



JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY

SCHOOL OF BUSINESS AND ECONOMICS

**UNIVERSITY EXAMINATION FOR THE DEGREE OF BACHELOR OF BUSINESS
ADMINISTRATION WITH IT**

3RD YEAR 1ST SEMESTER 2022/2023 ACADEMIC YEAR

MAIN CAMPUS

COURSE CODE: BEB 9307

COURSE TITLE: COMPANY LAW

DATE: 15/12/2022

SESSION: 15.00-17.00PM

TIME: 2 HOURS

Instructions:

- 1. Answer Question One (COMPULSORY) and any other TWO questions**
- 2. Do not write on the question paper.**

1)

(a) A Company is a Legal Person and is distinct from its members. This principle is regarded as a curtain, veil or shield between the company and its members. This veil can be lifted by the Courts and statutes.

Describe the circumstances for lifting the veil by; -

i. The Courts

ii. The Statutes(10 Marks)

(b) With specific reference to Directors, summarize Five (5) provisions of the Companies Act in your country which govern the removal of a Director from office before the expiry of his term.

(10Marks)

(c) In relation to the membership of a company

i. Highlight six ways through which a person might cease to become a member of a company. (6Marks)

ii. Outline four (4) rights of a member in relation to meetings of a company. (4marks)

2)

a. Discuss five ways in which the veil of incorporation might be lifted under statutory provision. (10Marks)

b. What is meant by the “Indoor Management Rule” and how does it apply in favour of third parties dealing with a company. Use Case Laws if any. (10 Marks)

3)

(a) With specific reference to foreign companies, outline four changes that a foreign company must give notice of

(6marks)

(b) The foreign companies regulation may provide for the registration of specified charges over property. Summarize three provisions that might be contained in the above regulations.

(6Marks)

(c) Describe four strategies that a company might employ against “hostile take-overs”.

(8 marks)

4)

(a) Describe the circumstances for lifting of the veil by ;

- i. The Courts
- ii. The Statutes

(5 marks)

(b) What are the classes of a general meeting held by companies?

(5marks)

i.

(c) What are the duties of a Liquidator?

(5marks)

i.

(d) What is the effect of not holding a Statutory Meeting? (5marks)

5) (a) With reference to liquidation of companies

i. Outline two powers of the Liquidator exercisable with the sanction of the court.

(2Marks)

ii. Highlight five grounds for compulsory liquidation by the Court

(10 Marks)

(b) In relation to transfer and transmission of shares; -

1. Describe four effects of a share transfer

i. Explain two consequences of a forged transfer (8 Marks)