



CS PART II SECTION 4

CORPORATE SECRETARIAL PRACTICE

THURSDAY: 24 May 2018.

Time Allowed: 3 hours.

Answer ALL questions. Marks allocated to each question are shown at the end of the question.

QUESTION ONE

ANKRA WELFARE GROUP

Ankra Welfare Group was started by former students of Ankra High School. The group is led by Kitimi Kagambi who also acts as the chairman. Currently, the welfare group has 82 active members and 2 dormant members. Membership to the group is only open to former students of Ankra High School who graduated between the years 1990 and 1999. Since the group was formed in 2013, members have never seen the need to formally register it with the government.

During the last group meeting which was held on Wednesday, 2 May 2018, Ontara Biyu the group's treasurer suggested that for the group to impact more on the society there was need for it to be formally registered. In the meeting, it was unanimously agreed that the welfare group be registered as a not for profit organisation.

Ankra Welfare Group has since engaged your firm to provide secretarial services related to registration of the group as a not for profit organisation in the form of a non-governmental organisation (NGO).

Required:

- (a) Summarise seven details that should be included in the application for registration of Ankra Welfare Group as an NGO. (7 marks)
 - (b) Explain seven registration requirements for local NGOs which must be met by Ankra Welfare Group when applying for registration. (7 marks)
 - (c) Cite three circumstances which could lead the Non-governmental Organisations' Coordination Board to refuse Ankra Welfare Group's registration. (3 marks)
 - (d) Advise Ankra Welfare Group on instances where the Non-governmental Organisations' Coordination Board could cancel a certificate of registration of a registered NGO. (3 marks)
- (Total: 20 marks)**

QUESTION TWO

- (a) The board of directors of XYZ Ltd., a listed company has been considering methods of raising additional capital and has settled on a rights issue. The shares are to be listed on the securities exchange and the directors have been advised to underwrite the shares.

Required:

- Explain seven roles of a Certified Secretary in the rights issue of XYZ Ltd. (7 marks)
 - (b) The annual general meeting of Amuna Ltd. is scheduled to take place in three weeks time. The directors of the company have failed to agree on instances requiring a special resolution.
Advise the board of directors on the business that requires a special resolution. (6 marks)
 - (c) Upendo Ltd. has developed a dividend policy which greatly borrows from common law.
Summarise seven common law rules on payment of dividends. (7 marks)
- (Total: 20 marks)**

QUESTION THREE

EMKY Registrars, a corporate secretarial firm has engaged three interns to assist in carrying out its functions.

As a senior partner, induct the interns on:

- (a) Four statutory roles and four administrative roles of a corporate secretary. (8 marks)
 - (b) Business conducted during the first meeting of the board of directors. (7 marks)
 - (c) Information contained in a common seal documents register. (5 marks)
- (Total: 20 marks)**

QUESTION FOUR

- (a) Band Ltd., a company that deals with electrical appliances has hired you to draft a trust deed for its employees share ownership plan (ESOP).

Outline the matters which you would include in the trust deed. (7 marks)

- (b) You are the company secretary of EMU Ltd., a listed company in the securities exchange.

Draft the chairman's agenda for proposing:

- (i) The adoption of the directors' report and audited accounts for the year ended 31 December 2017. (4 marks)
- (ii) Declaration of dividend for the year ended 31 December 2017. (4 marks)
- (c) The unclaimed assets law requires unclaimed dividends to be transferred to the Unclaimed Financial Assets Authority (UFAA) after the prescribed period.

Explain the steps that a company secretary would follow to ensure that the number of outstanding dividend warrants is kept to a minimum. (5 marks)

(Total: 20 marks)

QUESTION FIVE

- (a) Akiba Social Securities Fund, a pension scheme, has witnessed a growth of 230% within a span of two years.

Explain five factors which could have contributed to the increased growth of the pension industry in your country. (5 marks)

- (b) The directors of Banet Ltd. are mulling over conducting a board evaluation.

Advise them on why Banet Ltd. should conduct a board evaluation. (5 marks)

- (c) Sokoni Ltd. is a large retail company with outlets throughout the country. Mr B, a director of the company who has questionable integrity issues, sent a resignation letter to you, the company secretary of Sokoni Ltd.

Outline the actions you would take on receiving Mr B's resignation letter as a director. (5 marks)

- (d) The board of directors meeting of Oleng Ltd. which was held recently deliberated on the strategic plan for the period 2018 - 2022.

As the corporate secretary of Oleng Ltd., describe the duties which you would perform after the board meeting. (5 marks)

(Total: 20 marks)

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