

you make in the books to record the transaction? Give authority for the course pursued.

7. What records would you deem necessary in the books of a joint stock Company, upon a change of name being effected, and what is the legal effect of a change of name?

8. State fully the obligations assumed by a shareholder upon becoming a director. To what extent is he relieved from responsibility upon retirement from office?

9. In a Company whose shares have been issued at 20 per cent. discount, and whose realized profits at the expiration of the first dividend period, are 20 per cent. of the paid-up capital stock of the Company, what dividend, if any, may legally be declared in your opinion? Support your opinion by statutory authority as far as you can.

10. What rights are acquired and what obligations incurred by persons who lend money upon the security of shares? By persons who hold shares in trust for others? By persons who deal in shares without having such transactions recorded upon the books of the Company?

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#### MERCANTILE LAW.

1. What are the essentials to negotiability in a bill of exchange? What circumstances will render a bill of exchange invalid?

2. Define the different parties to a bill of exchange and their rights respectively.

3. Where several endorsers on a protested bill, may the holder proceed against one endorser, and if so, which one, or must all the parties be included as defendants?

4. State the principal provisions of the Statute of Limitations.

5. A owes B \$1,000 and desires further credit. C becomes surety in the following terms: In consideration of your extending to A a further line of credit to the amount of \$2,000, I agree to guarantee the due payment by A of the said sum of \$2,000. B grants further credit to the extent of \$4,000. A becomes insolvent, and his estate yields a dividend of 40 cents on the dollar. What is the liability of C, and what defence would he be entitled to make (if any) to an action by B to recover?