



JUNE 2012 EXAMINATION

DATE: 6 JUNE 2012

TIME: 14H00 – 17H00

TOTAL: 100 MARKS

DURATION: 3 HOURS

PASS MARK: 40%

(JK-90)

ADMINISTRATIVE PRACTICE 2

THIS EXAMINATION PAPER CONSISTS OF 2 SECTIONS:

**SECTION A: CONSISTS OF 1 COMPULSORY QUESTION
ANSWER THE QUESTION (20 MARKS)**

**SECTION B: CONSISTS OF 5 LONG ANSWER QUESTIONS
ANSWER ANY FOUR OF THE QUESTIONS (80 MARKS)**

INSTRUCTIONS:

1. Read the following instructions *carefully* before answering the paper, as failure to act upon them will result in a loss of marks.
2. Write your answers in your answer book, which is provided in the exam.
3. Ensure that your name and student number are clearly indicated on your answer book.
4. Write your answers in either blue or black ink in your answer book.
5. Read each question very carefully before you answer it and number your answers *exactly* as the questions are numbered.
6. Begin with the question for which you think you will get the best marks.
7. Note the mark allocations for each question – give enough facts to earn the marks allocated. Don't waste time by giving more information than required.
8. You are welcome to use diagrams to illustrate your answers.
9. Please write neatly – we cannot mark illegible handwriting.
10. Any student caught cheating will have his or her examination paper and notes confiscated. The College will take disciplinary measures to protect the integrity of these examinations.
11. If there is something wrong with or missing from your exam paper or your answer book, please inform your invigilator immediately. If you do not inform your invigilator about a problem, the College will not be able to rectify it afterwards, and your marks cannot be adjusted to allow for the problem.
12. This paper may be removed from the examination hall *after* the examination has taken place.

NOTE: THIS IS AN OPEN-BOOK EXAMINATION. STUDENTS MAY USE UNMARKED COPIES OF THE COMPANIES ACT (S.A.) AND THE CLOSE CORPORATIONS ACT. NO TEXTBOOKS OR COMMENTARY ARE ALLOWED.

ADMINISTRATIVE PRACTICE 2

SECTION A: COMPULSORY QUESTION

(20 MARKS)

ANSWER THE QUESTION

QUESTION 1

Write notes on the payment of dividends out of share capital.

[20]

[20]

ADMINISTRATIVE PRACTICE 2

SECTION B: LONG ANSWER QUESTIONS

(80 MARKS)

ANSWER ANY FOUR OF THE QUESTIONS

QUESTION 1

- (a) Discuss the advantages of the Stock Exchange. (6 × 2 = 12)
- (b) Summarise the risk of investment in stocks and shares. (8) [20]

AND / OR

QUESTION 2

- (a) List the different types of conversions allowed, and any that are not allowed, in terms of the Companies Act of 1973. (10)
- (b) Briefly discuss deferred shares. (10) [20]

AND / OR

QUESTION 3

Write notes on sponsors and their duties when a company is seeking a listing on the JSE. [20]

AND / OR

QUESTION 4

Outline the procedure to be followed by the company secretary for the allotment of ordinary shares. [20]

AND / OR

QUESTION 5

- (a) List the rules to be observed in planning for a merger. (10)
- (b) Itemise the matters that a court order will provide for, in terms of section 313, in a merger of two companies. (10) [20]

[80]

Section A: 20 marks

Section B: 80 marks

TOTAL: 100 MARKS