



**JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND
TECHNOLOGY**
SCHOOL OF BUSINESS AND ECONOMICS
**UNIVERSITY EXAMINATION FOR BACHELOR OF BUSINESS
ADMINISTRATION WITH IT 3RD YEAR 1ST SEMESTER 2023/2024**
ACADEMIC YEAR
COMPANY LAW
MAIN / KISUMU CAMPUS

COURSE CODE: BEB 1414

COURSE TITLE: COMPANY LAW

EXAM VENUE:

STREAM:

DATE:

EXAM SESSION:

TIME: 2.00 HOURS

Answer question One (1) and any other Two (2) questions

1)

(a) Explain the Doctrine of Ultra-vires transaction and its effect on an 'ultra-vires contract'.

(10Marks)

(b) Under the Company's act cap 486 laws of Kenya as they were and under the Company's Act 2015, what is the difference between the Memorandum of Association and Articles of a company.

(10Marks)

(c) Explain the effects of registration and incorporation of a Company under the company's act 2015.

(10Marks)

2) A Company upon registration , a corporate veil is said to have been drawn over the company as a separate legal entity(person),distinct from its members and

agents using the celebrated case of Aron Salmon -vs-Salmon & Company Limited 1897. Discuss the Doctrine of Separate Legal Entity.

(10 marks)

What do you understand by the term 'Internal Management Rule'?

(10 marks)

3)

(a) The Company's Act 2015 draws a clear distinction between functions and powers of Directors and the Company in a general meeting. What are his powers and the purpose of company's general meeting and other meetings.

(10marks)

(b) Every company is deemed to have borrowing powers, however the law imposes some restrictions on the said powers. Explain the restrictions.

(10 marks)

4)

According to the decision of Romer L Judge in the case of Yorkshire wool combers Association Limited, one of the characters of a floating charge is "it hovers over all assets of the company until some event occurs which causes the charge to crystallize.

In light of the above statement, Explain the events which causes crystallization of a floating charge.

(20 marks)

5) Explain the following:

a) Fixed Charge.

(5 marks)

b) Equity shares and premium shares.

(5 marks)

c) Subsidiary Company (Undertaking).

(5 marks)

d) Debenture.

(5 marks)