

Fundamentals Level – Skills Module

Corporate and Business Law (Vietnam)

Tuesday 4 December 2007

Time allowed

Reading and planning: 15 minutes

Writing: 3 hours

ALL TEN questions are compulsory and MUST be attempted.

Do NOT open this paper until instructed by the supervisor.

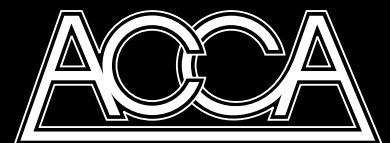
During reading and planning time only the question paper may be annotated. You must NOT write in your answer booklet until instructed by the supervisor.

This question paper must not be removed from the examination hall.

The Association of Chartered Certified Accountants

The Ministry of Finance of the Socialist Republic of Vietnam

Paper F4 (VNM)



ALL TEN questions are compulsory and MUST be attempted

- 1 In relation to the Vietnamese legal system, explain how the courts and other bodies deal with a situation in which there is an absence of a written law to resolve a case.**
- (10 marks)**
- 2 In relation to civil obligations:**
- (a) **Explain the consequences of failing to perform a civil obligation.** (7 marks)
- (b) **Explain the circumstances in which an individual may lawfully avoid the adverse consequences of failing to fulfil a civil obligation.** (3 marks)
- (10 marks)**
- 3 In relation to employment law:**
- (a) **Explain the grounds laid down in the Labour Code under which an employer may dismiss an employee.** (5 marks)
- (b) **Describe the procedures that must be followed by an employer when an employee is dismissed.** (5 marks)
- (10 marks)**
- 4 In relation to formation of a limited liability company:**
- (a) **Describe the procedures that must be followed to establish a limited liability company.** (6 marks)
- (b) **Explain the matters that must be considered when choosing the name of a new limited liability company.** (4 marks)
- (10 marks)**
- 5 In relation to company management and administration:**
- (a) **Explain the provisions of the Law on Enterprises in respect of the organisational and management structure of a limited liability company.** (5 marks)
- (b) **Explain the criteria and conditions imposed by the Law on Enterprises in respect of authorised representatives of limited liability companies.** (5 marks)
- (10 marks)**
- 6 In relation to company capital and financing, explain the provisions of the Law on Enterprises in respect of ordinary shares issued to founding shareholders of a new shareholding company.**
- (10 marks)**

7 In relation to corporate governance:

(a) Explain the meaning of the term 'corporate governance'. (4 marks)

(b) Explain how the laws relating to companies protect shareholders and promote good corporate governance. (6 marks)

(10 marks)

8 Hai is an employee of a construction company and was working on a building site where a new office was being built. Whilst working on the roof of the new building, Hai accidentally dropped one of his tools and injured Linh, who was walking past the building site at the time. Linh's injuries resulted in the need for hospital treatment and absence from work for two weeks.

As a result of the accident, Linh wishes to make a claim for medical expenses and wages lost due to absence from work.

Required:

Explain the rights and obligations that may arise in respect of Hai, Hai's employer and Linh.

(10 marks)

9 Lan is 80-years-old and her health is deteriorating. Her two grandchildren have lived with her for many years since their parents died. Lan wishes to transfer her house and other belongings to the grandchildren and to authorise them to carry out banking and other transactions on her behalf. The grandchildren are aged 15 years and 19 years.

Required:

(a) Explain the legal matters that Lan must consider if she wishes to transfer her assets to her grandchildren. (5 marks)

(b) Explain how Lan's grandchildren may be authorised to carry out transactions on her behalf. (5 marks)

(10 marks)

10 Nofunds Company is in severe financial difficulty. It has lost a major customer and its cash flows have diminished to the extent that the company cannot pay its financial obligations as they fall due. The company owes 75 million dong in unpaid wages to its employees, 150 million dong to the bank on an unsecured overdraft, 300 million dong on a mortgage secured on its business premises and 200 million dong to unsecured creditors. The general director of the company repaid a debt of 600 million dong due to a bank, this borrowing being supported by his personal guarantee.

The total assets of the company are estimated to be 500 million dong.

Required:

(a) Explain the parties that are entitled to petition the court for bankruptcy of Nofunds Company. (5 marks)

(b) Explain the order in which payments would be made by the liquidator under the provisions of the Law on Bankruptcy. (5 marks)

(10 marks)

End of Question Paper