

**Self-test questions:**  
**from**  
**“Legal status of companies in the European Union”**

How does a company differ from a partnership?

What are the different types of company?

Set out the names of the major pieces of legislation relevant to company law today?

Which government department is responsible for the area of company law today?

What is the significance of the *Salomon* decision?

Where has the legislature intervened to lift the corporate veil? Do you think legislative intervention has been sensible?

What is a promoter?

What duties are owed by promoters?

What are the remedies available to an injured party where there has been a breach of promoters' duties?

How may promoters be reimbursed for their services to a company?

How does the company register its constitution?

Is a company free to choose any name it likes as the name of the corporation?

How may a company change its name?

Explain the interaction of business names with company names.

What is the importance of the company's registered office?

Describe how a company may change from being a private company to a public company.

What is the importance of the objects clause of a company?

Describe some of the manoeuvres used by entrepreneurs with the help of their lawyers in drafting objects clauses.

What happens where a company enters into a transaction and one of the other parties is a director or someone connected with a director?

Describe how directors may bind the company, even if the contract is beyond the company's constitution.

How does the law on *ultra vires* apply to charitable companies?

To whom do directors owe duties?

Explain what is meant by the duty to exercise independent judgement.

Give examples of how directors must exercise powers for a proper purpose.

Explain the evolution of the duty of care and skill.

What is the scope of directors' fiduciary duties?

Can a director ever legitimately take a corporate opportunity?

Can a director ever compete with a company of which he is a director?

Can a director ever take a benefit from a third party conferred by reason of the directorship?

Can directors ever be personally liable in relation to contracts undertaken by the company through the agency of a director?

Describe the impact of international developments in relation to corporate governance.

What European developments are worthy of note in relation to corporate governance in the EU?

What is the general principle in relation to the payment of dividends?

What constitutes distributable reserves?

What special rules apply in relation to dividends paid by investment companies?

What particular rules apply in relation to the payment of dividends by insurance companies?

Set out how a dividend may be justified by reference to a particular set of accounts.

What constitutes a distribution in kind?

What are the consequences of a wrongful payment of a dividend?

How long can a company go without holding an Annual General Meeting?

Set out the different ways in which company meetings may be called.

When may class meetings be necessary?

What matters have to be set out in the notice calling a company meeting?

What is the statutory provision in relation to a quorum at a company meeting?

How may a chairman of a meeting be elected?