

QUESTION 1 (a)	<u>MARK/NOTES</u>									
List FIVE (5) types of business entities available in Malaysia.										
<u>Answer:</u>										
1. Sole proprietorship /1m	1									
2. Partnership /1m	1									
3. Limited Liability Partnership /1m	1									
4. Limited Partnership (Labuan only) /1m	1									
5. Company /1m	1									
	Total: 5 Marks									
QUESTION 1 (b)(i)										
Explain Partnership and Limited Liability in term of registration, number of members, legal status and liability of members.										
<u>Answer:</u>										
1. A Partnership is registered under the Partnership Act 1961 whereas a Limited Liability Partnership is registered under the Limited Liability Partnership Act 2012 /2.5m	2.5									
2. In a Partnership, there is minimum number is 2 persons and maximum of 20 persons (except for professional partnership with no maximum limit) whereas for a Limited Liability Partnership, the minimum number is 2 persons with no maximum limit. /2.5m	2.5									
3. A Partnership is not a separate legal entity whereas a Limited Liability Partnership is a separate legal entity. /2.5m	2.5									
4. In a Partnership, the liability of members is unlimited and can extend to personal assets whereas in a Limited Liability Partnership, there is no personal liability of partners except for own wrongful act or omission or without authority. Liabilities borne by the partners are jointly and severally with the LLP to the extent of the unpaid share capital /2.5m	2.5									
	Total: 10 Marks									
QUESTION 1 (b)(ii)										
Compare FIVE (5) features of a Public and Private Company.										
<u>Answer:</u>										
<table border="1"> <thead> <tr> <th data-bbox="272 1608 478 1675">Aspect(s) of comparison</th> <th data-bbox="478 1608 804 1675">Private Company</th> <th data-bbox="804 1608 1171 1675">Public Company</th> </tr> </thead> <tbody> <tr> <td data-bbox="272 1675 478 1854">Name</td> <td data-bbox="478 1675 804 1854">Sendirian Berhad or Sdn. Bhd. /1m Section 25(1) of the Companies Act 2016 /1m</td> <td data-bbox="804 1675 1171 1854">Berhad or Bhd. /1m Section 25(1) of the Companies Act 2016 /1m</td> </tr> <tr> <td data-bbox="272 1854 478 2033">Commencement of Business</td> <td data-bbox="478 1854 804 2033">Issued with the Notice of Registration /1m</td> <td data-bbox="804 1854 1171 2033">Issued with the Notice that the company is entitled to commence business and exercise borrowing powers /1m</td> </tr> </tbody> </table>	Aspect(s) of comparison	Private Company	Public Company	Name	Sendirian Berhad or Sdn. Bhd. /1m Section 25(1) of the Companies Act 2016 /1m	Berhad or Bhd. /1m Section 25(1) of the Companies Act 2016 /1m	Commencement of Business	Issued with the Notice of Registration /1m	Issued with the Notice that the company is entitled to commence business and exercise borrowing powers /1m	<p data-bbox="1171 1821 1418 1850">2</p> <p data-bbox="1171 2007 1418 2036">2</p>
Aspect(s) of comparison	Private Company	Public Company								
Name	Sendirian Berhad or Sdn. Bhd. /1m Section 25(1) of the Companies Act 2016 /1m	Berhad or Bhd. /1m Section 25(1) of the Companies Act 2016 /1m								
Commencement of Business	Issued with the Notice of Registration /1m	Issued with the Notice that the company is entitled to commence business and exercise borrowing powers /1m								

			<u>MARKS/NOTES</u>
Allotment of Shares	Forbidden from inviting the public /1m Section 43(1)(a) of the Companies Act 2016 /1m	Allowed to invite the public /1m	2
Restriction on Transfer of Shares	Restricted /1m Section 42 of the Companies Act 2016 /1m	No any restriction /1m	2
Prohibited from inviting the Public to deposit money	Prohibited /1m Section 43(1)(c) of the Companies Act 2016 /1m	No prohibition /1m	2
Maximum number of Members	Not more than 50 persons /1m Section 42(1) of the Companies Act 2016 /1m	No limit on the maximum number of member /1m	2
Annual General Meeting (AGM)	Not required /1m	Required /1m Section 340 of the Companies Act 2016 /1m	2
Appointment of Auditor	Not required /1m	Required /1m	2
<i>*Choose any FIVE (5) answers</i>			Total: 10 Marks
QUESTION 2(a)			
State FIVE (5) information required for such purpose.			
Answer:			
1. Name of proposed company /1m			1
2. Status of private or public company /1m			1
3. Nature of business /1m			1
4. Proposed registered address /1m			1
5. Details of the proposed directors, members and company secretary /1m			1
6. Super form /1m			1
7. Declaration from directors and promoter(s) /1m			1
8. Optional constitution of company /1m			1
<i>*Choose any FIVE (5) answers</i>			Total: 5 Marks
QUESTION 2(b)			
(i) Interpret FIVE (5) effects of incorporation of a company in Malaysia.			
(ii) Elaborate FIVE (5) information required for such constitution			
Answers:			
(i) <u>Interpret FIVE (5) effects of incorporation of a company in Malaysia</u>			
a) Section 20(a) of the Companies Act 2016 /1m A body corporate and shall have a personality separate from its member /1m			1 1

	<u>MARK/NOTES</u>
b) Section 20(b) of the Companies Act 2016 /1m Company will continue in existence until it is removed from the register (perpetual succession) /1m	1 1
c) Section 21(a) of the Companies Act 2016 /1m Company can sue and be sued in its own name /1m	1 1
d) Section 21(b) of the Companies Act 2016 /1m Company can acquire, own, hold, develop or dispose of any property /1m	1 1
e) Section 21(c) of the Companies Act 2016 /1m Company can do any act which it may do or to enter into transactions /1m	1 1
	Total: 10 Marks
(ii) <u>Elaborate any FIVE (5) information required for such constitution</u>	
a) Section 38(a) of the Companies Act 2016 /1m That the company is a company limited by guarantee /1m	1 1
b) Section 38(b) of the Companies Act 2016 /1m The objects of the company /1m	1 1
c) Section 38(c) of the Companies Act 2016 /1m The capacity, rights, powers and privileges of the company /1m	1 1
d) Section 38(d) of the Companies Act 2016 /1m The number of members with which the company proposed to be incorporated /1m	1 1
e) Section 38(e) of the Companies Act 2016 /1m Matters contemplated by the Act to be included in the constitution /1m	1 1
f) Section 38(f) of the Companies Act 2016 /1m Any other matters that the company wishes to include in its constitution /1m	1 1
<i>*Choose any FIVE (5) answers</i>	1
	Total: 10 Marks
QUESTION 3 (a)	
Identify FIVE (5) qualifications of an individual to be appointed as a company secretary under Section 235 of the Companies Act 2016.	
Answer:	
(i) Natural person /1m	1
(ii) 18 years old and above /1m	1
(iii) A citizen or permanent resident of Malaysia who shall ordinarily reside in Malaysia by having principal place of residence in Malaysia /1m	1
(iv) Must not be convicted whether within or outside Malaysia of any offence involving fraud or dishonesty punishable on conviction with imprisonment for three months or more /1m	1
(v) Must not have any pending legal action against him/her under any provision of the Companies Act 2016 or the law specified in the First Schedule /1m	1
	Total: 5 Marks

QUESTION 3 (b)	<u>MARK/NOTES</u>
(i) Outline FIVE (5) duties of a director based on the Companies Act 2016. (ii) Show Irfan on the right principle and requirements of law under section 311.	
<u>Answer:</u>	
(i) Outline FIVE (5) duties of a director based on the Companies Act 2016.	
a) Section 213(1) /1m A director of a company shall at all time exercise his power in accordance with this Act, for a proper purpose and in good faith in the best interest of the company /1m	1 1
b) Section 213(2) /1m A director of a company shall exercise reasonable care, skill and diligence with the knowledge, skill and experience which may reasonably be expected of a director having the same responsibilities. /1m	1 1
c) Section 214(1) /1m A director who make business judgment is deemed to meet the requirements of the duty under subsection 213(2) and the equivalent duties under the common law and in equity if the director makes the business judgment in good faith for a proper business. /1m	1 1
d) Section 215(1) /1m A director in exercising his duty may rely on information, professional or expert advices prepared, presented and made by any officer of the company whom the director believes on reasonable ground to be reliable and competent. /1m	1 1
e) Section 216(2) /1m Where a director has delegated any power, the director is responsible for the power exercised by the delegate as if the power has been exercised by the director himself. /1m	1 1 Total: 10 Marks
(ii) Show Irfan on the right principle and requirements of law. Under Section 311 of the Companies Act 2016, the directors may call fora meeting of members once the company has received the following requisitions: /1m	1
- (a) member representing at least 10% of the paid-up capital of the company carrying the right of voting at the meeting of members of the company excluding any paid-up held as treasury shares /1m	1
- (b) in the case of a company not having share capital, members who represent at least 5% of the total voting rights of all members having a right of voting at meeting of members /1m	1
- It is the duty of the directors to take action when a request is made by members who fulfil the shareholding membership requirements that are: /1m	1
- (a) to convene a meeting within 14 days from the date of requisition /1m	1
- (b) to hold the meeting on a date not later than 28 days after the date of the notice to convene the meeting /1m	1
- Member may convene meeting at the company's expense if they had made request under section 311 and directors failed to do so /1m	1

	<u>MARK/NOTES</u>
- To do so, the resolution to be moved at a meeting should not be a resolution that: /1m	1
- (a) if passed, would be ineffective whether by reason of inconsistency with any written law or the constitution /1m	1
- (b) is defamatory of any person /1m	1
- (c) is frivolous or vexatious /1m	1
- (d) if passed, would not be in the best interest of the company /1m	1
<i>*Choose any FIVE (5) answers</i>	Total: 10 Marks
QUESTION 4 (a)	
Identify FIVE (5) characteristics of share.	
<u>Answer:</u>	
Share may be issued in different classes. /1m	1
Share may be redeemed according to Section 72 of the Companies Act 2016. /1m	1
Share may confer preferential rights to distributions of capital or income /1m	1
Share may confer special, limited or conditional voting rights /1m	1
Share may not confer any voting right /1m	1
Share may be transferred subjected to restrictions (if any) /1m	1
<i>*Choose any FIVE (5) answers</i>	Total: 5 Marks
QUESTION 4(b)	
(i) Explain FIVE (5) powers of liquidators in compulsory winding up by the court in accordance to Section 472 of the Companies Act 2016.	
(ii) Demonstrate FIVE (5) types of funds available and how will you distribute them accordingly.	
<u>Answer:</u>	
(i) Explain FIVE (5) powers of liquidators in compulsory winding up by the court in accordance to Section 472 of the Companies Act 2016.	
a) Clause (a) /1m - bring or defend any action or other legal proceedings in the name and on behalf of the company /1m;	
b) Clause (b) /1m - compromise any debt due to the company other than calls and liabilities for calls and a debt where the amount claimed by the company to be due to the company does not exceed Ringgit Malaysia Ten Thousand (RM 10,000) /1m;	1
c) Clause (c) /1m- sell the immovable and movable property and things in action of the company by public auction, public tender or private contract with power to transfer the whole immovable and movable property and things to any person or company or to sell the same in parcels /1m;	1
d) Clause (d) /1m - do all acts and execute in the name and on behalf of the company all deeds, receipts and other documents and for that purpose use when necessary, the company's seal /1m;	1
e) Clause (e) /1m - prove rank and claim in the bankruptcy of any contributory or debtor for any balance against his estate, and receive dividends in the bankruptcy in respect of that balance as a	1

		<u>MARK/NOTES</u>
	separate debt due from the bankrupt and rateably with the other separate creditors /1m;	1
	f) Clause (f) /1m - draw, accept, make and indorse any bill of exchange or promissory note in the name and on behalf of the company with the same effect with respect to the liability of the company as if the bill or note had been drawn, accepted, made or indorsed by or on behalf of the company in the course of its business /1m	1
	<i>*Choose any FIVE (5) answers</i>	1
		Total: 10 Marks
(ii)	Demonstrate FIVE (5) types of funds available and how will you distribute them accordingly.	
	a) Federal Taxes /1m Amount owed to EPF and SOCSO are paid after the Companies Winding-up Order /1m	1
	b) Company Contracts /1m All include employee contracts are completed, transferred or otherwise brought to an end, after the Companies Winding-up Order /1m	1
	c) Company's Business /1m Carry on the business with a view of eventually ceasing the company's business, despite the Companies Winding-up Order /1m	1
	d) Legal Disputes /1m Settle any legal disputes, the liquidator may have to take legal advice to do that, after the Companies Winding-up Order /1m	1
	e) Sale of Assets /1m Sell any assets by Public Tender, Public Auction or Private Treaty /1m	1
	f) Distribution of Funds to Creditors /1m Distribute any funds to creditors and returning share capital to the shareholders /1m	1
	g) Creditor's Claims /1m Whether the creditors will receive their claims in full will depend on the value of assets realised by the liquidator /1m	1
	h) Distributions on the basis of Pari Passu /1m Pari passu is a Latin phrase that literally means "on equal footing". In the Companies Winding-up sense, for the same class of creditors, each creditor will get the same percentage of their debts /1m	1
	<i>*Choose any FIVE (5) answers</i>	1
		Total: 10 Marks
	<i>"If the working method is different from the solution given, make an appropriate adjustment to the marking scheme with approval from Program Leader"</i>	