Paper details Answer both questions. Total word limit 2,000 words. Submission date 6pm 7th May 2021. Submit both answers as one file to Turnitin. Q1) Donald and Joe have turned their business partnership into a company called The White House Company Ltd. each owning 50% of the shares in the company. a) Before the company was registered Donald ordered 2,000 bottles of hairspray, signing the contract ‘for and on behalf of “The White House Company Ltd.” which he thought the company would sell. It has now been decided that the company will not sell hairspray, and Donald wants to know who will be liable on the contract, if anyone. b) The articles of association of The White House Company Ltd say that Rudy is to be company solicitor for life. Joe does not want Rudy to be company solicitor, and wants to know whether the provision can be enforced by Rudy. How might your answer differ if Rudy were a shareholder in the company? c) Joe is the director responsible for Health and Safety in the company. Joe is injured when a piece of machinery falls on him, breaking a bone in his foot. Consider whether Joe can claim compensation from the company for his injury. Donald is the director responsible for buying insurance for the business. Should the insurance be in the name of the company, or in Donald’s name? If Donald does not buy insurance for the company, could Joe sue Donald for compensation? d) Donald and Joe decide they want another investor in the company, and invite Barack to invest in the company. He says he is willing to do so, but only if he can be guaranteed being a director of the company. Advise how this could be arranged. e) The White House Company Ltd. has borrowed £20,000 from Britbank, secured by a floating charge over the business and all its assets on 1st February. It then borrows £10,000 from Eurobank secured by what the paperwork says is a fixed charge over the company book debts on 1st April. Kamala is owed £500 for work done for the company. Kamala has recently been sent a warning letter by the company about timekeeping and failing to wear the company uniform. Jared is owed £1,000 for golf equipment supplied to the company under a retention of title clause. Some of the equipment is in its original packaging, but some has been unpacked and printed with The White House Company logo. Donald has paid his daughter, Ivanka, £5,000 from company funds without giving any reason for the payment. If The White House Company Ltd were to go into insolvent liquidation, explain the order in which the liquidator might be expected to pay the debts. Q2) Boris and Priti are shareholders and directors in Boxit PLC, a company whose shares are traded on the Stock Market. a) Jacob, another shareholder believes that Priti was not properly appointed to being a director. Advise Jacob whether he could challenge her appointment in court. b) Boris has seen reports of unexplained payments made by one of Boxit PLC’s agents in Australia. The agent has only said that the payments were made to get priority for Boxit’s products. Advise Boris as to whether they may be any consequences for the company from these facts. c) Priti has received payment for an order from a new customer in cash. The total amount of money is nearly £100,000 and Priti is wondering what she should do about this unusual payment. d) Boris is so excited at the excellent annual results of the company that he tells his brother Joe as soon as he sees them. Joe then buys some shares in the company, and is very pleased when the share price rises when the results are made public. Advise whether Boris and Joe have done anything wrong. e) Priti is told by a customer of Boxit PLC that they are looking for UK distributor of one of their products. Priti thinks this is a good business opportunity for her and It is not the type of business that Boxit PLC is involved in. Advise Priti whether she can take the opportunity herself. f) Boris tells a delivery driver for Boxit PLC to ignore legal limits on the time drivers are allowed to work, and do one more delivery because the order is so important. Advise whether the company has committed a crime.