

Examiners' Comments on the 2002 Examination

Head III: Commercial and Company Law

General

Major weaknesses included failing to (i) undertake a sufficiently in-depth analysis of the issues raised by the questions; (ii) direct answers to the questions as set; and (iii) support answers with adequate reference to the relevant legal authority.

Furthermore, many candidates did not consider the variable scenarios to which the facts posed by a question apply and then address the relevant legal issues in respect of each of the scenarios. Candidates focused on one scenario without considering other possibilities.

Specific Issues

Some candidates did not seem to understand the formalities of section 57B of the Companies Ordinance.

In relation to Question 4, many candidates simply regurgitated a list of pros and cons of asset and share sale transactions from their lecture notes without undertaking any analysis in the context of the facts posed by the question.

Candidates' understanding of certain aspects of the Listing Rules was weak. For example, in relation to Question 5, many candidates were not able to demonstrate a sufficient understanding of the issues concerning a director's undertaking and declaration under the Listing Rules, the disclosure of price sensitive information, notifiable transactions and the need for directors to comply with the Takeovers Code and Model Code for Securities Transactions by Directors of Listed Companies.