Question	Correct Answer	Marks
1	**B** **Creditors cannot take action against Sarah** A person can appoint someone to act in their stead when overseas. However, the creditors of such person cannot take action against the mandatory instead of against the mandator if the latter is still overseas.	2
2	**A** **An enabling Act of Parliament** Acts of Parliament often give the power to the minister to issue regulations thereunder in the form of a legal notice which will not need Parliamentary approval to come into force and effect.	2
3	**C** **An offer made to the public** With an invitation to treat, as opposed to an offer, a person expresses themselves to be ready to consider any offers which may be made to them.	2
4	**C** **A bill** A bill does not have the force of law as it has not received Parliamentary approval.	2
5	**D** **To sue or be sued, on behalf of the mandator, when the mandator is present in the place where action is to be tried** In a mandate relationship, the mandatory cannot sue or be sued on behalf of the mandator when the mandator is present.	2
6	**A** **It involves a computer program** A patent is an invention that is new, involves an inventive step, and is capable of industrial application. Computer programs as such cannot be patented.	2

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7	**C** **A private domestic employee no longer enjoys the confidence of the employer** The law provides that, except in the case of a private domestic employee, employment may not be terminated for a good and sufficient cause, where the employer has lost confidence in the employee. Given the nature of the relationship, this exception is made.	2
8	**C** **To no-one** An auditor owes a duty of care to their clients only.	2
9	**C** **Absence of authority** Absence of authority is not a ground on the basis of which a contract can be invalidated for lack of consent. Absence of authority would impinge on capacity.	2
10	**B** **At least every three years** MSFA's Code of Principles of Good Corporate Governance for Listed Entities states that all directors, except a managing director, shall retire from office at least every three years but shall be eligible for re-election. (Appendix 5.2, 1.3).	2
11	**A** **Delay in performance** *Mora* refers to a delay in performance of a contract which gives rise to a breach.	2
12	**B** **To the extent of the unpaid part of the issued share capital** The liability of the shareholders of a limited liability company is limited to the unpaid part of the issued share capital.	2

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13	**A** **An employee can be employed for a definite period of any duration** Employees can be employed for a definite or indefinite duration. A definite contract cannot be for longer than four years and all contracts are regulated by a contract of employment. Therefore, an employee cannot be employed with a definite contract for any period of time.	2
14	**C** **Reward has to be monetary** The reward does not have to be monetary for the offence of bribery to be committed.	2
15	**B** **Price sensitive information in the public domain** Insider information is information which has not been made public.	2
16	**B** **The directors must convene a general meeting** Maltese law provides for the situation where a public company suffers a serious loss of capital. The law requires that where the net assets of a public company are half or less of its called-up issued share capital, the directors shall, not later than 30 days from the earliest day on which that fact is known to any director of the company, duly convene a general meeting of the company by means of a notice to that effect for a date not later than 40 days from the date of the notice for the purpose of considering whether any, and if so what, steps should be taken to deal with the situation, including consideration as to whether the company should be dissolved.	2
17	**B** **It is an external requisite required to conclude a valid contract of sale** The form a contract takes is known as an external requisite as against an internal requisite. The law provides for different forms depending on the nature of the contract. In the case of the transfer of immovable property, a public deed drawn up by a notary public is required for its formalisation, which deed must be registered in the records of the notary drawing up the deed.	2

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18	**C** **The shareholders lose the benefit of limited liability** The shareholders of a limited liability company are protected by the corporate veil and are generally not held personally liable for the debts of a company. However, in certain instances the 'veil' is lifted, and the shareholders lose the benefits of limited liability.	2
19	**B** **Unauthorised access** Unauthorised access is the main element of the offence of computer misuse.	2
20	**C** **A private showing** One of the requirements for a valid offer to the public is that this is made to the general public and hence a private showing would not comply with this requirement.	2
21	**A** **Constitutional Court** The Constitutional Court is deemed to be the highest court of the land in Malta and has jurisdiction over all other courts.	2
22	**C** **Periods of shutdown** The statement must contain several terms and information pertaining to the employment relationship. However, periods of shutdown which shall apply do not necessarily have to be included in such a statement.	2
23	**C** **The liquidator** In the case of wrongful trading, an action can be commenced before the local judicial authorities. Such an action concerns the liquidator who has to bring forward the application before the court, and the director or directors against whom the action is brought.	2

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24	**C** **By the amount of the authorised share capital** The issued share capital of a company can be issued up to the amount of the authorised share capital.	2
25	**D** **Entering into new trading activities with third parties** The powers of a liquidator are limited to the closing off activities and winding down the activities of a company. Therefore, the liquidator may not start any new trading activities on behalf of the company.	2
26	**B** **The Registrar** In terms of the Companies Act,1995 particular persons are authorised to present an application to place a company into corporate recovery. Members, creditors and directors are so authorised. The Registrar of Companies is not.	2
27	**A** **On the date upon which the Registry of Companies issues the certificate of registration** A company is deemed registered as from the date of registration which is the date indicated on the certificate of registration.	2
28	**C** **Ten years from date of filing** The duration of registration is ten years from the date of filing of the application.	2
29	**B** **Without cause giving the required notice** Employees employed on an indefinite basis can have their employment terminated by the employer during probation, on grounds of redundancy and for a good and sufficient cause. An employee, but not an employer, can terminate without cause.	2

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30	**A** **1, 3 and 4** In order for a successful claim to be brought forward by Anna against Bridget, it must be proven that Bridget either did not perform her obligations or delayed in so doing; the resulting damages were caused by Bridget, and the damages must be real and actual.	2
31	**A** **Both parties have to externally manifest their acceptance to each other** In order for a contract to be validly concluded, there has to be unison of wills. Therefore, both parties have to externally manifest their acceptance to each other. The acceptance cannot therefore be tacit or from one party.	2
32	**C** **It must be made privately** A valid offer must be indivisible and unilateral but not necessarily made in private. An offer can be made to a particular individual, to their agent or to the public.	2
33	**B** **The directors** The first directors and company secretary are appointed by the promoters. Any subsequent company secretary is appointed by the directors.	2
34	**D** **Interest may be charged on an advance in salary** The law contains provisions which ensure that employees are guaranteed the payment of the wages for work they are employed to do. Accordingly, wages must be paid in legal tender, they must be paid directly to the employee and to nobody else and wages may not be assigned. Furthermore, if an employee receives an advance on their salary, although this may take the form of a loan, the employee may not be charged interest on the same.	2

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35	**A** **In fraudulent trading there is the intent to defraud creditors** The Companies Act, 1995 provides for various offences including fraudulent and wrongful trading. The main difference between the two offences is the fraudulent intent.	2
36	**D** **Extraordinary general meeting** The shareholders will have to convene an extraordinary general meeting to place the company into liquidation.	2
37	**C** **Investment** Investment is not one of the three main stages of money laundering.	2
38	**D** **2 and 3** A disqualification order can be issued for a minimum of 1 year to a maximum of 15 years. This order is issued against any person found guilty of an offence under the Companies Act, 1995 or who was a director of an insolvent company and whose conduct makes them unfit to hold such post for any other company.	2
39	**A** **Ordinary shares** The share capital of company can be divided into different classes of shares. The rights assigned to the different shares may be varied as are voting rights and the right to receive dividends. However, all companies must always have ordinary shares issued.	2
40	**D** **The auditors** The auditors need not be included in a company's memorandum of association. The Companies Act, 1995 provides for those clauses which must be included in the memorandum of association of a limited liability company but does not provide that the company's auditors must be included.	2

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41	**B** **50% +1 of the voting rights** The Companies Act, 1995 provides for the procedure for the removal of a director of a company. A director can be removed by a vote representing at least 50% + 1 of the voting rights.	2
42	**C** **When the mandatory has accepted the mandate** Through a contract of mandate, an agent is engaged to act on behalf of another person. The contract is deemed concluded once the agent has accepted the engagement.	2
43	**B** **Capacity** A lame contract is one which is defective due to lack of capacity.	2
44	**C** **The members** The shareholders of a company have to approve changes to the statutory documents by means of a resolution.	2
45	**D** **That the company will be able to settle all debts within 12 months** A declaration of solvency is one where the directors make a declaration to the effect that they have made a full inquiry into the affairs of the company, and that, having so done, they have formed the opinion that the company will be able to pay its debts in full within such period not exceeding 12 months from the date of dissolution as may be specified in the declaration.	2
46	**A** **Acquiring property where the source is unknown** Acquiring property where the source is unknown does not mean that the property has been derived from an illegal source or was derived from an illegally activity.	2

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47	**D** **1, 2 and 3** Responsibilities of the audit committee in Malta include monitoring the statutory audit procedure, monitoring the financial reporting process and monitoring the effectiveness of the company's internal quality control and risk management systems.	2
48	**D** **They are enacted by Parliament** A secondary source is binding, authoritative and a tool of interpretation used by the courts but is not enacted by Parliament. Primary sources are enacted by Parliament.	2
49	**A** **When it is internally manifested** An offer has to be externally and not internally manifested.	2
50	**D** **To share in any dividend distribution in proportion to their shareholding** An entitlement of an ordinary shareholder in a company is to share in any dividend distribution in proportion to their respective shareholding.	2

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