



JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY
SCHOOL OF BUSINESS & ECONOMICS
UNIVERSITY EXAMINATION FOR THE DEGREE OF BACHELOR OF LOGISTICS
& SUPPLY CHAIN MANAGEMENT
4TH YEAR 2ND SEMESTER 2019/2020 ACADEMIC YEAR

COURSE CODE: BBM 34222

COURSE TITLE: BUSINESS LAW

EXAM VENUE:

STREAM: (BLSKM)

DATE:

EXAM SESSION:

TIME: 2 HOURS

Instructions:

- 1. Answer questions ONE and ANY other 2 questions**
- 2. Candidates are advised not to write on the question paper.**
- 3. Candidates must hand in their answer booklets to the invigilator while in the examination room**

QUESTION 1.

- (a) Briefly explain what is meant by the following terms as used in company law:
- (i) Foreign company.(2 Marks)
 - (ii) Secondary market.(2Marks)
 - (iii) Holding company.(2 Marks)
 - (iv) Fixed charge.(Marks)
 - (v) Novation.(2 Marks)
- (b) Discuss any five characteristics of a company. (10 Marks)
- (c) Under what circumstances would the doctrine of indoor management not apply? (10 Marks).

QUESTION 2.

- (a) Define the term “promoter” and discuss the fiduciary obligations of a promoter.(10 Marks)
- (b) Differentiate between a memorandum of association and articles of association.(10 Marks)

QUESTION 3.

The doctrine of “Veil of incorporation” ensures that owners of a company are protected from liabilities incurred by the company .Discuss. Are there exceptions?

QUESTION 4.

- (a) What is a prospectus? (5Marks).
- (b) Differentiate between issued capital and subscribed capital (5 Marks)
- (c) Ben Foster is the Managing Director of Foster International Corporation, a blue chip company dealing in fish processing,

incorporated in New Jersey, USA. Ben would like to open a branch in Kisumu to take advantage of the abundant Nile patch and also to get humble time to be visiting his new found Kenyan girlfriend, Akinyi. Advice Ben on the legal requirements he need to meet before he can be allowed to operate in Kisumu(10 Marks)

QUESTION 5.

- (a) What is “compulsory winding up “? When may a company undergo compulsory winding up?(10Marks)
- (b) Discuss any three types of shares that may be issued by a company.(10 Marks)