

GX 1665

**Ollscoil na hÉireann, Gallimh**  
**National University of Ireland, Galway**

**SEMESTER 1 Examinations, 2003/2004**

<b>Exam Code(s)</b>	3BA, 4BA4, 1OA, 1EM.
<b>Exams(s)</b>	Third & Fourth Bachelor of Arts Erasmus & Occasional
<b>Module Codes(s)</b>	LW377
<b>Module(s)</b>	Company Law I
<b>Paper No.</b>	1
<b>External Examiner(s)</b>	Prof. D. Prentice
<b>Internal Examiner(s)</b>	Ms. Nicola Murphy
<b>Instructions</b>	Answer <b><u>THREE</u></b> questions All questions and part questions carry equal marks unless otherwise indicated.
<b>Duration</b>	<b><u>TWO</u></b> Hours
<b>No. of AnswerBooks</b>	
<b>Requirements:</b>	
<i>Handout</i>	
<b>MCQ</b>	
<b>Statistical Tables</b>	
<b>Graph Paper</b>	
<b>Log Graph Paper</b>	
<b>Other Material</b>	Companies Acts 1963-2001 OR Bastow Charleton's "Combined Companies Acts".
<b>Department(s)</b>	Law

PTO

1. Discuss the circumstances in which the courts have disregarded the company's separate legal personality by 'lifting the veil of incorporation'.
2. The traditional duties of directors have focused principally on their acting *bona fide* and in the interests of the company. In addition, recent developments in case law suggest an extension of the parties to whom directors' duties are owed. Discuss.
3. The Industrial Revolution necessitated a radical change in relation to company law. Discuss the way in which this was achieved in the nineteenth century.
4. Capable Ltd is a limited company with three directors, Jim, Paula and Gus. The articles provide for the appointment of a managing director and, at a meeting at which Jim and Paula are present, Jim is appointed managing director, though the articles provide for a quorum of three. Jim immediately begins to act as managing director and enters into a contract to upgrade the company's software with Nerd Ltd.

After a few years the shareholders decide that even though the company is solvent, they would like to wind it up. Capable Ltd has made donations of €2,000 for each of the last three years to the local rugby club. The directors decide that the company will now make a substantial donation to the club, so that a new clubhouse can be built.

Advise the directors on the validity of all the above transactions.

5. Ralph and Gregory are directors and shareholders of Newton Ltd. Ralph's daughter, Clarissa, wants to set up her own business, but needs €60,000 to do so. The bank refuses to lend her the money unless the loan is guaranteed. Ralph and Gregory agree that Newton Ltd will guarantee the loan.

Newton Ltd owns premises in the centre of Galway which it has never used. Gregory decides that he would like to buy the premises. He has it valued by an independent auctioneer, and offers the company the full market value of the property. A few weeks later Ralph and Gregory meet their friend, Thomas, and tell him about these transactions. Thomas suggests that they get legal advice about both transactions.

Advise Ralph and Gregory.

**END.**