



UNIVERSITI KUALA LUMPUR
BUSINESS SCHOOL

FINAL EXAMINATION

JULY 2025 SEMESTER

COURSE CODE	: EAB31203
COURSE NAME	: CORPORATE LAW
PROGRAMME NAME	: BACHELOR IN ACCOUNTING (HONS)
DATE	: 17 SEPTEMBER 2025
TIME	: 2:00PM – 5:00PM
DURATION	: 3 HOURS

INSTRUCTIONS TO CANDIDATES

1. Please **CAREFULLY** read the instructions given in the question paper.
2. This question paper has information printed on both sides of the paper.
3. This question paper consists of **FIVE (5) Questions**.
4. Answer **FOUR (4) Questions** only.
5. All questions must be answered in **English** (any other language is not allowed).
6. Students are allowed to refer to an unannotated **Company Law Act 2026** and **Partnership Act 1961** when answering their questions during the examination.

THERE ARE FOUR (4) PAGES OF QUESTION PAPER INCLUDING THIS PAGE.

INSTRUCTION:

Answer FOUR (4) questions only (Total: 100 marks)

Please use the answer booklet provided.

Question 1

Ali and Ahmad incorporated a company AA Ilike Sdn Bhd where Ali held 2,999 shares and Ahmad held 1 share in the company. Ali was the Managing Director of the company. To enhance the Company's business, Ali borrowed the Company RM1 Millions of his own personal money for the Company to purchase 1 acre of land and later the Company borrowed RM3 Millions from the Bank to built a factory on the land.

However, due to Covid 19 pandemic and subsequent lockdown policy by the government, the Company's business project had to be abandoned. As a result the Company had to be liquidated and Ali seek your advice on whether he sue the Company to recover the money that he borrowed to the Company.

Advice Ali on the concept of body corporate under Section 20 of the Companies Act 2016 and support your answer with two (2) decided cases..

(25 marks)

Question 2

With reference to the relevant provision of the Companies Act 2016 (if any), briefly explain the followings:-

(a) The meaning of Winding up.

(10 marks)

(b) The modes of Winding up.

(10 marks)

(c) The defination of the words "inability to pay debt" stated in Sevtion465 (1)(e)

(5 marks)

Question 3

Moon Star Bhd, a company dealing in the manufacture of electrical goods, has been suffering losses for the past few years. In June 2021, the company took a loan of RM10 million from Public Bank Bhd. This loan was secured by a fixed charge on the company's factory building. In October 2021, the company borrowed a further RM5 million from CIMB Bank Bhd. This loan was secured by a fixed charge over the company's plant and machinery as well as a floating charge over all the other assets and undertaking of the company.

In December 2021, the company borrowed RM2 million from Affin Bank Bhd on the security of a floating charge on the company's book debts. One of the terms of this charge was that the company was prohibited from creating any other charge ranking in priority to or in pari passu with it. Another term of this charge was that it was to have priority over all other existing floating charges.

In November 2024, when the company was hopelessly insolvent, Samsul, a director of the company, who had previously given an unsecured interest-free loan of RM200,000 to the company, demanded security. The company then created a floating charge over all its assets and undertaking in favour of Samsul as security for that loan.

A winding up order against the company was made by the court in January 2025 and a liquidator has been appointed. He has discovered that the fixed charge in favour of Public Bank Bhd was not registered as required by the Companies Act 2016.

He now seeks your advice on the order of priority in which the various creditors above ought to be paid.

Advise the liquidator.

(25 marks)

Question 4

- (a) *Partnership is the relation which subsists between persons carrying on business in common with a view of profit. – Section 3(1), Partnership Act 1961*

In light of the above provision and decided cases, explain the elements of Partnership.

(10 marks)

- (b) State five (5) grounds where the Court can order dissolution of a partnership under the Partnership Act 1961.

(15 marks)

Question 5

AW Motors Sdn Bhd is a company having as its main object the manufacture and sale of motorcar spare parts. Its directors are Amir, aged 72 and Baskar, aged 69. Last week, the company appointed two more persons, Charles and Dennis, to the board of directors. The articles of association of the company requires each director to own at least 10,000 shares in the company.

Indra, a shareholder, has discovered the following:

- (i) Charles was convicted of fraudulent trading three years ago when he was a director of Felton Bhd.
- (ii) Dennis has previously been a director of two companies, Desmo Sdn Bhd and Mondes Bhd. Desmo Sdn Bhd went into insolvent liquidation four years ago while Mondes Bhd was wound up one month ago on grounds of insolvency.
- (iii) Baskar, who has been a director since 2010, has still not obtained any shares in the company.

Required:

Advise Indra:

(a) Whether there are any grounds on which all or any of the directors can be disqualified as directors.

(15 marks)

(b) Whether directors can be removed from office before the expiry of their term of office and, if so, the procedure for doing so including the protection, if any, afforded to the directors.

(5 marks)

(c) Whether a director is free to resign from office at any time he wishes.

(5 marks)

END OF EXAMINATION PAPER