Company names are subject to approval by the Registrar of Companies, who may reject a proposed name if identical or so similar to an existing company name that may lead to confusion.	2
6	**C** **Drafting by a licensed lawyer in Cyprus** The memorandum and articles of association submitted to the Registrar of Companies must be signed by a licensed lawyer in Cyprus.	2

© ACCA 2027-2028 All rights reserved.

7	**D** **Resignation by an employee due to the employer's serious breach** Constructive dismissal happens when an employee resigns due to the employer's serious breach (for example, unsafe working conditions).	2
8	**A** **Unlimited** Pursuant to s.311 Companies Law Cap.113, the court may declare any persons who were knowingly party to the carrying on of fraudulent trading to be personally liable without limitation, for all or any of the debts of the company.	2
9	**C** **Its liabilities exceed its assets** Pursuant to s.212 Companies Law Cap.113, if the company's assets are less than its liabilities then the company is deemed unable to pay its debts.	2
10	**C** **Liable for insider dealing, as both Maria and her friend used non-public, price-sensitive information** Pursuant to the EU Market Abuse Regulation, which applies in Cyprus, using inside information to trade and unlawfully disclosing inside information to another person both constitute insider dealing.	2
11	**D** **By frustration** This applies when an unforeseen event, not caused by either party, makes performance impossible or radically different from what was agreed. The legal ban on pools makes it impossible to carry out the contract.	2
12	**B** **Authorisation by the company's board of directors** Pursuant to ss.64 and 65 Companies Law Cap.113, authorisation in the articles of association, special resolution and court approval are required to reduce a company's issued share capital.	2

© ACCA 2027-2028 All rights reserved.

13	**D** **6 weeks' salary** According to the Termination of Employment Law of 1967, an employee working continuously for 3 years is entitled to 2 week's salary for each year of service and so 6 weeks in total.	2
14	**B** **Consent by the principal to act on their behalf and the agent's consent to act** An agency relationship is formed by mutual consent: the principal authorises the agent to act on their behalf, and the agent agrees to do so. This can be oral, written, or implied.	2
15	**B** **The company made a clear offer which Maria accepted by using the product** The facts of this question resemble the facts of the renowned *Carlill v Carbolic Smoke Ball Co* (1893). The advertisement amounts to an offer particularly given that the company stated to have set money aside, thus convincing Maria and others of its intention to be bound.	2
16	**C** **The individual's obligation to perform work personally under the employer's control** A fundamental test of employment is control and personal service; the employee must perform work personally and under the employer's direction.	2
17	**C** **Participating in lawful trade union activities** According to the Termination of Employment Law of 1967 (as amended), it is unfair to dismiss an employee for participating in trade union activities.	2
18	**D** **Fairness of the bargain** A bad deal is still a valid deal (unless other factors like fraud or duress come into play). However, capacity, legality of purpose and certainty are requirements in order to have a valid contract.	2

© ACCA 2027-2028 All rights reserved.

19	**C** **Decline the business relationship and file a suspicious activity report** This is a complex structure, where the client refuses to explain the sources of funds and wants to pay large sums in cash, which is another serious red flag under applicable laws. Therefore, there is sufficient evidence to raise suspicion of money laundering and the audit firm is required to both decline the business and report it to the relevant authority.	2
20	**B** **To give the company court protection from creditors while a restructuring plan is prepared to save the business** Pursuant to s.202A-202N Companies Law Cap.113, the examinership is a restructuring tool aiming to save the business when in financial difficulty; so, the primary purpose of examinership is to give court protection to the company while preparing a restructuring plan aimed to save the business.	2
21	**C** **Silence** Silence does not amount to acceptance, although it is possible to accept an offer by conduct, orally or in writing (subject to the terms of the offer).	2
22	**D** **1, 2, 3 and 4** Under the laws on bribery the receipt of presents other than ordinary gifts from friends, giving presents other than ordinary gifts to friends, acceptance of a reward beyond their proper pay for performance of their duty and directing an arbitrary act prejudicial to the rights of another are not permitted by public officers.	2
23	**A** **An ordinary resolution with special notice** Pursuant to s.154 Companies Law Cap.113, an ordinary resolution for which special notice was provided is required to remove a company auditor. The said notice must be communicated to the auditor.	2

© ACCA 2027-2028 All rights reserved.

24	**C** **Revocation by the offeror after communication of its acceptance by the offeree** An offer can be revoked by the offeror any time before communication of its acceptance by the offeree. A counter-offer results in termination of the original offer, similarly once the acceptance period stated in the offer expires, the offer terminates.	2
25	**C** **A special resolution** Pursuant to s.12 Companies Law Cap.113, a special resolution is required to amend the articles of association of a company. Court sanction is not required.	2
26	**D** **€10,000,000** In accordance with Companies Act Cap. 113, the net level of turnover for a small-sized group should not exceed €10,000,000.	2
27	**B** **The directors may be held liable for fraudulent trading** Pursuant to s.301 Companies Law Cap.113, any payment, execution or other act relating to property made by a company within six months before commencement of its winding up may amount to fraudulent trading.	2
28	**C** **1 and 2 only** European Union laws and the Constitution take supremacy over statutes of the Republic but case law precedents do not.	2
29	**C** **At least every three years** The Cyprus Corporate Governance Code states that all company directors should resign from office at regular intervals and at least every three years.	2

© ACCA 2027-2028 All rights reserved.

30	**C** **Authority created when a third party reasonably believes the agent has authority due to the principal's representations** Apparent authority arises when the principal's words or conduct lead a third party to reasonably believe that the agent has authority to act, even if the agent lacks actual authority.	2
31	**C** **A condition** Delivery by Saturday was clearly essential to Dina's purpose, therefore this is a condition, which, if breached, gives the innocent party the right to terminate the contract and/or claim damages.	2
32	**C** **No statutory provision governing the matter** Pursuant to s.29(1)(c) Courts of Justice Law of 1960, the doctrine of equity applies provided there is no statutory provision governing the matter and it is compatible with the Constitution.	2
33	**C** **It must be something of value but does not need to be of equal value** Consideration does not have to be equal or money, but it does need to have value. A promise without consideration is not enforceable.	2
34	**A** **Its sole director** Pursuant to s.171 Companies Law Cap.113, the sole director of a company with more than one shareholder cannot be the company secretary.	2
35	**B** **Intentionally accessing or altering client financial data without authorisation** System and data interference and/or illegal access to computer systems are offences.	2

© ACCA 2027-2028 All rights reserved.

36	**D** **1, 2 and 3** Pursuant to s.18 Auditors Law 2017 as amended, the responsibilities of the Cyprus Public Audit Oversight Board inter alia include approval and registration of auditors, continuing education of auditors and disciplinary procedures for auditors.	2
37	**B** **There must be at least one general partner and one or more limited partners** A limited partnership requires at least one general partner (with unlimited liability) and one or more limited partners (liability limited to their investment).	2
38	**D** **Provident fund contribution** Provident fund contribution is a benefit that may be provided subject to the employment agreement but is not a statutory right for employees.	2
39	**A** **Precedent** *Stare decisis* means to stand by things decided, which refers to the fundamental doctrine of adhering to precedent.	2
40	**D** **Shareholders are owners of the company, while debenture holders are creditors and have priority in repayment upon liquidation** This reflects the fundamental differences between share capital and loan capital. Debenture holders do not receive shares in the company in exchange for granting loans to the company whereas shareholders receive shares.	2
41	**C** **The shares are issued at a price above their nominal value** Pursuant to s.55 Companies Law Cap.113, a company may issue shares at a premium, which means at a price above nominal value.	2

© ACCA 2027-2028 All rights reserved.

42	**D** **The minimum number of directors** The minimum number of directors is provided in the company's articles of association but not in its memorandum of association.	2
43	**B** **She is not involved in the daily management of ABC plc** The main difference between executive and non-executive directors is that non-executive directors are not involved in the daily management of the company.	2
44	**C** **Conducting customer due diligence and reporting suspicious transactions to the Unit for Combating Money Laundering (MOKAS)** Under applicable anti-money laundering laws, all obliged entities, including accountants, must take specific steps to prevent and detect money laundering, including customer due diligence and reporting of suspicious transactions.	2
45	**A** **An injunction to stop further infringement** Cyprus courts may (inter alia) issue prohibitory injunctions to stop the unlawful use of intellectual property rights.	2
46	**C** **It creates a security interest over a class of assets that may change in the ordinary course of business and crystallises upon certain events** A floating charge applies to non-fixed, changing assets of a company, which the company can continue to use, sell or replace in the ordinary course of business.	2
47	**D** **The board of directors** Pursuant to s.266 Companies Law Cap.113, the declaration of solvency is prepared by the board of directors.	2

© ACCA 2027-2028 All rights reserved.

48	**A** **3 only** Pursuant to s.70 Companies Law Cap.113, a public company needs at least 2 directors, its members may exceed 50, the transfer of shares may be unrestricted, and the company secretary can be one of the directors.	2
49	**B** **All partners are jointly and severally liable for the full amount of the partnership debt** In a general partnership, partners share joint and several liability, meaning each partner can be held responsible for the entire debt, not just their share.	2
50	**B** **A representation, allowing Andrew to sue for misrepresentation** Given the dealer's expertise, that he made a factual statement before the contract was finalised in order to induce Andrew to enter into the contract, this qualifies as a representation, which proved to be untrue thus allowing Andrew to sue for misrepresentation.	2

© ACCA 2027-2028 All rights reserved.