

PCLL Conversion Examination
January 2025 Examiner's Comments
Business Associations

General comments

The standard of papers in this sitting of the examination was on par with previous years. The majority of candidates completed the paper. However, some only discussed general principles without applying them to the relevant issues.

Below are comments on how candidates answered each question:

Question 1

This question tested fundamental knowledge of business organization law, including company incorporation, the relationship between partnership and company, and pre-incorporation contracts. Candidates generally identified some relevant issues but missed others.

The question was based on *Keith Spicer Ltd v Mansell* [1970] 1 All ER 462, a leading case in partnership law, though very few candidates recognized this. Even fewer drew analogies for in-depth analysis. Additionally, some candidates demonstrated a weak understanding of the statutory provisions regarding pre-incorporation contracts.

Question 2

Candidates generally performed well in this question. Separate legal personality is a cornerstone of company law, while piercing the corporate veil serves as an exception, defining its outer limits. Most candidates identified these issues and discussed them adequately.

However, very few referenced Hong Kong precedents, relying almost exclusively on English case law. Additionally, some candidates confused the doctrine of piercing the corporate veil with agency law.

Question 3

Candidates generally performed well on Question 3(a) but struggled with Question 3(b), which focused on winding up on just and equitable grounds.

Several candidates recognized that Question 3(b) related to insolvency but merely discussed the insolvency process generally without addressing just and equitable winding up. Among those who did discuss it, most relied exclusively on English precedents.

For Question 3(a), which tested fiduciary duties, candidates performed reasonably well.

Question 4

Very few candidates attempted this question, and those who did generally performed worse than in other questions. Most provided only a broad discussion of the relevant principles without any critical assessment. Some failed to address the question directly and wrote about irrelevant principles.