

**NOVEMBER 2012 EXAMINATION****DATE: 7 NOVEMBER 2012****TIME: 14H00 – 17H00****TOTAL: 100 MARKS****DURATION: 3 HOURS****PASS MARK: 40%****(JK-90)****ADMINISTRATIVE PRACTICE 2****THIS EXAMINATION PAPER CONSISTS OF 6 QUESTIONS:****ANSWER QUESTION 1 AND ANY 4 OF THE REMAINING QUESTIONS****(100 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. YOU ARE ALLOWED TO BRING UNMARKED COPIES OF THE COMPANIES ACT (SA) AND THE CLOSE CORPORATIONS ACT. NO TEXTBOOKS ARE ALLOWED.

Examiner: P Taylor

ADMINISTRATIVE PRACTICE 2

(100 MARKS)

ANSWER QUESTION 1 AND ANY FOUR OF THE REMAINING QUESTIONS

QUESTION 1 – COMPULSORY

Your company accountant has come to you and said that the finance department is concerned about the number of unpaid share warrants.

Advise her of the procedure that needs to be followed for unpaid warrants. [20]

ANSWER ANY FOUR OF THE FOLLOWING:

QUESTION 2

Explain the recommendations from the Kings Report 2 on how, in the annual report, the capacity of the directors should be categorised. [20]

AND / OR

QUESTION 3

Identify and describe ten indicators that could indicate changes in the price of shares on the JSE. [20]

AND / OR

QUESTION 4

- (a) Outline the procedure by which a public company having a share capital may be brought into existence. (13)
- (b) List the restrictions regarding the choice of a name for a company. (7) [20]

AND / OR

QUESTION 5

A company is granted a substantial overdraft but does not possess any marketable securities.

Discuss the cover for the overdraft that can be provided to the bank in this instance. [20]

ADMINISTRATIVE PRACTICE 2

AND / OR

QUESTION 6

A public company is planning on issuing new shares by way of an invitation to the public. They are making use of the services of a well-known merchant bank.

Describe what examination of the applications must take place immediately after each batch of applications has been processed by the computer. [20]

[100]

TOTAL: 100 MARKS