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**CERTIFIED PUBLIC ACCOUNTANT**  
**INTERMEDIATE LEVEL EXAMINATIONS**  
**I1.3: COMPANY LAW**  
**DATE: WEDNESDAY 26, NOVEMBER 2025**  
**MARKING GUIDE AND MODEL ANSWERS**

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## **SECTION A**

### **QUESTION ONE**

#### **Marking guide**

<b>SN</b>	<b>DISTRIBUTION OF MARKS</b>	<b>MARKS</b>
<b>(a)i</b>	Award 1.5 marks for the correct difference between share and debentures	<b>6</b>
<b>(a)ii</b>	Award 1 marks for correctly stated class of shares and 1markfor clear distinguishing characteristics with other class of shares.	<b>4</b>
<b>(a)iii</b>	Award 1 mark for every correct point on advantages of debentures over shares.	<b>4</b>
<b>B (i)</b>	Award 1 mark for correct stated liability.	<b>7</b>
<b>(b)ii</b>	Award 1 mark for the correct power of the company as a legal entity	<b>4</b>
	<b>TOTAL</b>	<b>25</b>

#### **Model answers**

**a)**

**i) The candidate should demonstrate knowledge and understanding on.....**  
**Difference between shares and debentures**

- Shares refers to as interest entitling the owner to receive proportionate part of profits;
- Debenture refers to part of debt capital which entitles owner an interest based on agreement.

#### **DIFERENCE**

<b>Details</b>	<b>shares</b>	<b>Debentures</b>
<b>Document of title</b>	Share certificate	Debenture trust deed
<b>ownership</b>	Ordinary shareholders are the owners of the company	They are debt holders to the company
<b>Timing of returns</b>	Dividend for ordinary shares only paid when the company makes profit	Interest is paid whether company makes profit or not
<b>control</b>	Shareholders exercise control of company by appointment and removal of	Owner do not participate in management of company

	directors	
<b>return</b>	They return is dividends	The return is interest
<b>winding up</b>	Paid last upon winding up	Has priority of repayment overs shares during winding up
<b>conversion</b>	Not easily converted into other forms of business	Can be converted easily into share
<b>voting rights</b>	Shares attach voting rights during the company meetings	it is debt therefore does not attach voting right

**ii) The candidate should demonstrate knowledge and understanding on classification of shares**

Ordinary Shares:

- Also known as common shares, it refers to shares that attach voting rights in a meeting for company decision and control as well as right to company profits;
- Preference Shares:  
it refers to shares that do not attach voting rights in a meeting for company decision and control as well as right to company profits which is fixed;
- Deferred or founder's shares:  
Refers a share that does not have any rights to the assets of a company undergoing liquidation until all common and preferred shareholders are paid usually given out of company profits.

**The candidate should demonstrate knowledge and understanding on classification of shares**

**iii privileges over ordinary shares some in lifetime of the company and others during winding up**

- Guaranteed return: Interest must be paid regardless of whether company make profit or not unlike ordinary share;
- Priority of winding up:  
Priority of repayment over ordinary shares in case of winding
- Unpaid dividend/return:  
Interest not paid is payable in future unlike dividend;  
Priority of payment;
- Interest is usually paid first before payment of dividends.

b)

i) The student should demonstrate understanding of .....

**Liability of shareholders** (See Law N° 96/2021 of 08/02/2021

- With the exception of an unlimited liability company, a shareholder is not liable for the obligations of a company only because of being a shareholder.

The liability of a shareholder to the company, or for the company's obligations is limited to:

- any amount unpaid on a share held by the shareholder;
- any liability expressly provided for in the company's incorporation documents which may provide that the shareholder's liability is unlimited;
- any distribution received by the shareholder but which has to be recovered in accordance with Article 73 of this Law.
- When the incorporation documents of a company provide that a share imposes a liability on its holder, that liability is attached to the holder of the share for the time being, and not to a prior holder of the share, even if the liability became enforceable before the share was registered in the name of the current shareholder.

Subject to Paragraph 2 of this Article, when:

- all or part of the payment for the allotment of a share remains unsatisfied;
- the person to whom the share was allotted no longer holds that share, liability in respect of that unsatisfied payment does not become that of subsequent holders of the share, but remains the liability of the person to whom the share was allotted, or of any other person who assumed that liability at the time of allotment.
- No provision of this Article affects a shareholder's liability to the company on any contract, including a contract for the allotment of shares or for any tort or breach of fiduciary duty or other ground to take legal action for wrong committed by him or her.
- A court may pierce the corporate veil to hold a shareholder liable for obligations of the company if the court finds that the shareholder has abused the company status form for fraudulent or illegal purposes or abused the company's assets as if they were personal assets.
- Liability by guarantee: as amount agreed upon as by members to contribute if the company become unable to pay its debts

ii) The student should demonstrate understanding of .....

- Ownership and disposal of property;
- As a legal entity the company have powers to own property by its name separate from those of

shareholders;

- Capacity to sue or be sued;

Accompany by its own name can initiate a legal suit or be taken to court by its own capacity as a company;

- Different management from shareholders.

The management of the company shall be exercised separately from individual owners including appointment of directors;

- Common seal.

The validity of company documents shall be subject to common similar to natural person signature;

- Enter into contract:

A company can enter in to a contract by its own name distinct from shareholders

- Rights and obligations;

just like a natural a company shall incur its own obligations by its name similarly to its rights.

**(Total: 25 Marks**

## **QUESTION TWO**

<b>SN</b>	<b>DISTRIBUTION OF MARKS</b>	<b>MARKS</b>
<b>(a)i</b>	Award 2 marks for the correct definition internal reconstruction and award 2marks for correct definition of external reconstruction	<b>4</b>
<b>(a)ii</b>	Award 2 marks for correct definition of friendly takeover and award 2 marks for correct definition of hostile takeover returns	<b>4</b>
<b>(b)i</b>	Award 1 mark for reason why companies may undergo reconstruction.	<b>4</b>
<b>b(ii)</b>	Award 1mark for the correct shareholder right that has been violated by the director in the study case	<b>4</b>
<b>(b)iii</b>	Award 2 marks for correct definition of derivative action and award 1 marks for every correct two redresses	<b>4</b>
<b>(c)</b>	Award 1 marks for every correct obligation of foreign company in Rwanda rights that shareholders have by virtue of shares	<b>5</b>
	<b>TOTAL</b>	<b>25</b>

## **Model answers**

### **a) i) The student should demonstrate understanding on difference between an internal reconstruction and external**

- Internal Reconstruction is a financial process where a company reorganizes its financial structure without changing its legal status such as redemption of shares, writing off accumulated losses, adjusting asset values and liabilities canceling up unpaid shares, the main aim is to make the company financially stable by improving its working capital.
- External reconstruction, company changes its legal structure through external means such as using mergers, acquisitions, or takeovers to improve its financial position as well as the existence of the company usually happens when the company has serious financial challenges

### **ii) The student should demonstrate understanding of.....**

Friendly takeover:

Takeover is a process where one company acquirer (predator) Make a bid to acquire another company (target). Where both sides of a transaction consent to the deal such it that does not happen through coercion but rather a mutual consent;

Hostile takeover: Occurs where the predator/ bidder company takes the company where the shareholders of the target company are unwilling to do so;

b)

### **b)i) The student should demonstrate understanding of**

#### **Kelia on the areas of shareholders rights that that have been violated by the directors**

See Law N° /2021 of 08/02/2021

From the study case the following are evident:

- The powers of directors are only to propose dividends as the powers to declare dividends is vested in shareholder hence violation of shareholders rights;
- Failure to call for shareholders meeting including annual general meeting which is mandatory for every company at least once a year hence violation;
- Upon resignation of the auditor only shareholders can appoint a new auditor but not director hence it was violated;
- Every shareholder has a right to visit the company including accessing of financial records hence it was violated.

### **b)ii) The student should demonstrate understanding of.....**

**The shareholders rights are to:**

- Attend general meetings and vote when such is called by notice;
- Receive a share of the company's profits in form of dividends;
- Receive certain documents from the company including notice;
- Inspect statutory books and constitutional documents including MOA and AOA;
- decide on any final distribution on the winding up of the company;
- decide the pre-emption on purchase when new shares are issued;

- Appoint proxy to the Annual General Meeting. (A.G.M);
- Transfer ownership.

**iii) The student should demonstrate understanding of.....**

**Explain how derivation action by shareholders as right can be used to address the above case.** See Law N° 231/2021 of 08/02/2021

- Derivative action is a claim brought by a shareholder of a company in respect of a cause of action vested in the company and seeking relief on behalf of the company in case those responsible fail to do so;

Derivative action may be lodged by any shareholder or director of a company to the competent court for authorization to where derivative action refers to:

- bring any legal proceedings in the name of or on behalf of a company or any subsidiary where the company fails to do;
- stop the directors from further violation by injunction, or an order by the court to compel the directors to act accordingly;
- intervene in proceedings to which the company or any subsidiary is a party for the purpose of defending or discontinuing the proceedings on behalf of the company or subsidiary.

**c)**

**The student should demonstrate understanding of.....**

Refers to company which was incorporated outside Rwanda but doing business in Rwanda having its headquarters in another jurisdiction outside Rwanda;

Obligations of foreign companies are:

- Filing of annual returns;
- Appointing of one local representative;
- Company with any relevant laws in Rwanda;
- Disclosure of country of jurisdictions;
- Filing of relevant taxes;
- Notify the registrar any changes regarding the head office or change of its offices;
- Maintain books of accounts.

**QUESTION THREE**

**Marking guide**

**a)**

<b>SN</b>	<b>DISTRIBUTION OF MARKS</b>	<b>MARKS</b>
<b>(a)</b>	Award 1 mark for every correct business form identified	<b>6</b>
<b>(b)</b>	Award 1 mark for every correct difference between private and public company.	<b>4</b>
<b>(c) i</b>	Award 2 marks for correct definition and award 2 marks for correct explanation	<b>4</b>

	on validity of pre incorporation contract by promoter	
(c)ii)	Award 2 marks for every correct provision of law governing pre incorporation contract	<b>6</b>
	<b>TOTAL</b>	<b>20</b>

### Model answers

**a) The student should demonstrate understanding of.....**

- Sole proprietorship: an enterprise owned exclusively by one natural person and in which there is no legal distinction between the owner and the business entity;
- Partnership: a kind of business where a formal agreement between two or more people is made who agree to be the co-owners, distribute responsibilities for ...
- Private company limited by shares or by guarantee:  
is a type of company, which has a share capital divided into shares which are not freely transferable. The value, class and rights attributable to each share will be set out in the Articles of Association of the Company and liability of shareholders only extent shares subscribed while guarantee liability extends to amount agreed to contribute in case of winding up;
- Public company limited by shares or guarantee:  
is a type of company, which has a share capital divided into shares which are freely transferable. The value, class and rights attributable to each share will be set out in the Articles of Association of the Company and liability of shareholders only extent shares subscribed while guarantee liability extends to amount agreed to contribute in case of winding up;
- Community benefit company:  
a company with primary social objectives whose surpluses is reinvested, f in the business or in the community rather than being driven by the need to maximize profit for its shareholder
- Protected cell company :is a unique corporate structure whose main attraction is its legal segregation of assets and liabilities;
- Foreign companies:  
Refers to a company incorporated outside Rwanda but which is carrying on business in Rwanda.

**b) The student should demonstrate understanding of.....**

**DIFERENCE BETWEEN PRIVATE AND PUBLIC COMPANY**

See Law LAW N° 007/2021 OF 05/02/202 Article 12

DESCRIPTION	PRIVATE	PUBLIC
i. Ownership	Maximum number of shareholders is 100	No maximum shareholders

ii. Directors	At least one director	At least two directors
iii. Transferability of shares	Shares not are freely transferable	Shares are freely transferable
iv. Raising of capital	Shares are issued to the public	Shares are not issued to public for subscription
v. Auditing	Not mandatory	Mandatory
vi. Secretary	Not mandatory	Mandatory
vii. Name ending	Name must end with LTD if limited	Name must end with Plc

**c) i) The student should demonstrate understanding of.....**

**Pre incorporation contracts (See Law LAW N° 007/2021 OF 05/02/202 Article 49)**

- Refers to contracts that are made on behalf of the company by the promoters before the incorporation of the company for gaining some rights and property;

**The validity of the contract**

The company is not bound by such contract unless ratified, the person who purported to act in the name or on behalf of the company is, in the absence of express agreement to the contrary, personally bound by the pre-incorporation contract and entitled to the benefit of it in this case Kinyozi is bound by the contract until its ratified by the company therefore personally liable.

**c) ii) The student should demonstrate understanding of.....**

A pre-incorporation contract may be ratified by the company after its incorporation and thereupon the company is bound by it and entitled to the benefit of it as if the company was in existence at the date of the pre incorporation contract and as if the company had entered into the contract;

A pre-incorporation contract may be ratified within such period as may be specified in the contract, or if no period is specified, then within a reasonable time after the incorporation of the company in the name of which, or on behalf of which, it has been made;

Before ratification by the company, the person who purported to act in the name or on behalf of the company is, in the absence of express agreement to the contrary, personally bound by the pre-incorporation contract and entitled to the benefit of it;

A pre-incorporation contract is ratified by a company in the same manner as a contract or other

enforceable obligation may be entered into by a company under this Law;

A party to a pre-incorporation contract that is not approved in all or a part of its provisions by the company after its registration may file a claim to the competent court.

## **SECTION B**

### **QUESTION FOUR**

#### **Marking guide**

<b>SN</b>	<b>DISTRIBUTION OF MARKS</b>	<b>MARKS</b>
<b>(a)</b>	Award 1 mark for any correct consequences of removal from register of companies	<b>4</b>
<b>(b)</b>	Award 2 marks for clearly stating any grounds for removal from register of companies	<b>10</b>
<b>(c)</b>	Award 1 mark for any correct content of notice of removal from register of companies	<b>3</b>
<b>(d)</b>	Award 1 mark for any correct right of the company during removal from register of companies	<b>3</b>
	<b>TOTAL</b>	<b>20</b>

#### **Model answers**

##### **a) The student should demonstrate understanding of the meaning of**

- The company removed from the register of companies loses its legal personality;
- The company removed from the register of companies ceases to conduct its business;
- The property of a company which is removed from the register includes leasehold rights and all other rights vested in or held on behalf of or on trust for the company prior to its removal but does not include property held by the former company on trust for any other person.
- Whether or not any property vesting in the State under this Article is disclaimed under paragraph 4 of this Article, any person who would have been entitled to receive all or part of the property or payment from the proceeds of its realization if it had been in the hands of the company immediately after its removal from the register, any person claiming for it may apply to the court for an order: 1° vesting all or part of the property in that person; 2° awarding that person an amount greater than the value of the property from the State.
- The removal of a company from the register of companies shall not affect the liability of any former director or shareholder of the company or any other person in respect of any act or omission that took place before the company was removed from the register and that liability continues and may be enforced as if the company had not been removed from the register.
- When the company is removed from the register of companies, its name becomes available to new users;
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**b)**

**T**

### **The student should demonstrate understanding**

The Registrar General removes a company from the register if:

- the company is an amalgamating company other than an amalgamated company and, on the same day, the Registrar General issues a certificate of amalgamation;

the Registrar General is satisfied that:

- the company has ceased to carry on business and there is no proper reason for the company to continue in existence;
- the company has failed to pay fees due to the Registrar General under this Law;
- the company has not filed its annual return as required under this Law;
- the Registrar General receives a request, in a form approved by him or her, from:
  - a shareholder authorized to make the request by a special resolution of shareholders entitled to vote and voting on the question;
  - the Board or any other person, where the incorporation documents of the company so require or permits, that the company be removed from the register on the grounds set out in paragraph 2 of this Article;
- there is delivered to the Registrar General an application for removal of an insolvent company from register and no liquidator is acting in relation to that company or the liquidator appointed fails to deliver to the Registrar General the documents required to be filed under the law relating to insolvency;
- a liquidator delivers to the Registrar General the final report and final accounts of the liquidation and the statement required by the law governing insolvency. A request that a company be removed from the register under item 30 of paragraph one, may be made on the grounds:
- that the company has ceased to carry on business, has discharged in full its liabilities to all its known creditors and has distributed its surplus assets in accordance with its incorporation documents and this Law; or
- that the company has no surplus assets after paying its debts in full or in part, and no creditor has applied to the Court for an order putting the company into liquidation;
- a request that a company be removed from the register is accompanied by a written notice from the Rwanda Revenue Authority stating that there is no objection to the company being removed from the register.

The Registrar General removes a company from the register under paragraph one of this Article only when:

- he or she has given notice of intention to remove the company from the register;
- he or she is satisfied that no person has objected to the removal;
- he or she has complied with the provisions of Article 283 of this Law in case of objection to the removal of the company from the register of companies.

c) .....

**The notice to remove a company from the register must specify:**

- the name and registered code of the company and its registered office;
- the article stating the grounds on which the Registrar General proposes to remove the company from the register of companies;
- the date of an objection to the removal from the register is sent or delivered to the Registrar General, and which is not less than twenty (20) working days after the date of the notice.

d) Rights of company in lieu of removal from register

- Receipt of notice from the Registrar General;
- Right to object with valid reasons;
- Right to provide reasons /justification for non-removal
- Right to reasonable timelines;
- Right of petition to the court of law.

### **SECTION C**

#### **QUESTION FIVE**

#### **Marking Guide**

	<b>Distribution of Marks</b>	<b>Marks</b>
<b>(a) i</b>	2marks for affirmation for and 2 marks for otherwise	<b>4</b>
<b>ii</b>	2 marks each for any 3 legal positions well elaborated	<b>6</b>
<b>(b) i</b>	2 marks for any 3 approaches well elaborated	<b>6</b>
<b>ii</b>	2 marks each for any 2 restrictions well elaborated	<b>4</b>
<b>(c) i</b>	1 mark for affirmation and 1 mark for justification	<b>2</b>
<b>ii</b>	1 mark each for any 4 rights and 1 mark each for any 2 timeframes	<b>6</b>
<b>iii</b>	0.5 for any four contents of the report enumerated	<b>2</b>
	<b>Total</b>	<b>30</b>

#### **Model Answers**

**(a) (i) The candidate is expected to demonstrate knowledge and understanding on the disappearance of the legal personality**

- Yes, it is possible
- Articles of association provides for the eventuality.

- However, if it is not possible the court of law can be involved
- The scenario is about voluntary liquidation and compulsory liquidation

**(ii) The candidate is expected to demonstrate knowledge and understanding on the disappearance of the legal personality**

- When a commercial company acquires legal personality, the personality does not persist for life i.e., it is not permanent, it will someday end.
- The disappearance of legal personality is the consequence of dissolution of the company, which entails the dissolution and distribution of its patrimony among shareholders (partners).

### **Causes of Disappearance**

- The causes of disappearance are of two types, the one is applicable to all commercial companies; the other relates to individual partners and is restricted to those companies in which the personality of the participant is fundamental. **General Causes**
- There are four general causes:
- A commercial company established for a certain period of time dissolves at the end of that period in the absence of a resolution extending its life.
- A decision taken by the shareholders (partners) to dissolve the company before the time agreed upon.
- Loss of the object or impossibility of performance
- If the object has been attained

**(b) (i) The candidate is expected to demonstrate knowledge and understanding on special provisions relating to allotment of shares for private companies**

- No, they had not exhausted the mechanisms
- As a private company they are not allowed to circulate a prospectus
- Private companies are not enlisted in the stock market
- Securing a loan through debenture too is void
- They needed to privately look for investors who would be willing to invest.
- 

**(ii) The candidate is expected to demonstrate knowledge and understanding on special provisions including restrictions relating to allotment of shares for private companies**

### **Article 66: Restriction on public offers by private company**

- A private company shall not:
- Offer to the public or any section of the public, whether for cash or otherwise any securities of the company;
- Allot shares or agree to allot shares, whether for cash or otherwise, any securities of the company with a view to all or any of the securities being offered for sale to the public or any section of the public.

- No provision of this Article affects the securities, validity of any allotment of shares or sale of securities, or of any agreement to allot shares or sell securities.

**(c) (i) The candidate is expected to demonstrate knowledge and understanding on shareholders general rights**

- Yes, she is justified
- The law provides that she receives the information four months from the date of the annual year

**(ii) The candidate is expected to demonstrate knowledge and understanding on shareholders general rights**

**Documents to be disclosed annually to shareholders**

- The Board of Directors of a company sends to every shareholder of the company within the specified time limits the following documents:
  - ✓ a copy of the company's annual accounts approved and signed;
  - ✓ a copy of the auditor's report on those accounts;
  - ✓ a copy of the Board of Directors' report relating to the same accounting period as those accounts;
- The time limits for disclosure of such information are: – within four (4) months of the company's accounting reference date, in the case of a private company;
- within four (4) months of the company's accounting reference date, in the case of a public company.

**(iii) The candidate is expected to demonstrate knowledge and understanding on shareholders general rights**

- **Report of the members of the Board of Directors**
- In respect of the accounting period to which the annual accounts relate, a report of the members of the Board of Directors for a company shall be in writing.
- Such report:
  - ✓ states the amount, if any, which the Board of Directors recommends should be paid as dividend and the amount, if any, which they propose to carry to reserves;
  - ✓ States any donations exceeding the prescribed amount, including charitable or political donations made by the company since the date of the previous report;
  - ✓ States particulars of any entries in the register of interests made since the date of the previous annual report;
  - ✓ Is signed on behalf of the Board of Directors by two (2) directors of the company, or, if there is the only one director, by that director;

In the case of a public company, the report also:

- ✓ States the principal activities of the company and its subsidiaries during the period and any significant changes in those activities during the period; and

- ✓ Contains a fair review of the development of the business of the company and its subsidiaries during the accounting period and of their positions at the end of it.
- The requirement for a report of the directors does not apply in the case of a private company where shareholders have opted out of this requirement

## QUESTION SIX

### Marking guide

	<b>Distribution of Marks</b>	<b>Marks</b>
<b>a)</b>	1marks for affirmation and 1 mark for justification	<b>2</b>
<b>b)</b>	0.5 mark for listing any correct point and 1mark for explanation of every correct point	<b>6</b>
<b>c)</b>	1mark for any of four correct example of accounting records	<b>4</b>
<b>d)</b>	0.5 mark for listing any 4 correct example and 1mark for every 4 correct explanations of every correct point	<b>6</b>
<b>e)</b>	1 mark for identification of board of directors and 1 mark for explanation of directors making records available for inspection	<b>2</b>
<b>f</b>	1 mark any correct duties of directors in relation to annual accounts	<b>3</b>
<b>iii</b>	1 mark any 7 correct contents of the auditor's report	<b>2</b>
	<b>Total</b>	<b>30</b>

**a) Citing the Law N° 007/2021 of 05/02/2021 governing companies in Rwanda do you agree with Solomon Aimee, Lazaro Edlewis and Alexis Joan that company records including the accounting records are public records?**

- Yes, they are public documents which are kept at the company registered office
- **Article 111: Company records to be kept**
- The company must keep at its registered office, or at any other place in Rwanda.

**b) Explain any four such company documents which are kept in the company's registered office**

- Documents of incorporation: kept as long as the company exist with amendment by resolution of shareholders
- The share register; shall maintained as long as the company share exist in the various classes based on company allotment and articles of the company

- The index of shareholders;
- The accounting records; to be prepared on basis of every transaction by the company and shall form the basis of final financial statements
- A register of interests of directors;
- Minutes of all general meetings and Resolutions of shareholders for at least the last ten (10) years;
- Minutes of all meetings and resolutions of directors and board committees for at least the last ten (10) years
- Certificates given by directors under this Law for at least the last ten (10) years;
- Copies of all annual accounts, auditors and directors' reports in relation to the last ten (10) completed accounting periods of the company;

**c) Enumerate any four examples of the accounting records which is kept in the registered office of the company.**

- Accounting records contain proper books of account and are kept in a written form or in a manner in which they are easily accessible and convertible into a written form with particular respect to:
- Daily receipts and expenses with their accounting documents;
- A register of assets and liabilities of the company;
- Where the company's business involves the sale of goods;
- All sales and purchases of goods by the company, those who bought them and related invoices;
- A register of stock held and its variation;
- Where the company's business involves providing services, a register of services provided and relevant invoices.

**d) Explain the four contents found in the register of the shareholders and debenture holders of the company kept at the registered office.**

- Names and latest known addresses of each person who is or has within the last ten (10) years been a shareholder or debenture holder;
- The shares index held by each shareholder; a share segregated by another share by its number, so as long as the share has a number and, where the company has more than one class of issued shares, by its class;
- The date of any allotment of shares to, or repurchase or redemption of shares from, or transfer of shares or debentures by or to each such shareholder within the last ten (10) years, and in relation to any such transfer, the name of the person to or from whom the shares or debentures were transferred;
- Whether the incorporation documents or the terms of issue of the shares or debentures place any restrictions or limitations on the transfer of shares or debentures, a notice of any trust, expressed, implied or constructive, must be entered on the register.

**e) Under whose duty are the accounting records maintained and made available for inspection.**

- The Board of Directors of a company causes to be kept accounting records at all times that give a true and fair view of the company's financial position and that explain its transactions and comply with accepted accounting standards
- Accounting records contain proper books of account and are kept in a written form or in a manner in which they are easily accessible and convertible into a written form

**f) What are the duties of directors in relation to annual accounts**

- **Article 124: Duties of directors in relation to annual accounts**
- The Board of Directors of a company must ensure that annual accounts are within the time limits specified in this Law:
- Prepared, audited and approved;
- Disclosed to shareholders;
- Delivered to the Registrar General through the company Secretary

**g) The auditor's report must comply with applicable auditing and assurance standards.**

**Outline any seven contents of the auditor's report.**

- The scope and limitations of the audit;
- Whether the auditor has obtained all information and explanations that he or she has required;
- Whether proper accounting records have been kept by the company;
- The proof that there is no relationship, no interests and debt in the company;
- Whether the annual balance sheet complies with the international accounting standards;
- The auditor's opinion and problems that are linked with the company's management;
- The auditor recommends actions to correct problems identified during the audit;
- Whether, in the auditor's opinion, according to the best of his information and the explanations given to him as shown by the accounting and other documents of the company

**THE END OF MODEL ANSWER**