

## **PBE Paper IV – Business Law and Taxation**

### **Examination Skills**

(Relevant to PBE Paper IV – Business Law and Taxation)

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### **Introduction**

While good examination skills are always desirable, they are essential in tackling PBE Paper IV. Unlike other business-related subjects, which candidates may already be relatively familiar with from their daily work, the majority of candidates will have only very limited experience in studying the law, let alone how to approach this examination. For such an examination, good examination skills entail three core elements:

- i) Preparation before the examination
- ii) Analysis of the exam paper at the start of the exam
- iii) Answering the questions strategically.

This article will address each of these three elements.

### **Preparation before the Examination**

The very first thing that you need to be familiar with is the syllabus of this paper. The syllabus is publicly available, and it is a must that you get a hold of it. The syllabus enables candidates to grasp the whole picture and informs them of the scope of the examination. However, merely relying on the syllabus is not enough, as it is only a guideline: it stipulates the boundaries of the examination but not its depth. Therefore, we must also study the past papers. The past papers let us know how the syllabus has typically been applied in the examination and, most importantly, the depth expected in each topic. Furthermore, the past papers help to inform candidates of cases where the correct application of certain legal principles is ambiguous. There are certain legal principles that are not very well settled in the legal community, and legal scholars or practitioners continue to debate certain issues. In such cases, examination candidates should pay attention to the suggested answers in order to find out the approach and legal authorities that are currently being adopted by the examiners. Doing so can significantly reduce the risk of citing the wrong legal authority.

The official textbook is undoubtedly the most important material in preparing for the examination. The textbook translates the abstract ideas mentioned in the syllabus into concrete academic materials that students can easily follow, though it is important to bear in mind that the textbook is not exhaustive and there is no guarantee that only those materials appearing in it will be tested in the actual examination. With these limitations in mind, study of the textbook is absolutely essential.

There are other recommended legal texts on the reading list. As the recommended list is lengthy, including various reference websites and ordinances, it is obviously not possible to read all of the suggested material. A more sensible approach is for the candidate use the official textbook as the principal material, and then to refer to the other materials in cases where he or she fails to comprehend a particular topic. Candidates should also be aware that there may be new judgments from courts and amendments made to the existing ordinances. It is highly advisable that candidates keep abreast of the latest development in the law.

Apart from studying the materials outlined above, candidates should avoid making a common mistake in picking topics for their revision. There are certain hot topics which appear in the examination frequently. There is nothing wrong with choosing to spend more time on these topics, but candidates should remember that everything mentioned on the syllabus and in the textbook can be examined. It is extremely risky to be too focused on those hot topics.

### **Analysis of the Exam Paper at Test Time**

Following the candidate's preparation above, the next step in tackling the examination comes on the day of the test. Having obtained the test paper but before beginning to write the answers to the test, the candidate should engage in the preparation stage, also known as the "planning stage." Here the candidate carefully analyses the examination to determine how best to spend the time allotted for the examination.

The planning stage is a very important strategic exercise, involving not only choosing the right questions, but also assigning a priority in answering. It is trite to say that candidates should always choose the questions they are more familiar with. The real difficulty faced by candidates is whether they can successfully identify the related issues, because this is the pre-condition for choosing those questions that are most suited to themselves.

There are basically two main types of questions. The first type is the direct question, which requires candidates to explain or to define some legal principles, concepts or dominant cases. The second type is the scenario-based question, in which candidates need to interpret the facts and give advice in response to a given scenario. The first type is relatively straightforward, so it is easy for candidates to determine whether they are capable of giving the right answer. The second type involves certain hidden and subtle issues, and it will be much more difficult for candidates to understand its content, making it harder for candidates to make good choices.

Once candidates have selected the questions they are most able to answer, they should wisely allocate their time to each question. A sensible approach is for candidates to spend a slightly longer time on those questions which they are familiar with, but not too much, as the marginal benefit for spending extra time on a single question declines sharply past a certain point.

## **Answering the Questions**

It is a must for candidates to sketch an answer plan. It is often the case that candidates, after having spotted a question that looks familiar to them, will pour out all that they have learned indiscriminately without really identifying the issues behind a question or organizing their answers logically.

Candidates must read the questions carefully and pay attention to keywords, like *state*, *explain*, *illustrate* and *advise*. A correct understanding of the questions is particularly important in the direct-type questions, where candidates will not be given any facts but are required to respond to the questions directly.

In a scenario-based question, candidates must make sure that they organize their answers systematically. Candidates should not answer the question by intuition, or just blindly outline the sequence of the events concerned. Usually, the three core elements that the examiner is looking for are: (i) the issues; (ii) the law; and (iii) the application of legal principles.

Issues refers to the main problem, or something to which the examiner is expecting the candidate to offer a solution. For example, in a question concerning the misbehaviour of a director, the issue will probably be directors' duties. If a question discusses the effect of an advertisement in a lot of detail, then the issue may be unilateral contracts. Candidates must be sharp and direct in pointing out the relevant issues, as identifying the core issues is the heart of what candidates are expected to know.

Candidates should also state the governing law and then apply that particular legal point in the given scenario. The governing law may be a common legal principle from a leading case, or it may simply be an ordinance, such as, for example, using the principle in the Turquand rule to resolve the problems concerning the internal management of a company. Candidates must explain the rule and then apply all the relevant elements to solve the internal management problems as stated in the question.

## **Conclusion**

Hard work is definitely a must for succeeding in any examination. However, candidates are sometimes puzzled with their poor performance despite having spent countless hours on their preparations. From the above discussion, we can now see that good examination skills are in fact a combination of three specific skills relevant to different stages in the examination process, beginning with selecting study materials before the examination, followed by analysing the paper at the start of the examination and then applying strategic answering techniques. Candidates should understand their own shortcomings in any of these areas and address them tactically.