

**BUS205**  
**Company and Tort Law**

---

**Tutor-Marked Assignment**

**July 2021 Presentation**

---

## TUTOR-MARKED ASSIGNMENT (TMA)

This assignment is worth 18% of the final mark for BUS205 Company and Tort Law.

The cut-off date for this assignment is **15 October 2021, 2355hrs.**

The total length of the report should be no more than **3 pages** with font as Times New Roman, size 12, 1.5 spacing and a 2.54 cm margin all round (excluding cover page, table of contents and/or references). All pages should be numbered.

In this assignment, you are expected to:

- Conduct extra research beyond the scope of the textbook, iStudyGuide and any other course materials provided by the university.
- Apply legal principles to new situations to determine the most appropriate judgement.
- Demonstrate well developed written proficiency.

### Note to Students:

You are to include the following particulars in your submission: Course Code, Title of the TMA, SUSS PI No., Your Name, and Submission Date.

---

## Important Note: Grading of TMA Submissions

Marks awarded to your assignment are based on the following guidelines:

### 1. **80% of the marks are allocated to the content of your answers:**

- The marks awarded to *what your answers cover* depend on the extent to which they cover the key points that correctly and comprehensively address each question.
- The key points should be supported by evidence drawn from course materials and, wherever relevant, from other credible sources.

### 2. **20% of the marks are allocated to the presentation of your answers:**

*Wherever applicable*, the marks awarded to *how your answers are presented* depend on the extent to which your answers:

- form a sound reasoning by developing those key points in a clear, logical and succinct manner;
- provide proper and adequate in-text citations and referencing to content drawn from course materials and other credible sources;
- strictly follow APA formatting and style guidelines<sup>1</sup>, in particular for:
  - in-text citations and end-of-report references;
  - the identification of figures and tables;
- use, wherever relevant, the specialised vocabulary and terminology commonly used in discussions about the topic(s) covered by each question;
- provide a reference or bibliography at the end of the main report;
- include the less relevant details in an Appendix;
- use sentence constructions that are grammatically and syntactically correct;
- are free from spelling mistakes; present the workings, numerical formulations and results in a logical manner that follows the APA formatting and style guidelines;
- design and present graphs, diagrams and plots that follow the APA formatting and style guidelines;
- are highly original;
- have proper formatting, which may:
  - include a properly formatted cover page;
  - respect the answer length/word count set out in the assignment guidelines, if any is prescribed;
  - present answers in paragraphs with proper spacing and page margins;
  - include page numbers and appendices, if necessary.

---

<sup>1</sup> You can find a short tutorial on the APA formatting and style guidelines here: <https://apastyle.apa.org/index>. Additional details (pertaining to tables and figures) can be found here: <https://is.gd/O4vDdT>.

### Question 1

Allison has just graduated from the university with a degree in computing engineering and has plans to set up a fintech business in Singapore.

Allison intends to rope in her best friends to assist her in the administrative matters of the company while she will provide the core technical solutions for customers. It is contemplated that Allison will maintain more than 50% equity interest in the company notwithstanding the possible injection of capital by investors. She will also be the chief executive officer and executive director and expects not more than two other friends to join her on the board.

Separately, Allison wishes to set up a foundation, which will be a separate arm of her business, to drive her favourite charitable causes.

Allison has determined that she should incorporate a company to pursue each of her business and charity ideas. Allison knows that she needs to commit significant time and effort in the initial development of the business, so she wishes to reduce the administrative burden on the company during this stage. She can foresee that once the company has established some track record in its business, she may need to raise funds by bringing in new investors.

Allison has come to you for advice:

- (a) Define the types of companies that may be incorporated in Singapore. What are the differences in these companies and their compliance requirements? Advise Allison on the appropriate form of company that is suitable for pursuing her business and charitable interests. Assume that a different company will be established for each purpose.  
(40 marks)
- (b) Allison feels that as she is the founder, she needs to hold more than 50% equity interest in the company and have control over the management of the company. With the introduction of new investors, she is concerned that there will be interference with management by shareholders and possibly new investors. As a start-up, her company may not be able to achieve profitability and declare dividends in the short-term. Launches of new products may be delayed due to uncertainties caused by the unforeseen pandemic and (the expected but nevertheless) real competition with the digital banks which have recently been granted licences. However, the company may still have to pay recurring costs, which includes the payment of “fat” salaries to Allison and her management team as executive directors of the company.
  - (i) Outline the rights of minority shareholders against Allison as the majority shareholder and her management team in the situation above. You do not have to consider or discuss the right to commence derivative actions under s 216A of the Companies Act.  
(30 marks)

- (ii) Describe the ways in which Allison can protect herself against any interference from the new investors whom she invites. (30 marks)

**---- END OF ASSIGNMENT ----**