

INSTITUTE OF LEGAL EXECUTIVES

UNIT 16 – PRACTICE OF COMPANY & PARTNERSHIP LAW*

Time allowed: 3 hours plus 15 minutes reading time

Instructions to Candidates

- You have been provided with a clean copy of the case study materials for you to use in this examination.
- You have **FIFTEEN** minutes to read through this question paper and the case study materials before the start of the examination.
- **It is strongly recommended that you use the reading time to read the question paper fully.** However, you may make notes on the paper or in your answer booklet during this time if you wish.
- **All questions are compulsory. You must answer ALL the questions.**
- Write in full sentences – a yes or no answer will earn no marks.
- **Candidates may use in the examination their own unmarked copy of the designated statute book: Blackstone's Statutes on Company Law 2010-11, 14th edition, edited by Derek French, Oxford University Press.**
- Candidates must comply with the ILEX Examination Regulations.
- Full reasoning must be shown in answers. Statutory authorities, decided cases and examples should be used where appropriate.

Information for Candidates

- The mark allocation for each question and part question is given and you are advised to take this into account in planning your work.
- Write in blue or black ink or ball point pen.
- Attention should be paid to clear, neat handwriting and tidy alterations.
- Complete all rough work in your answer booklet. Cross through any work you do not want marked.

Do not turn over this page until instructed by the Invigilator.

* This unit is a component of the following ILEX qualifications: **LEVEL 6 CERTIFICATE IN LAW, LEVEL 6 PROFESSIONAL HIGHER DIPLOMA IN LAW AND PRACTICE** and the **LEVEL 6 DIPLOMA IN LEGAL**

Question 1

Coopers Solutions Limited (CSL)

Advise Jack Boyle with regard to the following issues:

- (a) whether CSL may purchase his shares;

(21 marks)

- (b) the legal requirements and procedures that need to be fulfilled if CSL did purchase his shares.

(9 marks)

(Total: 30 marks)

Question 2

Advise Jack Boyle in connection with the following issues:

- (a) the consequences for Diana and CSL of Diana's failure to disclose, at a board meeting, a personal interest which she had in a transaction decided on by that board meeting;

(14 marks)

- (b) the decision to pay off the debt owed by Ewan to De Villiers Finance Limited, in return for Ewan's promise to repay CSL.

(6 marks)

(Total: 20 marks)

Question 3

Capio Renovations

On the assumption that the proposed business venture between Jack Boyle and Charles Edwards and Stuart Edwards will be established as a company (Capio Renovations Limited), advise Jack Boyle with regard to:

- (a) the potential consequences, if any, of Capio Renovations Limited acquiring from Sykes Limited the freehold office for £270,000;
- (b) the transfer by Charles Edwards and Stuart Edwards of their property, Seymour Industrial Park, to Capio Renovations Limited.

(14 marks)

(16 marks)

(Total: 30 marks)

Question 4

Advise Jack Boyle with regard to the following issues:

- (a) the tax implications for:
- (i) him in respect of his salary (assuming Jack Boyle is appointed as a director of Capio Renovations Limited) and any dividends received by him from the new company;
- (ii) Capio Renovations Limited in respect of any dividends that the directors might declare;
- (b) his potential liability for the debts of the company.

(10 marks)

(10 marks)

(Total: 20 marks)

End of Examination Paper

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