Question	Correct Answer	Marks
1	**D** **30 days** Section 352(1) Companies Act 2016 states that a company that creates a charge over its property or any of its undertakings shall lodge within 30 days from the creation of the charge, a statement or particulars of the charge in the form and manner as prescribed by the Registrar of Companies. This process is called the registration of the charge.	2
2	**B** **Where the number of members of a company falls below two** This is not a situation where the veil of incorporation may be lifted as the Companies Act 2016 requires a company to have a minimum of one member only.	2
3	**D** **1 and 2 only** An offer takes place when one party indicates to another their willingness to do something in return for the other party's reciprocal promise. An offer can be made to the world at large. However, an offer cannot be revoked at any time by the offeror. They can only revoke before the acceptance of the offer is complete against them.	2
4	**A** **Contracts of agency** Contracts under agency made without consideration are valid. This exception is expressly provided for in s.138 Contracts Act 1950, which states that no consideration is necessary to create an agency.	2
5	**A** **Any person in possession of inside information** Section 188(1) Capital Markets and Services Act 2007 states that a person is an 'insider' if that person, '(a) possesses information that is not generally available which on becoming generally available a reasonable person would expect it to have a material effect on the price or the value of securities; and (b) knows or ought reasonably to know that the information is not generally available.'	2

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6	**A** **It is void** In Malaysia, it is well established by case law that contracts made with minors are void.	2
7	**B** **Statutes of general application** The Civil Law Act 1956 does not permit the application of English statutes of general application in Peninsular Malaysia.	2
8	**D** **1, 2 and 3** All three actions may constitute an offence under s.21 Malaysian Anti-Corruption Commission Act 2009 – that is, if a public officer asks a person for a gift in exchange for processing a permit, if a person offers a gift to a public officer to vote in their favour at a meeting but the officer declines, and if a person offers a gift to a public officer to influence a decision but the public body does not decide in the person's favour.	2
9	**B** **1 and 4** Money laundering is part of public law and not private law. As it also concerns international law, it forms part of public international law as well.	2
10	**D** **Constructive dismissal** Constructive dismissal means a situation where the employee has no choice but to tender their resignation due to the actions, decisions or policies imposed by the employer on the employee resulting in a breach of contract by the employer. Constructive dismissal occurs, among other things, where the employee resigns in circumstances where the employer embarrasses the employee and demotes them.	2

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11	**D** **3 October** The commencement of a winding up by the court is governed by s. 467(1) and (2) Companies Act. The section states as follows that commencement of winding up by the court: '(1) Where before the presentation of the winding up petition a resolution has been passed by the company for voluntary winding up, the winding up of the company shall be deemed to have commenced at the time of the passing of the resolution, and, unless the court on proof of fraud or mistake thinks fit to direct otherwise, all proceedings taken in the voluntary winding up shall be deemed to have been validly taken. (2) In any other case, the commencement of winding up shall be at the date of the winding up order.'	2
12	**B** ***Ratio decidendi*** *Ratio decidendi* refers to the legal reasoning for the decision and it is this part of the court decision that is binding on the lower courts.	2
13	**C** **Lapse of time** A contract is not discharged by lapse of time. It is discharged by performance, impossibility of performance or breach.	2
14	**D** **The board of directors has resolved to voluntarily wind up the company** The circumstances in which a company may be voluntarily wound up are stated in s.439(1)(a) and (b) Companies Act 2016. The board of directors resolving to wind up the company is not one of them.	2
15	**B** **All companies are required to hold an annual general meeting once in every calendar year** Under s.340(1) Companies Act 2016, only a public company is required to hold an annual general meeting once in every calendar year.	2

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16	**B** **Specific performance** Specific performance is not a remedy for unjustifiable dismissal.	2
17	**B** **A private company limited by guarantee** In Malaysia, only public companies can be incorporated as a company limited by guarantee by virtue of s.11(2) Companies Act 2016.	2
18	**C** **The contract is valid but the party in breach is liable to pay damages to the other party** Breach of a warranty entitles the innocent party to claim damages.	2
19	**C** **2 or 3 only** Section 115 Companies Act 2016 states how a company may reduce its capital. The section states that 'unless otherwise provided in the constitution, a company may reduce its share capital by- (a) a special resolution and confirmation by the court in accordance with section 116; or a special resolution supported by a solvency statement in accordance with section 117.'	2
20	**C** **3 only** The scheme of arrangement, judicial management and corporate voluntary arrangement allow for a moratorium to be imposed to protect the company from legal actions. However, the scheme of arrangement and judicial management are court-supervised mechanisms and require orders from the court. The corporate voluntary arrangement does not require a prior order from the court for its commencement.	2

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21	**B** **Acceptance is complete as against the offeror as soon as it is posted** The postal rule regarding communication of an acceptance under s.4(2) Contracts Act 1950 states that acceptance is complete as against the offeror as soon as it is posted.	2
22	**D** **A shadow director** A shadow director refers to a person who is not appointed as a director but regularly gives directions to the board and the board always acts in accordance with those directions.	2
23	**C** **Every director of a company must ordinarily reside in Malaysia by having a place of residence in Malaysia** Under s.196(4)(a) Companies Act 2016, only the minimum number of directors and not every director, must ordinarily reside in Malaysia by having a place of residence in Malaysia. See also s.196(1)(a) and (b), which state that a private company shall have a minimum of one director, and a public company shall have a minimum of two directors.	2
24	**B** **Damages** Damages is a common law remedy and not an equitable remedy.	2
25	**C** **Money laundering** As Siti received the funds and without reasonable excuse failed to take reasonable steps to ascertain whether or not the funds are proceeds of an unlawful activity, she may have committed the offence of money laundering under s.4(1) and (2) of the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001.	2

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26	**C** **Agency by ratification** This arises where the agent has acted without authority, or in excess of their authority but the principal accepts the actions of the agent.	2
27	**C** **Directors are under a duty to protect the interests of the company's major shareholders** Under Malaysian company law, directors are generally under no duty to protect the interest of any shareholder or a group of them.	2
28	**D** **1, 2 and 3** Section 4(1) Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 states the actions or conduct that may amount to the offence of money laundering. These include acquiring proceeds of an unlawful activity, removing from Malaysia, proceeds of an unlawful activity and engaging indirectly in a transaction which involves proceeds of an unlawful activity.	2
29	**C** **1 and 3 only** Mistake and fraud are stipulated in s.16 and s.17 Contracts Act 1950 as situations in which consent is deemed to be not freely given. Negligence does not vitiate free consent.	2
30	**A** **1, 2 and 3** A conventional partnership may be dissolved by court order, expiration of time and illegality.	2

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31	**C** **1 and 3 only** Knowingly causing a computer to perform any function with intent to secure unauthorised access to a program or data held in any computer is an offence under s.3 Computer Crimes Act 1997, which relates to unauthorised access to computer material. Communicating indirectly a code, password or other means of access to a computer to an unauthorised person is an offence under s.6, which relates to wrongful communication. Knowingly performing an act which will cause modification of the contents of any computer is not an offence under s.5, which states that a person shall be guilty of an offence if they do any act which they know will cause an unauthorised modification of the contents of any computer.	2
32	**C** **1 month** Under s.18 Employment Act 1955, the maximum wage period permitted is 1 month.	2
33	**C** **Master-servant test** This is no such test to determine the existence of an employer-employee relationship.	2
34	**A** **Sale of securities of a company which involves a change in the beneficial ownership of the securities** This conduct is not an offence relating to market abuse under the Capital Markets and Services Act 2007.	2
35	**B** **They must be a member of a professional body** There is no mandatory requirement under the Companies Act 2016 that a person must be a member of a professional body to qualify for appointment as a company secretary - see s.235(1) and (2) Companies Act 2016.	2

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36	**B** **The provisions in the constitution are regarded as contractually binding between the company and its members and may be enforced by the company against the members and vice versa** This is the effect of the constitution as determined by case law and based on s.33(1) Companies Act 2016 and its preceding legislation.	2
37	**B** **Rescission** Pursuant to s.56(3) Trademarks Act 2019, in an action for an infringement of a trademark, the court may grant relief to the claimant, including relief in the form of an injunction, damages and an account of profits.	2
38	**C** **The purchase of shares must be approved by a special resolution** The requirements that must be satisfied before a company can purchase its own shares are mentioned in s.127(1) and (2) Companies Act 2016. There is no requirement for the purchase of the shares to be approved by a special resolution.	2
39	**A** **A legal and exclusive right granted to an inventor for new inventions or processes** A legal and exclusive right granted to an inventor for new inventions or processes describes a patent.	2
40	**D** **Wrongful trading** Joanna may be guilty of the offence of wrongful trading, the elements of which are stated in s.539(3) Companies Act 2016.	2
41	**A** **By a special resolution** A special resolution is required to alter the constitution of a company under s.36(1) Companies Act 2016.	2

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42	**A** **Failure to maintain a register of substantial shareholders** Under s.144 Companies Act 2016, companies must keep and maintain a register of substantial shareholders, failing which the company and every officer who contravene the section commit an offence.	2
43	**C** **Companies limited by guarantee** There is a requirement under the Companies Act 2016 only for companies limited by guarantee to submit a written constitution as part of the incorporation procedure.	2
44	**D** **Administrative orders** Administrative orders are orders from Government agencies aimed at enforcing the law and do not form part of the sources of law.	2
45	**B** **Lack of privity of contract** Cindy's mother wishes to sue to enforce a contract between her daughter and another person. This raises the issue of privity of contract.	2
46	**D** **A term is a clause in a contract the non-compliance of which will entitle the innocent party to claim for damages, whereas a representation is not part of the contract** The main difference between a term and a representation is that a term is part of the contract, but a mere representation is not.	2

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47	**C** **The floating charge over the assets crystallises and becomes a fixed charge when a creditor commences execution proceedings against the charged assets** Generally, crystallisation of a floating charge occurs when the company ceases to carry on business, or when the company is wound up or when a receiver or receiver and manager is appointed. Crystallisation of a floating charge does not occur when a creditor commences execution proceedings against the charged assets.	2
48	**B** **7** Under s.60FA Employment Act 1955, a married male employee is entitled to 7 days paid maternity leave.	2
49	**A** **It can sue and be sued in the name of all or any of its partners** This is not a feature of a limited liability partnership. A limited liability partnership is recognised as having legal personality and therefore it can sue and be sued in the name of the firm.	2
50	**B** **10%** Under s.93(1) Companies Act 2016, if the rights attached to shares in any class of shares in a company are varied, the shareholders representing at least 10% of the total voting rights in that class may apply to court to have the variation disallowed.	2

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