Specimen Exam

Exam Name: Business Law – Vietnam (K3 VNM)
Time allowed: 2 hours
Pass Mark: 50%

This exam contains:

50 questions, each worth 2 marks
100 marks in total

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Question 1

In relation to intellectual property laws applicable to publications, which of the following is protected indefinitely?

A To restrict reproduction of a work
B To prevent use of a work as a basis for a broadcast
C To be recognised as the author and protect the integrity of the work
D To insist on proper citation and acknowledgement of the original work

Question 2

In relation to contract law, which of the following is an essential feature of an offer?

A It must provide a time limit for acceptance
B It must be in written form
C It must demonstrate the intention to be bound
D It must include payment terms

Question 3

Gam Company has its registered office in Ho Chi Minh City. All administrative functions are dealt with at offices in Tay Ninh. The company is selling its freight warehouse in Vinh to Vad Company. Vad Company's registered office is in Hanoi but the company's operations are based in Da Nang.

Which of the following locations will the transaction be considered to have been discharged at?

A Da Nang
B Ho Chi Minh City
C Tay Ninh
D Vinh

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Question 4

Gee Company was declared insolvent on 8 April. At the time of the court's ruling, it was due to receive goods from Kay Company on 11 April, with payment due 30 days after delivery.

Which of the following in relation to Kay Company is CORRECT?

A It can recall the goods but only while they remain in transit
B It can recall the goods while in transit, or recover them before payment is made
C It cannot recall the goods but can impose a lien over the goods
D It cannot recall the goods and will be an unsecured creditor

Question 5

In relation to employment law, which of the following is a valid reason for making an employee redundant?

A The employee no longer has the physical strength necessary to do the job
B The employee's work has been automated and their skills are no longer required
C The employee was not able to complete the training necessary to learn new processes
D The employee's health has deteriorated and they can now perform only light duties

Question 6

Which of the following can commit insider dealing offences in respect of securities issued?

A Any type of registered business organisation
B Any shareholding company or limited liability company
C Any shareholding company
D Any listed shareholding company

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Question 7

In relation to bonus shares, which of the following is CORRECT?

A Issuing them reduces the equity of the company
B They are issued to both existing and new shareholders
C They are issued at a discount to new shareholders
D They are issued to existing shareholders at no cost

Question 8

Which of the following is how many directors a public shareholding company should have?

A 5 - 10
B 3 - 11
C 2 – 12
D Minimum of 2 and no maximum

Question 9

Mai terminated her membership of an unlimited partnership 18 months ago, and the partnership was left with three remaining partners. Since Mai left the partnership, another of the partners has died.

Which of the following explains the extent to which Mai is now potentially liable for financial obligations incurred while she was still a partner?

A She is no longer liable for the obligations
B She is liable for one-third of the obligations
C She is liable for one-quarter of the obligations
D She is fully liable for the obligations

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Question 10

If the general meeting of shareholders of a shareholding company has to be terminated due to logistical reasons, which of the following is responsible for reconvening the meeting within three days?

A The chairman
B The chief executive officer
C The board of directors
D The inspection committee

Question 11

Which of the following statements about labour agreements is/are TRUE?

(1) It is necessary for all paid employees to enter into a written labour agreement
(2) A fixed-term labour agreement can only be renewed once
(3) The maximum probationary period for any job is 30 days

A 1 only
B 2 only
C 1 and 3
D 2 and 3

Question 12

Which of the following about a labour agreement will apply if a labour agreement includes a clause forbidding the employee from joining a trade union?

A It is valid in its entirety
B It is valid except for the clause relating to union membership
C It is valid but the employee has the right to regard the clause relating to union membership as non-binding
D It is void in its entirety

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Question 13

Cam has been selling illegal goods and mixing the revenues from this activity with legitimate business income. A proportion of the combined funds have been invested in four offshore bank accounts and long-term investments. On maturity of the investments, the funds were transferred to a single account in Vietnam. Cam then withdrew the funds gradually to avoid suspicion.

In relation to money laundering, which of the following activities undertaken by Cam is regarded as 'layering'?

A Mixing illegal revenues with legal revenues
B Investing in offshore bank accounts and long-term investments
C Transferring the offshore funds back to Vietnam
D Gradual withdrawal of the funds over time to avoid suspicion

Question 14

Nhi entered into a contract to deliver a seminar for Kol Company. The contract specified that failure to deliver the seminar would incur a fixed charge and no further obligation. When Nhi breached the contract, Kol Company could not easily find another presenter to deliver the seminar and had to pay significantly more than the fixed charge due under the contract. Kol Company also suffered a loss of revenue, as some bookings for the seminar were cancelled as a result of the change in presenter.

Which of the following actions can Kol Company take against Nhi?

A Choose to claim either the fixed charge or damages but not both
B Claim the fixed charge and actual losses incurred
C Claim the fixed charge, losses and missed profits
D Claim the fixed charge only

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Question 15

In relation to contract law, which of the following is an offer?

A A roadside advertisement specifying a discounted, time limited price for a product
B The display of goods in the window of a shop, indicating the prices of each
C An invitation for companies to tender for a project, to be submitted by a specified date
D A notice of a specific monetary reward for the return of lost property

Question 16

Dop Company was established as a joint venture between Epp Company and Fub Company. Epp Company owned 60% of the shares in Dop Company and Fub Company owned the remaining 40%. After trading for one year, Dop Company failed, leaving significant accounts payable.

Which of the following will be liable for the outstanding obligations?

A Dop Company only
B The directors of Dop Company
C Epp Company and Fub Company, jointly and severally
D Epp Company and Fub Company, in proportion to their shares in the equity

Question 17

Which of the following is a consequence of rescission of a contract?

A Both parties are released from the obligations and cannot suffer any further consequence
B The contract remains in force and the injured party can insist on specific performance
C The injured party can claim damages for losses suffered and walk away from the obligation
D The contract remains in force and the injured party can insist on damages

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Question 18

Which of the following is responsible for ensuring that documents submitted to the business registration office are true and accurate?

A The board of directors
B The chairman
C The chief executive officer
D The legal representative

Question 19

Which of the following is the HIGHEST administrative body of Vietnam in exercising executive authority?

A The President
B The National Assembly
C The Standing Committee
D The Government

Question 20

Which of the following would be dealt with by a provincial court?

A A labour dispute between a union and an employer
B The insolvency of a company with offshore assets
C A boundary dispute between two private citizens
D A small monetary claim by a creditor against a debtor

Question 21

Which of the following is NOT specifically regulated under cybercrime and computer misuse legislation?

A Denial of service attacks
B Malware distribution
C Blockchain and digital currency fraud
D Illegal data acquisition

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Question 22

In relation to securing obligations, which of the following statements concerning a mortgage is CORRECT?

A On creation of a mortgage, the title to the asset passes to the creditor
B A creditor can never be held responsible for any damage to the mortgaged asset
C In the event of default, the creditor can sell the mortgaged asset on behalf of its owner
D Any financial benefit derived from a mortgaged property belongs to the creditor for the duration of the mortgage

Question 23

Which of the following is a right of all holders of dividend preference shares?

A To vote at general meetings of shareholders
B To receive a proportionate share in dividends issued to ordinary shareholders
C To receive a proportion of capital remaining if the company is dissolved
D To demand that their shares be redeemed by the company at any time

Question 24

In relation to a shareholding company, which of the following lies within the exclusive competence of the general meeting of shareholders?

A Determining the price of shares or bonds to be issued
B Appointment or dismissal of the general director
C Approval of executive remuneration
D Amendment of the charter

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Question 25

Khanh owned securities in Hod Company which paid regular fixed income, whether or not the company made a profit. Khanh was not entitled to attend general meetings of the company and had no voting rights. However, when Hod Company became insolvent, Khanh was permitted to participate in the creditors' meeting.

Which of the following types of security were held by Khanh?

A Ordinary shares
B Dividend preference shares
C Redeemable preference shares
D Company bonds

Question 26

Which of the following is an administrative remedy for breach of intellectual property rights?

A Compensation
B Seizure of offending materials
C Public apology
D Injunction

Question 27

Upp Company has been declared insolvent by the court. Its obligations include a mortgage, but the mortgaged property is worth less than the outstanding mortgage debt.

Which of the following describes how this obligation will be treated in the insolvency process?

A The whole debt will be regarded as secured
B The whole debt will be regarded as unsecured
C The mortgaged property will be transferred to the creditor and treated as full settlement
D The element of the debt secured by mortgage will be treated as secured, but the balance will be unsecured

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Question 28

Zed Company, a limited liability company, was registered on 10 May. All of the founders signed the formal agreement to establish the company on 1 May, and on 4 May they entered into an agreement to purchase inventory to enable Zed Company to commence trading. By 6 May, the company had banked all of the contributions to its share capital.

Which of the following dates did Zed Company attain a separate legal personality on?

A 1 May
B 4 May
C 6 May
D 10 May

Question 29

Which of the following is an example of bribery?

A An unsolicited but lavish gift by a company as a reward for awarding a valuable contract
B An offer by a supplier to allow a buyer to use their holiday home in anticipation of doing future business together
C A supplier granting a 20% discount on future goods purchased by a company in appreciation of orders previously placed
D A facilitation fee paid to a public official's personal account for accelerating a planning application

Question 30

In relation to securities issued by a shareholding company, which of the following may NOT be assigned by their owners?

A Ordinary shares
B Bonds
C Dividend preference shares
D Voting preference shares

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Question 31

Which of the following statements relating to bribery is/are CORRECT?

(1) It always involves offering or receiving a financial incentive
(2) Bribes offered to foreign public officials are an offence
(3) A bribe must relate to influencing another person to act

A 1 only
B 2 only
C 1 and 3
D 2 and 3

Question 32

Fup Company has been declared insolvent and production activities have ceased. The company holds an inventory of perishable goods.

What is the first action that should be taken by the insolvency administrator in respect of these goods?

A Write off the value of the goods
B Advertise them for sale at a price that will guarantee a quick sale
C Sell the goods immediately for the best price practicably attainable
D Request permission from a judge to sell the goods

Question 33

Which of the following falls within the exclusive competence of the board of directors of a shareholding company?

A Approving all large-scale transactions
B Deciding the value, classes and numbers of shares to be issued by the company
C Deciding the long-term development strategy of the company
D Appointing the inspection committee

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Question 34

In relation to a joint-stock company, which of the following must be included in the charter of the company?

(1) Structure of board committees, such as the audit committee
(2) Number, rights and obligations of board members
(3) Rules on related-party transactions
(4) Procedures for amending the charter

A 1 and 2
B 1 and 3
C 2 and 4
D 3 and 4

Question 35

Which of the following is the majority required for the Partnership Council to sanction a decision where a partnership wishes to borrow a sum equivalent to 20% of the charter capital of the partnership?

A Simple majority
B Two-thirds majority
C Three-quarters majority
D All of the partners must sanction the decision

Question 36

In relation to People's Assessors serving in the Vietnamese courts, which of the following is CORRECT?

A They cannot be professional lawyers or notaries
B Their principal role is to ensure that due process is followed
C They may overrule a judge's decision if they disagree with the judge's reasoning
D They may participate in criminal and civil cases but not administrative cases

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Question 37

Khanh is a director of Lig Company and its chief executive officer. On a visit to a new supplier, he was offered the opportunity to purchase inventory at an attractive price but the supplier stated that as prices were expected to rise steeply, he could only make the purchase at the offered price if he was prepared to act immediately.

Which of the following about the potential contract is CORRECT?

A Khanh has no actual authority to enter into the contract unless he is the designated legal representative of the company

B As chief executive officer, Khanh has a legal right to bind the company without power of attorney

C For the contract to be legally binding, the supplier is obliged to affirm Khanh's right to sign a contract on the company's behalf

D Khanh can enter into a contract on behalf of Lig Company in his capacity as a director

Question 38

In relation to contract law, which of the following explains how a contract will be treated by a court if it contains a term that can be interpreted in different ways?

A By considering the intentions of the person who made the offer

B By applying an interpretation that is most beneficial to both parties

C By interpreting the phrase in a manner consistent with its use in the region where the case is heard

D By referring to similar decisions in previous legal cases

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Question 39

Anh had a fixed-term labour agreement with her employer which expired on 14 September. However, she continued to work as usual until 30 September. The employer then wrote to Anh stating that, as the agreement had expired, she would no longer be employed by the company with effect from 1 October.

Which of the following statements about the labour agreement is TRUE?

A The company is able to terminate the agreement but must pay Anh for work up to 1 October
B The contract is now regarded as an indefinite term agreement, as Anh was permitted to work beyond its expiry date
C The company can terminate the agreement but must permit Anh to work at least two months' notice
D The company must either change the agreement to an indefinite term agreement, or extend the fixed-term by one year

Question 40

In relation to the Criminal Code and computer misuse and cybercrime, which of the following relates to crimes involving phishing and spyware?

A Online fraud
B Data theft and manipulation
C Malware distribution
D Illegal system access

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Question 41

Cam was one of four partners in an unlimited partnership. When Cam died, Ngai, her son and next-of-kin, stated that he wished to join the partnership.

Which of the following will apply?

A As next-of-kin, Ngai automatically becomes a partner unless he declines to do so
B As next-of-kin, Ngai has a legal right to join the partnership if he wishes
C Ngai can become a partner only with the consent of the majority of the surviving partners
D Ngai can become a partner only with the unanimous consent of the surviving partners

Question 42

In relation to the constitution of companies, which of the following is CORRECT?

A All limited liability companies and joint-stock companies must comply with minimum capital requirements
B Members of limited liability companies may freely transfer their shares to third parties
C Limited liability companies must have a minimum of two members and a maximum of 50 members
D The capital of joint-stock companies must be divided into shares of equal book value

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Question 43

Trang was employed by a company in a specialist role. His agreement included a 60-day probationary period. During the probationary period, Trang was informed that the standard of his work was unsatisfactory and that his agreement would be terminated.

Which of the following will Trang be entitled to?

A To work for the remainder of the probationary period and severance pay of one month's salary
B To three days' notice and severance pay of one month's salary
C To no notice and severance pay of one week's salary
D To no notice and salary for the days that he has worked

Question 44

In relation to members of the board of management of shareholding companies, which of the following statements is TRUE?

A They may be members of the board of management of other companies
B They must be shareholders of the company
C They may be appointed for a maximum term of three years
D They must be permanently resident in Vietnam

Question 45

In relation to insider dealing, which of the following statements is TRUE?

A A person who commits an act of insider dealing cannot be prosecuted unless they have personally profited from the act
B Insider dealing offences can only be committed by directors and employees of the company to which price sensitive information relates
C In addition to insider dealing and encouraging others to deal, failure to report or disclose is also an insider dealing offence
D Insider dealing offences can only be committed if the inside information relates to companies whose securities are listed

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Question 46

In relation to share and loan capital, which of the following statements is TRUE?

A Both share and loan capital are permanent capital of a company
B The relationship between a shareholder and the company is contractual
C The charter of a company is binding on providers of loan capital
D Holders of preference shares and bonds are creditors of the company

Question 47

Which of the following is the stage of the money laundering process where mixing the proceeds of crime with legitimate business receipts in order to conceal their origin takes place?

A Integration
B Relocation
C Placement
D Layering

Question 48

In relation to the provisions of the Constitution, which of the following is a duty of the Standing Committee?

A To explain the Constitution and ordinances
B To decide on the national socio-economic plan
C To draw up and amend the Constitution
D To grant general amnesties

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Question 49

Bian wrote to Danh expressing a desire to buy a particular painting owned by Danh, specifying a price she was prepared to pay. She included the following statement in her letter:

'If I do not hear from you, I will consider that you are willing to sell at this price'.

Danh did not reply but instead sold the painting to Cuc.

Which of the following statements is TRUE?

A Cuc's purchase of the painting was unlawful, unless Danh rejected Bian's proposal
B Danh's silence could be regarded as a legal acceptance of Bian's proposal
C Bian's letter was an invitation to treat
D Bian's letter was an offer, but Danh was under no obligation to respond to Bian

Question 50

Keb Company issued a prospectus setting out the details of its forthcoming share issue. The fund managers of FundCo decided to purchase shares in Keb Company. Following FundCo's application to buy shares, it was subsequently informed that the application was successful.

Which of the following would have been regarded as an offer?

A The issue of the prospectus only
B The application to purchase shares
C The confirmation of allotment of the shares only
D The issue of the prospectus and the confirmation of allotment of the shares

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