



# Examiner's report

## F4 (ENG) Corporate & Business Law

### For Paper Variant exams June 2017

#### General Comments

The June 2017 paper followed the structure introduced in the December 2014 examination. The paper is divided into two parts: Section A comprises 45 multiple choice questions (MCQs) of either 1 or 2 marks to a total of 70 marks, while Section B contains 5 multiple task questions (MTQs) each worth a total of 6 marks giving the normal overall total of 100 marks. All questions are compulsory and the exam time period is 2 hours.

In the computer-based examination format, all questions are structured so as to be capable of objective marking, while in the paper based format, although section A is marked objectively by computer, Section B is still marked by subject experts.

The present structure replicates division in the previous examination structure between essentially knowledge based questions and questions requiring, not merely knowledge, but analysis and application in addition.

Although the time period for the exam is only two hours, there is no evidence of candidates' performance suffering under time pressure to complete it.

#### Section A

In analysing the overall performance, somewhat surprisingly and contrary to previous sessions, it can be seen that candidates fared slightly worse in this section than in the analysis/application section.

As might be expected, the less complicated 1 mark questions tended to be answered better than the more complex 2 mark questions. It has to be said, however, that there was a wide range of performance over the whole range of questions in either mark category, so it cannot be concluded that either the 1 mark question were too easy or the 2 mark questions too difficult, although the best performances were in relation to 1 mark questions and the worst in relation to the 2 mark ones.

As in previous examinations under the new structure, the extension of the field of material to be covered did not prove a major difficulty. However, it has to be admitted that candidates did show some problems in dealing with the more difficult question in areas of the syllabus in which they have traditionally struggled (see the examples below). It would appear that candidates have benefited from the recognition that they will be examined over a wider spectrum of the curriculum as all aspects of the syllabus can be examined in one exam.

As a matter of pure coincidence the two questions that were done least well areas follows.

#### When is compulsory liquidation deemed to commence?

- A On the date the members vote to proceed with the liquidation
  - B On the date of presentation of the liquidation petition to the court
  - C On the date the court issues the liquidation order
  - D On the date the Official Receiver assumes control of the company
- (2 marks)**

This question was not answered particularly well, although the majority of answers did focus on either the correct answer, B or the incorrect answer C. Unfortunately most candidates elected for C. The only explanation that can

be offered is simply that the question required a depth of knowledge that was beyond the scope of the majority of candidates. However, it also has to be mentioned that this is a fundamental principle of the law relating to liquidation and it is the sort of question that candidates usually do well in.

**The presumed intention to create legal relations CANNOT be rebutted in contracts between which of the following?**

- (1) Business associates
- (2) Family members
- (3) Friends

**A** 1 only

**B** 2 and 3 only

**C** 1, 2 and 3

**D** Neither 1, 2 nor 3

**(2 marks)**

Once again this is a question that should have been, but was not, dealt with adequately.

Admittedly, it related to a conceptually complicated concept, but it is essential and indeed it is the direct consequence of the cases that candidates do tend to know and indeed cite. The problem seems to be in the fact that although the candidates can cite the cases, they do not actually understand the meaning of the terms they use. It is one matter to repeat a phrase about rebuttal, but it is another to actually explain what that word connotes in legal terms. This question required the latter and unfortunately the majority of candidates failed to provide the correct answer, which was D.

The two questions drawn as examples from the June paper have been selected because they are the most difficult ones in the paper. Those are difficult questions, but they were answered correctly by a significantly large number of candidates, although certainly not by a majority, let alone all of the candidates. This is a function of the requirement that exam papers should be able to differentiate between candidates' ability and knowledge.

### **Section B**

This element of the examination requires both analysis and application, which skills traditionally have not been to the forefront of candidates' abilities. Although, it has to be recognised that such weaknesses still remain. The questions under the structure seek to encourage candidates to demonstrate their understanding of and ability to apply particular legal principles and concepts. However, as with Section A, this apparent reduction in what is required, introduces a compensating difficulty, that candidates must focus on and succinctly address the issue raised by the question: irrelevant information simply will not be rewarded and it is a matter of fact that the shorter, more detailed, questions have a tendency to starkly expose any lack of knowledge or application on the part of candidates.

An unfortunate practice from the previous structure, which continues to appear in the written paper, is the prepared answer relating to a particular area of the syllabus, although there was less evidence of this practice than previously.