

Georgian Federation of Professional Accountants and Auditors

Professional Certification Examination based on the requirements of ACCA

PAPER NAME

GEORGIAN BUSINESS LAW

The Cases all are Compulsory

Code

Name

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Code

Case №2

According to the current legislation, the dispute shall be heard by the district (city) court in the first instance. Citizen Davitashvili, once became aware of this legal norm, decided to file a lawsuit against his neighbour before the Vake-Saburtalo District Court of Tbilisi, as he himself lived in Vake.

Questions:

1. To what extent does the decision of citizen Davitashvili comply with the current legislation and why? 2 marks
2. Which court is the highest and the final instance court administering justice in the whole territory of Georgia? 2 marks

Case №4

Individual entrepreneur Gela Gegeshidze submitted an application to the Public Defender of Georgia on issues related to the implementation of entrepreneurial activities. The Office of the Public Defender of Georgia refused to accept the application.

Questions:

1. How lawful is the refusal of the Office of Public Defender of Georgia in this case and why?
2 marks
2. What type of document is issued by the Public Defender of Georgia if the examination of the application/appeal confirms the fact of discrimination?
2 marks

Questions:

- 3 marks**

- 1 mark**

[illegible]

Case №10

Individual entrepreneur Nukri Getsadze employed Lana Siradze as a seller in his shop on the basis of the contract. He delivered goods worth 15,000 GEL on the basis of the acceptance-delivery act. In addition, an agreement on material liability was concluded.

Questions:

1. Is citizen Lana Siradze a possessor of the thing and why? **2 marks**
2. In what case the right to possess the thing shall be acquired? **2 marks**

Case №11

To secure a loan, Nugzar Papashvili concluded a pledge agreement with Alexander Kereselidze over the Mercedes-Benz Sprinter.

Questions:

- | | |
|---|---------|
| 1. Who registers the pledge in this particular case? | 2 marks |
| 2. What are types of pledge envisaged by current legislation? | 2 marks |

Case №12

Vasil Gigauri, who lived in Tbilisi, owned a small house inherited from his grandfather in a high mountainous village in Dusheti district. Vasil Gigauri could not afford to take care of the house, so he decided to abandon the ownership over it.

Question:

What are rules for abandonment of ownership of immovable things envisaged by the current legislation? **4 marks**

Case №13

Leasing company “ALGETI” handed over two tractors to “MSHENEBELI” Ltd for a period of 6 years under a lease agreement. After the expiration of the agreement, the lessor requested the MSHENEBELI” Ltd to purchase the subject-matter of lease, in which it was refused. The respective provision was not included in the agreement, however the leasing company “ALGETI” argued that it was not necessary either, because according to the current legislation, the essence of leasing is the final purchase of the subject- matter.

Questions:

- | | |
|---|----------------|
| 1. Is the request of the leasing company lawful and why? | 3 marks |
| 2. Can the subject-matter of lease be a share in an enterprise? | 1 mark |

Case №14

“CARAVANI” Ltd rented a living space to citizen Akaki Melia. The lessee failed to pay the rent for three months. For that reason, to secure a claim, the lessor used the lessor’s lien on the things that the lessee has brought to the place.

Questions:

1. Does the lessor have a lien on the things that the lessee has brought to the place?

2 marks

2. Is there a specific form prescribed by current legislation that must be observed for termination of a tenancy agreement?

2 marks

Case №15

“LEADER” Ltd and individual entrepreneur Liana Eradze concluded an oral agreement for the supply of food products worth GEL 10,000. Under the same agreement, the parties determined a penalty of 0.5% of the amount not-paid in time for each day overdue.

Questions:

1. Substantiate to what extent the law requirement is observed in the given case. **3 marks**
2. Who can reduce a disproportionately high penalty? **1 mark**

Case №16

JSC “GOLDEN WHEAT” has concluded a contract for the supply of 5 tons of high quality flour with “KONDITERI” (Bakery) Ltd. Only 4 tons of high quality flour was delivered within the timeframe defined by contract.

Question:

1. What are rights of the buyer envisaged by the applicable legislation in such a case?

2 marks

2. What does a thing free of material and legal defects mean for the purposes of the purchase contract?

2 marks

Case №17

Nodar Kirvalidze was employed at the “NOBATI” Ltd on the basis of agreement for a 4-month trial period. After 3 months, the employer terminated the agreement. Kirvalidze, considering that the agreement was terminated at the initiative of the employer, demanded an additional payment of one month’s remuneration.

Questions:

1. Could Nodar Kirvalidze demand an additional payment of one month’s remuneration?

3 marks

2. In what form an employment agreement could be concluded for a trial period? **1 mark**

The workers demanded compensation for overtime work, which was refused by the management.

Questions:

1. How lawful is the demand of workers in this case and why? 3 marks
2. Can an additional rest period be granted to an employee to compensate overtime work?

1 mark

[illegible]

Case №21

The audit firm “ALPHA” provided audit services to the entity, in which the chief accountant was the cousin of the head of the audit firm.

Questions:

- 1. In the given case, does the audit firm have the right to provide audit services to the entity and why? 2 marks
- 2. In what cases does the audit firm have the right to disclose confidential information on the entity? 2 marks

Case №22

Levan Gotsiridze, a partner of “INDI” Ltd., requested information on the activities of the company from the management body, in which he was refused on the grounds that, in case of disclosure, there would be a risk of violation of the public interest of the company.

Question:

Could the management board of “INDI” Ltd. refuse to provide the information and if so, in what case? **4 marks**

Case №23

Badri Nakaidze owned 50 shares of JSC “ERETI”. He received dividend every year; however, he did not receive it in the last year.

At the request of Badri Nakaidze for the dividend, the management of the company explained that it has no right to pay the dividend as it will cause the insolvency of the company. Badri Nakaidze did not agree with the explanation of the management.

Questions:

1. How lawful is the explanation of the management of JSC in the given case? 2 marks
2. What are the types of shares in an entrepreneurial company? 2 marks

Case №25

Two individuals have established a limited partnership in which liability of both partners is limited by the guarantee amount they have contributed. The partners also indicated in the Statute that if the guarantee amount is not fully paid, the partners will be liable to the creditors in the amount of the deposit.

Question:

To what extent is the Law on Entrepreneurs observed in the given case and why? 4 marks
