

Section A

Question	Correct Answer	Marks
1	<p>B</p> <p>When it is delivered</p> <p>Under the UN Convention on Contracts for the International Sale of Goods, acceptance of an offer by post is effective when the letter is delivered.</p>	2
2	<p>B</p> <p>The shares may not be offered to the public</p> <p>The abbreviation 'Ltd' indicates a private company. A private company may not offer its shares to the public.</p>	2
3	<p>A</p> <p>On receiving an application, the first concern of the court is creditor protection</p> <p>A reduction of issued share capital requires a special resolution. Only a public company requires confirmation from the court. A private company may use a solvency statement prepared by the directors, rather than applying to the court. When the court receives an application, its first concern is creditor protection.</p>	2
4	<p>B</p> <p>The goods must have been clearly identified</p> <p>Under the UN Convention on Contracts for the International Sale of Goods, risk does not pass to the buyer unless the goods are clearly identified – Article 67.</p>	2
5	<p>B and C</p> <p>Layering</p> <p>Integration</p> <p>Layering and integration are recognised phases in money laundering.</p> <p>Layering involves the transfer of monies from business to business, or place to place, to conceal the original source.</p> <p>Integration follows the money having layered, to give the appearance of legitimate funds.</p>	2

6	<p>C</p> <p>Avoidance and damages</p> <p>Fundamental breach gives rise to the remedy of avoidance under Article 72 of the UN Convention on Contracts for the International Sale of Goods. There is also a right to claim damages under Article 73.</p>	2
7	<p>A</p> <p>More than 50% of the total voting rights of eligible members</p> <p>A written ordinary resolution requires the approval of more than 50% of the total voting rights of eligible members – s.282 Companies Act 2006.</p>	2
8	<p>D</p> <p>The company has altered its primary business within the first 12 months</p> <p>The company has not received a trading certificate within its first 12 months; the company has not started trading within the first 12 months and the company has suspended its business for 12 months are all grounds for the compulsory liquidation of a company under s.122 Insolvency Act 1986.</p>	2
9	<p>A</p> <p>1 only</p> <p>UNCITRAL is an institution of the United Nations. It is the core legal body within the United Nations in the field of international trade law.</p>	2
10	<p>D</p> <p>2 and 3</p> <p>Fraudulent trading and making a false statement of solvency relate to breaches of the criminal law in relation to company liquidation.</p>	2
11	<p>C</p> <p>When the seller places the goods at the disposal of the buyer</p> <p>When a contract does not involve carriage, risk passes to the buyer when the goods are placed at their disposal – Article 69 UN Convention on Contracts for the International Sale of Goods.</p>	2

12	<p>D</p> <p>1, 2 and 3</p> <p>Section 213 Insolvency Act 1986 states that the court may declare any persons who were knowingly parties to the carrying on of business with the intent to defraud creditors of the company, or for any fraudulent purpose, liable to make such contributions to the company's assets as the court thinks proper, so this includes creditors, employees and shareholders.</p>	2
13	<p>D</p> <p>Risk passes to the buyer</p> <p>A bill of lading is a document of title to the goods being shipped. Risk passes to the buyer when the goods pass to the carrier and the bill of lading is evidence that has happened.</p>	2
14	<p>A and C</p> <p>A statement that the company is private</p> <p>The company's date of incorporation</p> <p>A limited company's certificate of incorporation includes a statement that the company is private, and the company's date of incorporation.</p>	2
15	<p>A</p> <p>Taking the decision to prosecute someone for a criminal offence</p> <p>The executive comprises the head of state and the government organs and institutions. It is responsible for the daily administration of the state bureaucracy and the implementing of new law formulated by the legislative. Taking the decision to prosecute someone for a criminal offence is an example of an action by the executive.</p>	2
16	<p>B</p> <p>Creativity</p> <p>Two key principles of civil law are comprehensibility and creativity. Civil law systems are also codified. Creativity is not central to a civil law system.</p>	2

17	<p>D</p> <p>1, 2, 3 and 4</p> <p>An agency relationship can be established by ratification, estoppel, implication and emergency.</p>	2
18	<p>C</p> <p>2 and 3 only</p> <p>A reply to an offer which purports to be acceptance but which contains additions, limitations and other modifications which significantly change the terms of the offer is treated as a rejection of the offer, and a counter-offer – Article 19 UN Convention on Contracts for the International Sale of Goods. Examples of what amounts to a significant change is a change in quantity, and a change in price.</p>	2
19	<p>D</p> <p>They are effective when they reach the offeree</p> <p>Under the UN Convention on Contracts for the International Sale of Goods, a contract for the sale of international goods does not have to be in writing or be evidenced in writing. An offer becomes effective when it reaches the offeree – Article 15.</p>	2
20	<p>C</p> <p>A special resolution</p> <p>A special resolution requires a 75% majority – s.283 Companies Act 2006.</p>	2
21	<p>A</p> <p>Client due diligence must be performed before a business relationship comes to an end</p> <p>In accordance with the Money Laundering Regulations 2017, any person acting on behalf of a client must be identified and their identity verified. Client due diligence must be conducted for a one-off company formation, and enhanced due diligence must be performed where there is a high risk of money laundering.</p>	2
22	<p>C</p> <p>2 and 4</p> <p>Limited liability partnerships must have a minimum of two members and must be registered with the Registrar of Companies.</p>	2

23	<p>B</p> <p>They have full liability for partnerships debts</p> <p>A sleeping partner has full liability for partnership debts, as every partner is liable without limit for the debts of the partnership.</p>	2
24	<p>D</p> <p>70 years from the end of the year in which the author died</p> <p>Copyright in a work of literary fiction lasts for 70 years from the end of the year in which the author died.</p>	2
25	<p>B and C</p> <p>They may never be revoked</p> <p>They may be withdrawn as long as this is done at the same time as the offer reaches the offeree</p> <p>Under Article 16 UN Convention on Contracts for the International Sale of Goods, an irrevocable offer may never be revoked. However, an irrevocable offer may be withdrawn as long as this is done at the same time as the offer reaches the offeree – Article 15 UN Convention on Contracts for the International Sale of Goods.</p>	2
26	<p>C</p> <p>The company</p> <p>Shareholders are liable to the company for any unpaid capital in a limited liability company.</p>	2
27	<p>A and B</p> <p>Receiving money to perform a relevant function improperly is an offence</p> <p>Adequate procedures to prevent bribery can be used by a company as a defence against the actions of an employee</p> <p>Receiving money to perform a relevant function improperly is an offence under s.2 Bribery Act 2010. Adequate procedures to prevent bribery can be used by a company as a defence against the actions of an employee under s.7 Bribery Act 2010.</p>	2

28	<p>B</p> <p>Cancellation of an irrevocable offer before it is accepted</p> <p>Under the UN Convention on Contracts for the International Sale of Goods, a withdrawal of an offer will arise if the offeror changes their mind and wishes to cancel the offer – Article 15.</p>	2
29	<p>C</p> <p>2 and 3</p> <p>To be a micro-entity a company must have an annual turnover of not more than \$1m and employees of not more than 10 in accordance with The Companies (Accounts and Reports) (Amendment and Transitional Provision) Regulations 2024.</p>	2
30	<p>B</p> <p>Ordinary shares</p> <p>Ordinary shares normally participate in surplus capital.</p>	2
31	<p>A</p> <p>Shareholders of the company</p> <p>Shareholders of the company may petition to have a company compulsorily liquidated on the basis that it is just and equitable to do so in accordance with s.122 Insolvency Act 1986.</p>	2
32	<p>A</p> <p>Debentures secured by a fixed charge</p> <p>Debentures secured by a fixed charge are the most secure investment forms.</p>	2
33	<p>C</p> <p>They owe fiduciary duties to the company</p> <p>Non-executive directors owe fiduciary duties to the company in accordance with the Companies Act 2006. Non-executive directors do not perform in a company’s management but are involved in its governance, and they have the same duties as executive directors.</p>	2

34	<p>C</p> <p>It must have a company secretary</p> <p>A private company may be limited by shares or by guarantee. The liability may be unlimited and there are only capital requirements for a public company, there are none for a private company. A private company may have a company secretary, but it is not required to have one.</p>	2
35	<p>D</p> <p>Ransomware</p> <p>Ransomware is a type of malware which prevents users from accessing their device and the data stored on it, exactly as Ade has done to Bo, for which a demand will be made for a ransom in exchange for decryption.</p>	2
36	<p>D</p> <p>They are paid when profits are available for that purpose</p> <p>Cumulative dividends are paid when profits are available for that purpose – s.830 Companies Act 2006.</p>	2
37	<p>C</p> <p>If Franz delivers the car on time, this will be regarded as acceptance</p> <p>Acceptance is a statement made by the offeree, or other conduct of the offeror, which indicates assent to an offer – Article 18 UN Convention on Contracts for the International Sale of Goods. The offeror may impose a time limit for acceptance – Article 20. Oskar’s letter to Franz is an offer and if Franz delivers the car within the 7 days asked by Franz, then this will be regarded as acceptance.</p>	2
38	<p>A</p> <p>When the contract was made</p> <p>Where no reference has been made to price in the contract, then the buyer and seller are deemed to have made references to the price generally charged at the time the contract was formed – Article 55 UN Convention on Contracts for the International Sale of Goods.</p>	2

39	<p>C</p> <p>Arranging for an export licence if required</p> <p>Under the ICC Incoterm FOB, or free on board, the seller must clear the grounds for export and have loaded on board the ship nominated by the buyer at the port named in the contract. The seller is therefore responsible for arranging an export licence if required.</p>	2
40	<p>B</p> <p>The parent company of a company in financial difficulty</p> <p>A letter of comfort is a statement or letter by a third party that it will stand behind the obligations of a party under a contract. It is normally issued by a parent company of a company in difficulty.</p>	2
41	<p>A and D</p> <p>Encouraging someone to engage in insider dealing</p> <p>Passing on inside information</p> <p>Under s.52 Criminal Justice Act 1993, encouraging someone to engage in insider dealing and passing on inside information are crimes in relation to insider dealing.</p>	2
42	<p>B</p> <p>Fitness for the specific purpose for which the buyer bought them</p> <p>Under Article 35(2) UN Convention on Contracts for the International Sale of Goods, if a contract does not state what the required level of quality is, the following conformity requirements, including others, must be met:</p> <ul style="list-style-type: none"> - Fitness for any purpose made known to the seller when the contract was formed - Fitness for the purpose for which the goods are usually put - Fitness for any purpose described by the seller. 	2
43	<p>B</p> <p>An ordinary resolution with special notice</p> <p>An ordinary resolution with special notice must be passed to remove a director from office under s.168 Companies Act 2008.</p>	2

44	<p>A</p> <p>1 and 3 only</p> <p>Section 199 Economic Crime and Corporate Transparency Act 2023 states that a relevant body is a large organisation. A large organisation is defined in s.201 as one which satisfies two or more of the following conditions:</p> <ul style="list-style-type: none"> - It has turnover more than \$36 million - It has a balance sheet total of more than \$18 million - It has employees of more than 250. <p>Company W and Company Y satisfy two of these criteria and are therefore potentially liable for the offence of the failure to prevent fraud.</p>	2
45	<p>A</p> <p>Business to business contracts</p> <p>The UN Convention on Contracts for the International Sale of Goods applies to contracts for the sale of goods between parties whose places of business are in different states, when the states are contracting parties, or the rules of private international law lead to the application of the law on a contracting state – Article 1 UN Convention on Contracts for the International Sale of Goods.</p>	2
46	<p>A and D</p> <p>To reflect the loss in the value of its assets</p> <p>To reduce the interest of some shareholders</p> <p>A company may wish to reduce its share capital to reflect the loss in value of its assets, or to reduce the interests of some shareholders.</p>	2
47	<p>C</p> <p>1 and 4 only</p> <p>Ange may pursue a passing off action to prevent the rival business from using the name Green Stripes Clothing Ltd as this may cause goods to be confused with those of Ange.</p> <p>Ange could also report the matter to the Company Names Tribunal as the rival business has used the same company name.</p>	2
48	<p>A</p> <p>1 only</p> <p>Company auditors owe a duty of care to the company only, and not to the individual shareholders, or outsiders relying on their report.</p>	2

49	B When the goods are transferred to the first carrier Under the UN Convention on Contracts for the International Sale of Goods, in relation to a contract involving the carriage of specific goods, risk normally passes from the seller to the buyer when the goods are transferred to the first carrier – Article 67.	2
50	B The members of the company The board of directors, the company’s creditors and the Secretary of State may petition for the compulsory liquidation of a company on the grounds of insolvency under s.122 Insolvency Act 1986. The members of the company cannot.	2