UNIVERSITI KUALA LUMPUR
BUSINESS SCHOOL

FINAL EXAMINATION
MARCH 2026 SEMESTER

COURSE CODE	:	**EIB20803**
COURSE NAME	:	**COMPANY LAW**
PROGRAMME NAME	:	**BACHELOR OF BUSINESS ADMINISTRATION (HONS) IN MANAGEMENT AND ENTREPRENEURSHIP**
DATE	:	**29 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

Air cargo carrier Transmile Group Bhd has been reporting increasing revenues and profits since 1998 until 2024. Until in May 2025 where the auditors, Deloitte & Touche had refused to sign the declaration stating that the accounts showed a true and fair view of the state of affairs of the firm due to lack of supporting documents. Prior to this, Deloitte & Touche had held regular discussions with the management and the audit committee to address the accounting issues when they were first discovered, but was to no avail.

Finally, on 4 May 2025, via a letter, Deloitte & Touche informed the BOD that they declined to approve the annual accounts as they had not been able to obtain "relevant supporting documentation from the management on certain transactions relating to trade receivables and related sales and additions to property, plant and equipment so as to enable them to satisfy themselves on the fairness or validity of those transactions."

It was later found, amongst others, that the revenues and profits had been materially overstated not only in the company's 2024 unaudited annual accounts but also in the 2022 and 2023 audited annual accounts. With the overstating figures taken into consideration, Transmile's profits for the effected years had reversed to a loss instead. (Transmile was alleged to have over-stated its revenue by a total of RM522million in financial years 2021, 2022 and 2023.

In addition, RM341 million in its property, plant and equipment account appear to have been fabricated as the amount was little supported by documents. The company was also said to have made payments totalling RM189 million last year and this year, without any supporting payment vouchers.)

The failure by Deloitte & Touche to detect the material errors in 2024 and 2025 had cast doubts on the auditor's competence and due care. There was also concern about Deloitte & Touhce independence.

Consider the following:

a) What is the relationship between an auditor with the company?

(5 marks)

b) What are the duties an auditor owes towards the company?

(15 marks)

[Total: 20 marks]

Question 2

One of the ways a company can raise funds is through loan capital. Loan capital refers to money borrowed by the company to finance its operations or expansion. A company may raise a loan in various ways and in return provide security for the loan in the form of a charge. Based on this statement, answer the following:

(a) Discuss the differences between the TWO (2) main types of charges and their characteristics in protecting the loan institution from default.

(14 marks)

(b) Explain the relevant statutory provision under the Companies Act 2016 that makes it mandatory to register a charge and the consequences of not doing so.

(6 marks)

[Total: 20 marks]

Question 3

(a) Awani has successfully registered Awani Foodie Sdn. Bhd. with the Companies Commission of Malaysia (CCM). She has been appointed as a director of the company but is unfamiliar with the legal requirements under the Companies Act 2016, especially the appointment, qualifications and functions of a director. She seeks your advice on the following:

(i) The definition of a director and their functions.

(4 marks)

(ii) Awani wishes to appoint Yuta, a Japanese citizen and not a resident in Malaysia. Apply the Companies Act 2016 to determine whether Yuta is qualified to be appointed as a director of Awani Foodie Sdn. Bhd.

(6 marks)

(b) Examine when a person is disqualified from being a director.

(4 marks)

(c) Use the provisions of the Companies Act 2016 to explain any THREE (3) statutory duties of director.

(6 marks)

[Total: 20 marks]

Question 4

George is the company secretary of Johawa Holdings Sdn. Bhd. The company intends to hold a members' meeting on 14 November 2025 at 9.00 a.m. to pass a special resolution regarding amendments to its constitution. On 14 October 2025, George sent a notice via email to all members, detailing the date, time, venue, and purpose of the meeting.

On the day of the meeting, at 9.00 a.m., George observed that only 7 members were present. According to Johawa Holdings Sdn. Bhd.'s constitution, a minimum of 12 members is required to form a quorum. By 9.30 a.m., only 10 members had arrived. Later it was discovered that 2 of the members claimed that they did not receive the notice given by George.

(a) Examine whether George had properly issued the notice according to the requirement for the notice of a members' meeting under the Companies Act 2016.

(14 marks)

(b) Provide an explanation of what is a quorum and whether the meeting has a quorum.

(6 marks)

[Total: 20 marks]

Question 5

Sam is a company secretary of You Power Bhd. You are required to assist her and oversee the upcoming Annual General Meeting (AGM).

(a) Illustrate the following types of resolutions that can be passed by shareholders of a company under the Companies Act 2016.

(i) Special Resolution; and

(5 marks)

(ii) Ordinary Resolution.

(5 marks)

(b) Express the importance of keeping minutes and the different types of minutes required to be kept by a company.

(10 marks)

[Total: 20 marks]

END OF EXAMINATION PAPER