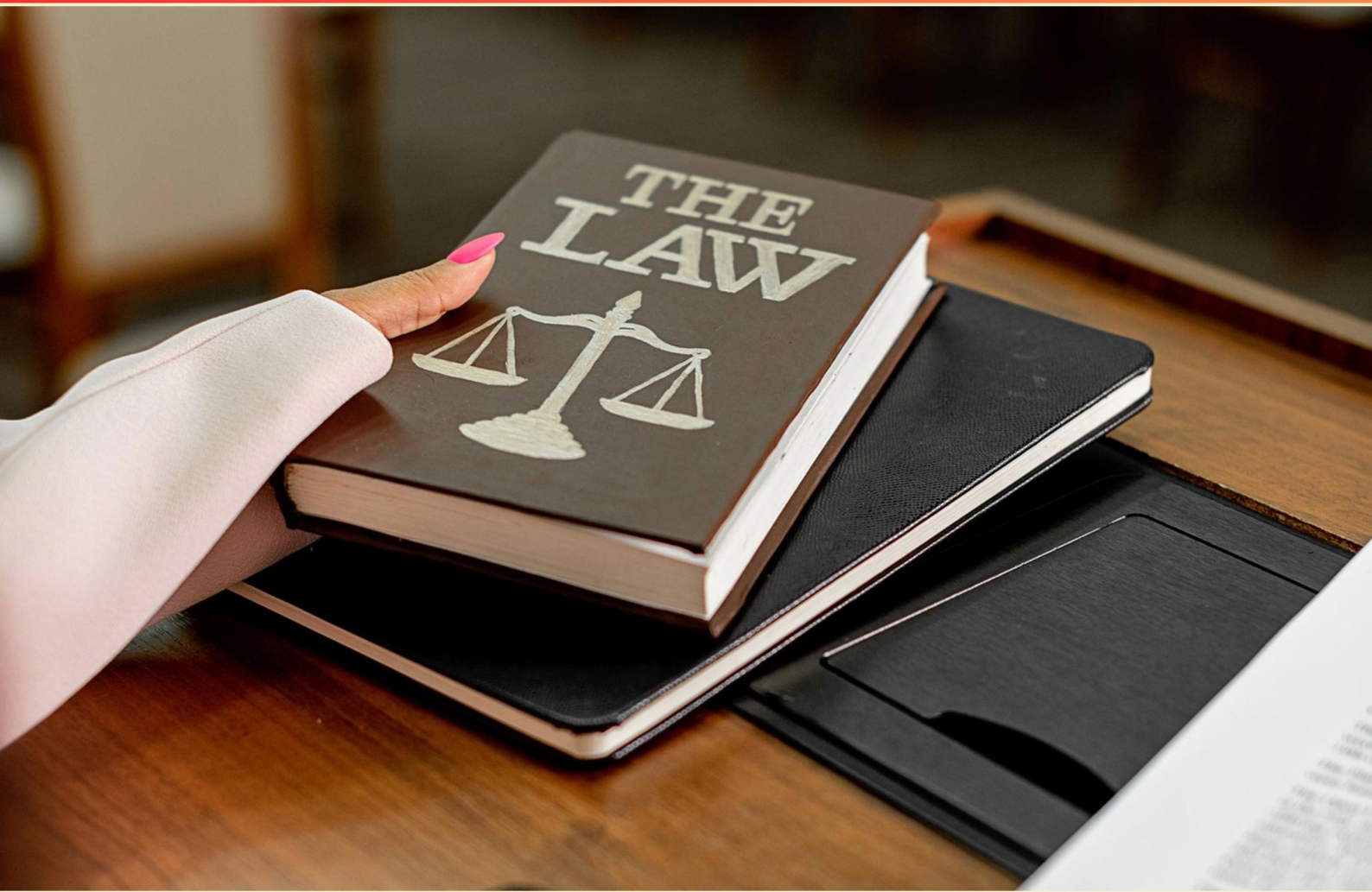


PROFESSIONAL LEGAL TRAINING COURSE (PLTC) COMPANY LAW PRACTICE EXAM (SAMPLE) STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

VISIT US ONLINE FOR
THE FULL VERSION STUDY GUIDE

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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 – 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

Questions

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- 1. How long is the liability for unpaid employee wages under the BCA?**
 - A. 3 months
 - B. 6 months
 - C. 2 months
 - D. 12 months
- 2. What happens to company assets upon involuntary dissolution?**
 - A. They may be sold at a public auction
 - B. They escheat to the crown
 - C. They are distributed to shareholders
 - D. They are forfeited to the state
- 3. What typically happens during a shareholder's dissociation?**
 - A. They gain additional voting rights in the corporation
 - B. They may sell their shares or withdraw from ownership
 - C. They become part of the management team
 - D. They increase their ownership stake
- 4. What is one disadvantage of a BCA company regarding multi-provincial operations?**
 - A. Higher corporate taxes
 - B. Must register extraprovincially or face penalties
 - C. Immediate dissolution in other provinces
 - D. Limited liability protections
- 5. What is one condition that disqualifies a person from acting as a director?**
 - A. Not being a resident citizen
 - B. Being under 18 years of age
 - C. Having a college degree
 - D. Not being employed in the company
- 6. What is corporate restructuring?**
 - A. The process of acquiring additional capital
 - B. Reorganizing a company's structure or operations
 - C. An employee training program for new management
 - D. Increasing the size of the workforce

7. What is the primary purpose of dissent proceedings in corporate law?

- A. To dissolve the company
- B. To challenge corporate management
- C. To allow shareholders to exit at fair market value
- D. To change management personnel

8. In corporate law, what characterizes antitrust violations?

- A. The existence of a governing body overseeing the industry
- B. Actions that restrict competition or create monopolies
- C. Failure to report corporate earnings
- D. Unlawful employee termination practices

9. What are preferred shares?

- A. A class of shares with priority over common shares for dividend payments
- B. Shares that automatically convert to common shares
- C. Shares that have no voting rights
- D. New shares issued to existing shareholders

10. What must occur before share certificates are considered issued under the BCA?

- A. They must be issued at the annual general meeting
- B. They must be signed by a director or officer
- C. They must be filed with the registrar
- D. They must be printed in color

Answers

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1. C
2. B
3. B
4. B
5. B
6. B
7. C
8. B
9. A
10. B

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Explanations

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1. How long is the liability for unpaid employee wages under the BCA?

- A. 3 months
- B. 6 months
- C. 2 months**
- D. 12 months

Under the Business Corporations Act (BCA), the liability for unpaid employee wages is typically limited to a specific timeframe, which is two months. This timeline is designed to balance the interests of employees in receiving their owed wages with the operational realities of businesses. Within this two-month period, employees have the right to claim any unpaid wages, which can include salaries, bonuses, and other forms of compensation. Understanding this timeframe is crucial for both employees and employers. For employees, it emphasizes the importance of promptly addressing any unpaid wages to ensure their claims fall within the allowable period. For employers, it highlights the need to maintain accurate records of wages and to address any discrepancies in a timely manner. The other durations mentioned do not align with the current provisions of the BCA regarding unpaid wages. Therefore, recognizing that the correct answer pertains specifically to the two-month liability period helps clarify the legal expectations set forth under the BCA regarding employee compensation.

2. What happens to company assets upon involuntary dissolution?

- A. They may be sold at a public auction
- B. They escheat to the crown**
- C. They are distributed to shareholders
- D. They are forfeited to the state

In the context of involuntary dissolution of a company, when a company is dissolved, its assets do not simply become the property of its shareholders or the individuals associated with the company. Instead, the correct outcome is that the remaining assets are typically forfeited to the state or escheat to the crown, meaning they become the property of the government after the company is dissolved. Involuntary dissolution can occur for various reasons, such as failure to comply with statutory requirements, bankruptcy, or a court order. In such cases, the company's assets are usually liquidated to pay off any outstanding debts and obligations. If there are any remaining assets after settling liabilities, those assets do not revert to shareholders; instead, they go to the state as unclaimed property under escheat laws. This process ensures that the assets do not fall into a legal vacuum but rather are held for the benefit of the public or properly managed by the state. The involvement of public auction, shareholder distribution, or forfeiture to the state are not accurate representations of the distribution of assets in various scenarios related to company dissolution. The key point is that in an involuntary dissolution context, remaining assets typically escheat to the crown, ensuring orderly management and distribution per legal protocols.

3. What typically happens during a shareholder's dissociation?

- A. They gain additional voting rights in the corporation
- B. They may sell their shares or withdraw from ownership**
- C. They become part of the management team
- D. They increase their ownership stake

During a shareholder's dissociation, the primary outcome involves the shareholder potentially selling their shares or withdrawing from ownership. Dissociation is a process where a shareholder separates themselves from the corporation, which can occur for various reasons, such as personal decision, retirement, or in response to a dispute. When this happens, the dissociating shareholder typically has the option to sell their shares back to the corporation or to other shareholders, effectively ending their role as an owner in the business. This process does not grant additional voting rights, as dissociation generally results in a loss of ownership and associated rights, not an increase. Moreover, a dissociating shareholder does not automatically become part of the management team, as their involvement is typically limited to their ownership stake. Lastly, the act of dissociating typically does not result in increasing ownership stake; rather, it involves a reduction or elimination of that ownership. Thus, the correct understanding of shareholder dissociation emphasizes the potential exit from ownership rather than any enhancements or increases in rights or responsibilities.

4. What is one disadvantage of a BCA company regarding multi-provincial operations?

- A. Higher corporate taxes
- B. Must register extraprovincially or face penalties**
- C. Immediate dissolution in other provinces
- D. Limited liability protections

In the context of a BCA (British Columbia Business Corporations Act) company conducting business in multiple provinces, the requirement to register extraprovincially is a significant disadvantage. When a BCA company chooses to operate outside of British Columbia, it must comply with the registration requirements of each province where it intends to conduct business. This means filing additional paperwork and paying fees to be recognized as a legal entity in those provinces. Failing to register extraprovincially can lead to penalties such as fines, restrictions on the ability to bring legal actions, and the potential for a business to be shut down in the province where it is not registered. This process can introduce complexity and additional costs, which can deter businesses from expanding into new jurisdictions. The other options presented do not accurately reflect disadvantages associated with multi-provincial operations for a BCA company. For example, while corporate taxes may vary, it's not unique to BCA companies nor does it represent a mandatory disadvantage specific to multi-provincial operations. Immediate dissolution in other provinces is not a consequence of conducting business there if proper registrations are maintained. Lastly, limited liability protections are a fundamental aspect of corporate law that applies universally to corporations, including those established under the BCA, and does not change with

5. What is one condition that disqualifies a person from acting as a director?

- A. Not being a resident citizen
- B. Being under 18 years of age**
- C. Having a college degree
- D. Not being employed in the company

A key condition that disqualifies a person from acting as a director is being under 18 years of age. This restriction is put in place because the law recognizes that individuals below this age may lack the legal capacity to manage the responsibilities and duties that come with being a director of a company. Directors are expected to make significant decisions and bear fiduciary responsibilities, which necessitate a level of maturity and understanding that is typically not present in minors. The legal age limitation ensures that directors can competently perform their duties, represent the company, and make informed decisions that align with the best interests of the shareholders and the company itself. Other factors, such as residency or educational qualifications, do not inherently disqualify someone from being a director according to typical company law, and employment status with the company does not determine eligibility to serve as a director.

6. What is corporate restructuring?

- A. The process of acquiring additional capital
- B. Reorganizing a company's structure or operations**
- C. An employee training program for new management
- D. Increasing the size of the workforce

Corporate restructuring refers to the process of reorganizing a company's structure or operations to improve efficiency, address challenges, or re-align its strategies with changing market conditions. This can involve a variety of actions, such as merging different divisions, downsizing, changing management structures, or even redefining the roles within the organization. The goal is often to enhance profitability and adapt to new circumstances, which can be crucial for the long-term success of the business. In contrast, acquiring additional capital typically focuses on financial strategy rather than structural changes within the organization. An employee training program is designed to enhance skills and management capabilities among staff, without necessarily altering the company's operational framework. Increasing the size of the workforce is more about scaling operations than restructuring, which implies a more holistic approach to the company's organization and strategy. Thus, the emphasis on reorganizing a company's structure or operations accurately captures the essence of corporate restructuring.

7. What is the primary purpose of dissent proceedings in corporate law?

- A. To dissolve the company
- B. To challenge corporate management
- C. To allow shareholders to exit at fair market value**
- D. To change management personnel

The primary purpose of dissent proceedings in corporate law is to allow shareholders to exit at fair market value when they do not agree with certain fundamental changes proposed by the company, such as mergers, consolidations, or amendments to the articles of incorporation. When a company undertakes significant changes that a minority of shareholders oppose, dissent proceedings provide a mechanism for these shareholders to express their disagreement and to demand compensation for their shares at a fair market value, rather than being forced to remain invested in a company whose direction they do not support. This process protects the rights of minority shareholders, ensuring that they can receive an adequate return on their investment instead of having to accept potentially adverse changes made by the majority. The value determination process typically involves negotiations or legal proceedings to ascertain a fair valuation, which further emphasizes the intrinsic focus of dissent proceedings on preserving shareholder interests in the context of major corporate decisions. In contrast, the other options do not align with the core function of dissent proceedings. Dissolving the company is a more drastic remedy that is unrelated to minority shareholder dissent. Challenging corporate management is a potential outcome of dissent but does not encapsulate the primary purpose of providing a financial exit strategy. Similarly, while managing personnel changes might be a part of some disputes, it does

8. In corporate law, what characterizes antitrust violations?

- A. The existence of a governing body overseeing the industry
- B. Actions that restrict competition or create monopolies**
- C. Failure to report corporate earnings
- D. Unlawful employee termination practices

Antitrust violations are characterized primarily by actions that restrict competition or create monopolies. The essence of antitrust law is to promote fair competition in the marketplace, preventing unlawful practices that could harm consumers and stifle innovation. When companies engage in activities like price-fixing, monopolization, or collusive behavior, they undermine the competitive landscape, ultimately leading to higher prices and reduced choices for consumers. By focusing on maintaining an open market where businesses can compete fairly, antitrust laws aim to ensure that competition thrives, benefiting both consumers and the economy. Hence, the emphasis on restricting competition or fostering monopolies directly addresses the core objectives of antitrust legislation, distinguishing this option as the most accurate characterization of antitrust violations. Understanding the implications of these violations is crucial in corporate law, as businesses must navigate regulatory frameworks that prioritize competition and prevent market abuse. Other options relate to different aspects of corporate governance and labor law, which, while important, do not pertain directly to the issue of antitrust violations.

9. What are preferred shares?

- A. A class of shares with priority over common shares for dividend payments
- B. Shares that automatically convert to common shares
- C. Shares that have no voting rights
- D. New shares issued to existing shareholders

Preferred shares are a class of shares that provide specific benefits to their holders compared to common shares. One of the main features of preferred shares is their priority in terms of dividend payments. This means that holders of preferred shares receive dividends before common shareholders. This priority is particularly significant during times of financial difficulty when a company may decide to suspend dividend payments on common shares while still fulfilling its obligations to preferred shareholders. Additionally, preferred shares may have other attributes, such as fixed dividends or preference in the event of liquidation, but the key characteristic that aligns with the correct answer is the priority for dividend payments. The other options describe different characteristics of shares that do not accurately reflect the defining features of preferred shares, which reinforces the correctness of the identified choice.

10. What must occur before share certificates are considered issued under the BCA?

- A. They must be issued at the annual general meeting
- B. They must be signed by a director or officer
- C. They must be filed with the registrar
- D. They must be printed in color

For share certificates to be considered issued under the Business Corporations Act (BCA), they must be signed by a director or officer. This requirement is significant because the signature authenticates the share certificate and signifies that the company recognizes the validity of the shares represented in the certificate. The act of signing establishes a formal acknowledgment that the shares have been issued to a shareholder, which is an essential step in the transfer of ownership in the corporation. The execution by a director or officer adds a layer of accountability and ensures that there is proper authority behind the issuance of the shares. Without this signature, the share certificate lacks legitimacy and cannot serve as proof of ownership, which is key in transactions involving shares. Other options presented do not reflect the requirements established by the BCA. For instance, it is not necessary for share certificates to be issued at the annual general meeting, filed with the registrar, or printed in color for them to be considered validly issued. These elements do not impact the fundamental legal recognition of the issuance of the shares.

Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

<https://pltccompanylaw.examzify.com>

We wish you the very best on your exam journey. You've got this!

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