



MUEO

MOI UNIVERSITY

OFFICE OF THE CHIEF ACADEMIC OFFICER

UNIVERSITY EXAMINATIONS **2017/2018 ACADEMIC YEAR** *FOURTH YEAR END OF SEMESTER EXAMINATIONS*

FOR THE DEGREE OF BACHELOR OF BUSINESS MANAGEMENT

COURSE CODE: BBM 412

COURSE TITLE: COMPANY LAW

DATE: 13TH FEBRUARY, 2018

TIME: 8.00AM-11.000 AM

INSTRUCTION TO CANDIDATES

- SEE INSIDE

**BBM 412: COMPANY LAW
MAIN EXAMINATION**

Instructions: Answer Question One and Any Other Three Questions

QUESTION ONE

- (a) What legal consequences of registration of a company are as stipulated under the companies Act, Cap.486? **(5 marks)**
- (b) Explain the similarities and differences between a company registered under the Companies Act and a corporation created by a specific Act of parliament. **(12 marks)**
- (c) Under what circumstances a company may be deemed to be a subsidiary of another company? **(8 marks)**
- (Total: 25 marks)**

QUESTION TWO

- (a) "A promoter is not a trustee or an agent of the company but he stands in a fiduciary position towards it". Discuss this statement. **(10 marks)**
- (b) Explain the circumstances in which the separate legal existence of a company will be modified or is disregarded under the provision of the companies Act (Cap. 486) **(5 marks)**
- (Total: 15 marks)**

QUESTION THREE

- (a) State the legal provision of pre-incorporation contracts. Can a company ratify such contracts? **(5 marks)**
- (b) Explain the Rule in Royal British Bank vs Turquand, What are the exceptions to this rule? **(10 marks)**
- (Total: 15 marks)**

QUESTION FOUR

- (a) In relation to the law relating to meetings under company law, discuss the rules which govern the following:-
- (i) Voting by Proxy **(4 marks)**
 - (ii) Revocation of the authority of proxy. **(4 marks)**
- (b) Explain the rights of an auditor of a company **(7 marks)**
- (Total: 15 marks)**

QUESTION FIVE

- (a) Distinguish between the Doctrine of indoor Management and Doctrine of Constructive Notice **(5 marks)**
- (b) Explain the Rule in Royal British Bank vs Turquand, What are the exceptions to this rule? **(10 marks)**
- (Total: 15 marks)**

QUESTION SIX

- (a) With respect to acquisition of membership in a company, explain;
- (i) Ways in which a person may acquire membership in a company. **(4 marks)**
 - (ii) Ways in which such membership is lost or terminates. **(5 marks)**
- (b) Discuss the modes of winding up a company **(6 marks)**
- (Total: 15 marks)**