Examination Period 3: 2016/17

FINM03217N

Module Title: Corporate Secretarial Practice
Level: Seven
Time Allowed: Two hours plus 15 minutes reading time. Students must not commence answering the questions until the reading time has ended.

Instructions to students:

- Enter your student number not your name on all answer books.
- During the 15 minutes reading time, students are permitted to make notes on the examination paper but not on the answer book. Students should begin answering the questions after the reading time has ended.
- Answer eleven questions: all questions from Section A and three from Section B.
- The use of a non-programmable calculator is permitted.
- Begin each question on a separate page, label each page clearly with the number of the question you are answering.

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Section A

Answer all questions.

1. Explain what is meant by the term “pre-emption rights” in relation to allotting shares and how pre-emption rights may be dis-applied? (5 marks)

2. What information is typically found on a share certificate? (5 marks)

3. On what grounds may a director be disqualified from acting as a director of a company? (5 marks)

4. List four Companies House forms (code and title) discussed within the module and what each form is used for? How can these forms be filed? (5 marks)

5. What is the purpose of a prospectus in respect of a listed company and what information would you expect to find in it? (5 marks)

6. In respect to the statutory book for a private company, list the mandatory registers? Where must they be kept? (5 marks)

7. What are the key differences and similarities between limited by shares and limited by guarantee companies? (5 marks)

8. What is the article of association? What is its purpose? (5 marks)

Section A total: 40 marks
Section B

Answer **three** out of **five** questions.

**Question 9**

a. Prepare a memo of the directors’ duties as prescribed under the Companies Act 2006. List the various types of directors a company can have and why they might be appointed?

(10 marks)

b. Discuss why some companies have non-executive directors and why they are needed? Provide a checklist of the statutory and administrative matters which need to be considered to appoint a director?

(10 marks)

Total: 20 marks

**Question 10**

Identify the main disclosures required in the Strategic Report from the Annual Report and Accounts of a listed UK PLC. Make sure to discuss the extent of the company secretary’s role in the preparation of the Annual Report.

(20 marks)

**Question 11**

a. What is quorum for a board meeting and where would you look to determine this? When may a director be excluded for the purpose of counting in a quorum? If during a meeting the number of directors is below quorum what steps must the company secretary take?

(10 marks)

b. Can a company hold a board meeting when directors are at different locations? If so what are the benefits? What practical and procedural considerations should the company secretary take?

(10 marks)

Total: 20 marks

Section B continues overleaf
Question 12

a. Explain the process required to action:
   i. the transfer of shares
   ii. the allotment of shares

(12 marks)

b. Discuss the various provisions that may occur in the Articles of Associations that may need to be considered before the process in question 4(a) can take place?

(8 marks)

Total: 20 marks

Question 13

a. Explain the different methods of voting on a resolution at a general meeting? Why are there different methods of voting? Who holds the deciding vote?

(8 marks)

b. What is a written resolution and why is it used? Explain the process of getting shareholder approval for a written resolution and any notice required? What are the percentages for approving ordinary and special resolutions?

(12 marks)

Total: 20 marks

Section B total: 60 marks

End of Section B
End of Paper