UNIVERSITI KUALA LUMPUR
BUSINESS SCHOOL

FINAL EXAMINATION
MARCH 2026 SEMESTER

COURSE CODE	:	EAB21903
COURSE NAME	:	CORPORATE LAW
PROGRAMME NAME	:	BACHELOR IN ACCOUNTING (HONS)
DATE	:	30 JUNE 2026
TIME	:	2:00 PM – 5:00 PM
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 **ONE (1) Section; Section A.**
4. Answer **ALL** questions in **Section A**
5. Please write your answers on the answer booklet provided.
6. All questions must be answered in **English** (any other language is not allowed).
7. **This question paper must not be removed from the examination hall.**

THERE ARE FIVE (5) PAGES OF QUESTIONS, EXCLUDING THIS PAGE.

SECTION A (Total: 100 marks)

INSTRUCTION: Answer ALL questions.
Please use the answer booklet provided.

Question 1

A agreed in writing to sell his commercial shop lot to B. A week later, A received a much higher offer from another buyer and decided he no longer wished to sell the property to B. In an attempt to avoid honouring the agreement, A quickly incorporated a new company, Pristine Estates Sdn. Bhd. ("Pristine Estates"), and transferred the shop lot to this company. A believed that although he might have to pay damages personally to B, the shop lot would remain under the ownership of Pristine Estates, which he claimed was a separate legal entity. B now seeks an order for specific performance against both A and Pristine Estates.

(a) With reference to the Companies Act 2016 or relevant case law, explain any **FOUR (4)** effects of incorporation.

(8 marks)

(b) Discuss the concept of **"lifting the veil of incorporation"** and whether Arif can seek an order for specific performance against both Leon and Pristine Estates. Your answer must be supported with any case law and relevant provision of the Companies Act 2016.

(12 marks)

[Total: 20 marks]

Question 2

(a) Wani subscribed to 80,000 ordinary shares in Cendana Sdn. Bhd. ("Cendana"). A year later, Wani was declared bankrupt by the High Court. On 11 November 2025, Rafik, a director of Cendana, lodged a share transfer form with the company secretary to transfer Wani's 80,000 shares to his brother, Hafiz, without obtaining Wani's consent or notifying the Director General of Insolvency (DGI). Wani has now obtained legal advice and wishes to transfer all 80,000 shares to her long-time business partner, Lina. Analyse whether both Wani and Rafik have contravened any provisions of the Companies Act 2016.

(10 marks)

(b) Aurora Sdn. Bhd. plans to issue preference shares to investors in order to raise capital for expanding its renewable energy business. Explain any **FIVE (5)** key differences between preference shares and ordinary shares.

(10 marks)

[Total: 20 marks]

Question 3

Sunshine Animal Rescue Centre ("SARC") is a company limited by guarantee established to provide shelter, medical treatment, and adoption services for stray animals in Selangor. Its primary object is animal welfare through rescue missions and community awareness programmes. Mira is a senior director of SARC. Answer the following separate and independent situations:

(a) In August 2025, SARC requested quotations from several suppliers for the purchase of 5,000 units of animal vaccination kits for its large-scale rescue campaign. A week later, Mira's cousin, who works at Vet Life Supplies Sdn. Bhd. ("VLS"), was promoted to a procurement manager role and placed in charge of handling SARC's order. Mira did not disclose this family connection to the SARC board. VLS was later selected as the supplier, even though its pricing was higher than two other competing suppliers.

Examine whether Mira has breached her duties as a director, limiting your answer to at least **TWO (2)** directors' duties under the Companies Act 2016.

(13 marks)

(b) Daniela, the Finance Director at SARC, is a full-time executive director. SARC operates an approved employee sustainability loan programme allowing staff to apply for interest-free loans for transport upgrades to support rescue activities. Daniela applied for and received an interest-free loan of RM20,000 to purchase a rescue vehicle. The loan was approved by the board and was authorised by SARC's members during the previous annual general meeting.

Apply the Companies Act 2016 to determine whether this loan arrangement complies with the Act.

(7 marks)

[Total: 20 marks]

Question 4

(a) Azman is the newest member of Rekayasa Sdn Bhd, and he is still clueless on how resolution is reached in a company. Explain to him the difference between

i. written resolution

(5 marks)

ii. ordinary resolution

(5 marks)

iii. special resolution

(5 marks)

(c) Express the different types of minutes required to be kept by a company.

(5marks)

[Total: 20 marks]

Question 5

(a) *'A company secretary is a much more important person nowadays than he was in 1887. He is an officer of the company with extensive duties and responsibilities'* (per Lord Denning in Panorama Developments (Guildford) Ltd v Fidelis Furnishing Fabrics Ltd (1971).

Describe the qualifications required of a company secretary and the responsibilities which make such an officer more important today than a hundred years ago.

(10 marks)

(b) *"It is the duty of an auditor to bear on the work he has to perform that skill, care, and caution which a reasonably competent, careful, and cautious auditor would use. What is the reasonable skill, care, and caution must depend on the particular circumstances of each case. An auditor is not bound to be a detective, or, as was said, to approach his work with suspicion or with a foregone conclusion that there is something wrong. He is a watchdog, but not a bloodhound."*

Re Kingston Cotton Mill (1896)

Explain the above quotation and support your explanation with a relevant provision from the Companies Act 2016.

(10 marks)

[Total: 20 marks]

END OF EXAMINATION PAPER