



**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 1ST SEMESTER 2015/2016 ACADEMIC YEAR
SPECIAL EXAM-RESIT**

COURSE CODE: ABA 302

COURSE TITLE: COMPANY LAW

EXAM VENUE: LAB 1

STREAM: BBA FINANCE

DATE: 05/05/16

EXAM SESSION: 11.30 – 1.30PM

TIME: 2.00 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.**

QUESTION ONE

i) In relation to companies Act CAP 486 LoK, write short notes on the following

- a) Company Resolution (3 marks)
 - b) Doctrine of indoor management (3 marks)
 - c) Prospectus (3 marks)
 - d) Doctrine of constructive notice (3 marks)
 - e) Promoter (3 marks)
- ii) a) Distinguish a company from a partnership (6marks)
- b) What is share certificate? Discuss the legal effects of share certificate. (4mks)
- c) Define the term 'company' and outline its characteristics (5 marks)

QUESTION TWO

- a) Explain the civil and criminal liabilities for mis-statements in prospectus. Who are liable for such statements? (10 marks)
- b) How is a managing director appointed? What are his duties and responsibilities?(10 marks)

QUESTION THREE

- a) Justify the statement that a company is a totally different person altogether from its members (10 marks)
- (b) Expound the circumstances which may justify "lifting of a corporate veil". (10 marks)

QUESTION FOUR

- a) Under what circumstances may a company be wound up by the court? Explain.(10 marks)
- b) Describe the circumstances when the court considers winding up of accompany just and equitable (10 marks)

QUESTION FIVE

- a) Describe the concept of protection of minority shareholders. (10 marks)
- (i) State the rule in Foss vs Harbottle.
 - (ii) What constitutes the exception to this rule?
 - (iii) Outline the advantages & disadvantages of the rule in Foss vs Harbottle

b) Distinguish between articles of association and memorandum of association
(10 marks)