



**JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND
TECHNOLOGY
SCHOOL OF BUSINESS & ECONOMICS
UNIVERSITY EXAMINATION FOR THE DEGREE OF BACHELOR OF
BUSINESS ADMINISTRATION WITH IT
3RD YEAR 2ND SEMESTER 2019/2020 ACADEMIC YEAR**

COURSE CODE: ABA 302

COURSE TITLE: COMPANY LAW

**EXAM VENUE:
OPTON)**

STREAM : (BBA-FINANCE

DATE:

EXAM SESSION:

TIME: 2 HOURS

Instructions:

- 1. Answer Question ONE (COMPULSORY) 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.**

Q1.

a) The doctrine of *ultra vires* is a legal rule that was articulated by the House of Lords in the case *Ashbury Rail Carriage & Iron Co. Ltd. vs Riche*. Explain.

- i. The meaning of this doctrine
- ii. Its criticisms
- iii. Its modifications.

(10 marks)

a) Wanafunzi company limited issued a notice for holding its Annual General Meeting which was scheduled for 22nd April 2012. The notice is dated 5th of April 2012. Some members went to court seeking to invalidate the meeting on grounds that the provisions of the Companies Act with regard to notice were not complied with. Decide.

i. Whether the meeting has been validly called and the reason for the same.

(2 marks)

ii. Whether or not there is a shortfall in the number of days required for the notice and by how many days the notice falls short.

(2 marks)

iii. Can the shortfall be condoned? How?

(2 marks)

iv. List the contents of a notice convening a meeting

(4 marks)

b) Briefly discuss the circumstances under which a company may be wound up by the court on just and equitable ground.

(5 marks)

c) Under what circumstances may the court disregard the separate legal entity of a company?

(5 marks)

Q2.

- a) Table A, Article 80 provides that the business of the company shall be managed by the directors. Explain the restrictions which the Act imposes on appointment of directors
(10 marks)
- b) Define the word prospectus as used in the Companies Act and State the consequences of non disclosure of matters which ought to be stated in a prospectus.
(10 marks)

Q3.

- a) Set out the common law position and the provisions of Table A as regards the payment of dividend.
(10 marks)
- b) Company meetings are held from time to time in order to transact the business of the company. Explain the kinds of meetings of members which may be held by a company
(10 marks)

Q4.

- a) Set out the obligations and rights of shareholders as provided for in the Companies Act.
(10 marks)
- b) State and explain the different classes of shares that may be issued by a company.
(5 marks)
- c) A promoter is not a trustee or an agent of the company but he stands in a fiduciary position towards it. Discuss.
(5 marks)

Q5. Write short notes on the following

- (a) The rule in Turquand's Case
(5 marks)

- (b) The doctrine of constructive Notice
(5 marks)
- (c) Difference between shares and debentures
(5 marks)
- (d) Limitation on the power to alter articles.
(5 marks)