

**Academic Year 2025/2026**

**Master 1 Business Law**

**Total Marks: 12**

**Business Law Examination**

**Section A: Multiple Choice Questions (4 Marks)**

*Choose the **one** correct answer for each question.*

1. **Which body is authorized to decide on an increase in the capital of a joint-stock company?**
  - a) Board of Directors
  - b) Ordinary General Meeting
  - c) Extraordinary General Meeting
  - d) Auditors
2. **According to Article 694 of the Commercial Code, what is the "preferential subscription right"?**
  - a) The right of new shareholders to subscribe first
  - b) The right of existing shareholders to subscribe to new shares in proportion to their existing shares
  - c) The right of creditors to convert debts into shares
  - d) The right of the board to issue shares without shareholder approval
3. **What is the maximum period within which a capital increase decision must be realized?**
  - a) 2 years
  - b) 3 years
  - c) 5 years
  - d) 6 months
4. **Which of the following is NOT a method of increasing capital under Algerian law?**
  - a) Issuing new shares
  - b) Incorporating reserves into capital
  - c) Reducing the number of shares
  - d) Converting debts into shares
5. **When is a company obliged to reduce its capital?**
  - a) When profits exceed expectations
  - b) When net assets fall below one-quarter of the capital
  - c) When shareholder numbers decrease
  - d) When the board of directors recommends it

### **Section B: Short Answer Questions (2Marks)**

6. Define "issuance premium" and explain its purpose in a capital increase.
7. List three conditions that must be met before a company can increase its capital by issuing new cash shares. (10 marks)
8. What is the difference between capital reduction and capital amortization?

### **Section C: Write well-structured, detailed essays. (2 Marks)**

9. Explain the role of the Extraordinary General Meeting in the capital amendment process. Refer to legal quorums, voting requirements, and permissible delegations of power. (15 marks)
10. Discuss the legal protections available to creditors when a company decides to reduce its capital. Distinguish between reduction due to losses and reduction for other reasons. (15 marks)

**Section D: Read the following scenario and answer the questions.**

**(4 Marks)**

#### **Text**

AlgeriaTech SPA," a joint-stock company with a capital of 10 million DZD, wishes to increase its capital by 2 million DZD through the issuance of new cash shares. The board proposes to offer the new shares to a strategic investor without granting existing shareholders a preferential subscription right. Several long-term shareholders object, claiming their rights are being violated.

#### **Questions:**

11. Under what conditions can the Extraordinary General Meeting cancel the preferential subscription right? Refer to Article 697 C.C. (10 marks)
12. What procedural steps must the company follow to legally enact this capital increase? Include references to publication, timelines, and shareholder notifications. (10 marks)

**Pr.Chekirine Dilmi**

**Note: The answer must be typed, not handwritten, and the surname and first name must be written in Arabic.**