

- 1) As a separate juridical person, a company (select the one incorrect answer):
 - a. is the subject of rights and obligations
 - b. is capable of acquiring assets and undertaking liabilities, as its own assets and liabilities, and not of its members
 - c. may enter into contractual relations with third parties in its own name
 - d. sues and is sued in the name of its directors.**
- 2) A company obtains legal personality upon:
 - a. The entry into the memorandum of association by the shareholders;
 - b. The issue of a certificate of registration by the Registrar of Companies.**
- 3) Shareholders may be held personally liable for any amount left unpaid on the shares respectively held by each of them. **True** / False.
- 4) The directors of a company are considered the owners of the company. True/**False**.
- 5) The authorised share capital is:
 - a. The total nominal value of the shares which are allotted to shareholders
 - b. The total nominal value of the shares which a company may issue**
 - c. The amount of issued capital which is paid up by shareholders
- 6) In the case of a private company, shares may not be pledged unless the memorandum and articles of the company specifically allow it. True or False. **True**.
- 7) It is mandatory for articles of association to be registered with the Malta Business Registry: True or False. **False**.
- 8) The memorandum of association is:
 - a. an inward-looking document which sets out the internal regulations of the company as required by the Companies Act (Chapter 386 of the laws of Malta).
 - b. an outward-looking document which provides key information on the company as required by the Companies Act (Chapter 386 of the laws of Malta).**
- 9) As a result of the changes brought about to the Companies Act by means of Act LX of 2021, the express consent of a person to act as a director of a company is now needed for both private and public companies in Malta: True or False? True
- 10) At law, the minimum number of directors which a public company must have is:
 - a) 1 director
 - b) 2 directors**
 - c) There is no minimum number of directors
- 11) *De facto* directors are treated, for all intents and purposes at law, in the same manner as *de jure* directors: True or False? True

- 12) Residual control of the shareholders over the directors of a company is evidenced, amongst others, by means of:
- a) **The power of the shareholders to amend the Memorandum and Articles of Association of the company;**
 - b) The power of the shareholders to appoint directors;
 - c) The power of the shareholders to inject share capital into the company
- 13) Shareholders may only remove a director by means of an extraordinary resolution. True or False? False
- 14) In order for a company to validly remove an auditor from office, good and valid reason for such removal must be shown. True or False? True
- 15) In order for a company to validly remove a director from office, good and valid reason for such removal must be shown. True or False? False
- 16) The statutory Form K serves to:
- a) Give effect to a change in director or secretary of a company
 - b) **Notify the Malta Business Registry and the general public of any change to a director or secretary of a company**
 - c) None of the above
- 17) In terms of Article 2(1) of the Companies Act, a company secretary is not included within the definition of 'officer' of a company. True or False? False
- 18) A claim for fraudulent trading may be brought only against a director of a company. True or False? False
- 19) A company is deemed to be insolvent in terms of Article 214 of the Companies Act if it satisfies:
- a) Both the balance sheet test and the cash flow test
 - b) **At least one of the balance sheet test or the cash flow test**
 - c) None of the above
- 20) A company may only proceed with a members' voluntary winding up if a declaration of solvency is made by the directors of the company. True or false? True