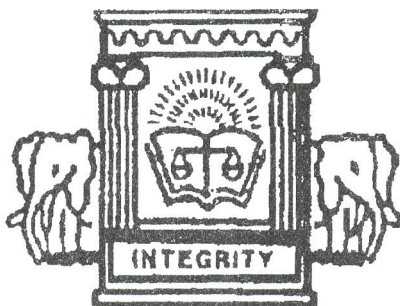


**THE INSTITUTE OF CHARTERED
ACCOUNTANTS (GHANA)**



**NOVEMBER 2005 EXAMINATIONS
(PROFESSIONAL)**

PART 2

**COMPANY & PARTNERSHIP LAW
(Paper 2.3)**

Attempt ANY Five (5) Questions

TIME ALLOWED: 3 HOURS

QUESTION 1

- (a) What is deemed as conclusive evidence of Incorporation? (5 marks)
- (b) Discuss any five (5) effects of Incorporation. (15 marks)

(Total: 20 marks)

QUESTION 2

Discuss the specific powers and duties of auditors under the Companies Code.

(Total: 20 marks)

QUESTION 3

When may the court order a partner in a firm to cease in that role on application by another partner?

(Total: 20 marks)

QUESTION 4

John is an employee and a 30% shareholder in a garment manufacturing company. The majority shareholders are however directors of the company. John was informed by the majority shareholders that the company has been dissolved and he has been dismissed and his shares forfeited. John therefore instituted the instant action against the other shareholders challenging his dismissal and sought an order for the winding up of the company on the grounds that the actions of the other shareholders were oppressive.

Discuss the legal issues involved in respect of the winding up, his dismissal and the oppression and John's chances of success.

(Total: 20 marks)

QUESTION 5

Under the Incorporated Private Partnership Act, 1962 (Act 152), every charge that requires registration has to be delivered to the Registrar within 28 days after its creation. What are the particulars requiring delivery for registration?

(Total: 20 marks)

QUESTION 6

- (a) What is meant by capitalization issue? (8 marks)
- (b) Discuss the rules governing dividend payments. (12 marks)

(Total: 20 marks)

QUESTION 7

Aloate, Bannor and Coscoro are partners in the firm “ABC and Co” which deals in importation and supply of stationery. Their clientele include banks and other institutions. In August 2005, Aloate attended a workshop on HIV/AIDS and during deliberations; there was shortage of handouts. The Director of the Non Governmental Organisation (NGO) that organised the workshop confessed that they had a problem with the supply of stationery and therefore needed a lot to publish handouts, flyers etc. Aloate introduced himself to the director as somebody in the stationery business and the director made two orders valued at €10 million. Aloate supplied the order and was paid, making a hefty profit but he failed to inform his partners of the deal. The other partners have just found out and consulted you as to the legal issues and steps they should take to recover their money. **Advise them.**

(Total: 20 marks)