Mock Examination : **ACCA Paper F4**  
**Corporate and Business Law**

Session : June 2014

Set by : Mr Tan Peng Kwee

Your Contact Number : ________________________________

I wish to have my script marked by the lecturer and

- [ ] collect the marked script at the SAA-GE Reception Counter
- [ ] email me the marked script to ________________________________

(Please submit your script latest by **9th May 2014** for marking)

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F4: Corporate and Business Law (Singapore)

Preparation for June 2013 Examinations

Mock Exam

Time allowed 3 hours

This paper has only ONE section

ALL QUESTIONS ARE COMPULSORY

The Association of Chartered Certified Accountants

DO NOT ATTACH TO ANSWER SCRIPT: YOU MAY BRING THIS QUESTION PAPER HOME
ALL QUESTIONS ARE COMPULSORY AND MUST BE ATTEMPTED

1) Explain with reference to decided case(s) how the process by which a court applies s 9A Interpretation Act in interpreting the meaning of words or phrases of a statute.

2) Explain, with reference to decided cases, the importance of consideration to make a promise legally binding.

3) When Dominic booked his holiday for the South Pole, the Misunderstood Tour Company informed Dominic that there would be a casino there as well as a beautiful "by the sea" bar that serves all kinds of alcoholic drinks. However when he arrived there, the casino was not opened, as construction had not been completed. The bar was also closed because of bad weather. Dominic is disappointed as there is nothing else to do.
   Required:
   a) Explain briefly whether it is possible for Dominic to claim for any damages. (5 marks)
   b) Explain how Misunderstood Tour Company can avoid liability for any claim by Dominic. (5 marks)

4) “Just because a duty is owed does not mean an accountant is liable for his acts.”
   Required: Discuss this statement in relation to the law of Torts?

5) Patrick and Jackie want to go into the business of importing and selling of health products. They ask you what you think their next step should be. They inform you that they have and successfully obtained all the necessary licenses and clearances for the products they intend to sell. They hear that the Government has just announced a new business vehicle known as Limited Partnership.
   Required: Explain to them the similarities and differences between Partnerships, Limited Partnerships and Limited Liability Partnerships.

6) Explain what you understand to be the similarities between the rights of shares and debentures in respect of a company.

7) Patrick and Jackie have set up a company in the business of importing and selling of health products. They have both appointed their wives as directors of the company. In reality however, the company is actually managed by Patrick and Jackie. They have both also decided to issue shares to their employees to encourage their employees to be more productive.
   Required:
   a) Do Patrick and Jackie owe any duty to the company they have set up? (3 marks)
   b) Both Patrick and Jackie want to limit the ability of the employees to influence the management of the company. Explain to them what type of shares would be most appropriate and why. (3 marks)
   c) Patrick and Jackie have also heard of something called “treasury shares” and want to know briefly what this type of shares are and how to use them. (3 marks)

8) Tom is a director of First Kind Pte Ltd. He was tasked with negotiating a contract worth $200,000 for the supply of pencils to First Kind. First Kind was trying to decide between Last Stand Pte Ltd and Middle Ground Pte Ltd. During the negotiations, Tom told the representative from Last Stand that Last Stand would be guaranteed the contract if Tom was paid 10% of the contract price.
   Required: Discuss what criminal offence under the Prevention of Corruption Act that Tom may have committed.

9) Patrick has worked in the sales department of a company for more than twenty years. Recently promoted to sales manager, he has attended many courses on management conducted by external consultants but paid by his company. Because of a new management however, his employment was terminated. Under his contract of employment, he is not allowed to work in a similar position for any competitor for a period of one year anywhere in Singapore after he left the company.
Required: Advise Patrick on the effect of the restraint of trade clause. (10 marks)

10) James tells his friends that his company is about to be acquired by Microsoft.
   Required: Outline and briefly explain the potential offences he may have committed.

End of Question Paper