

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

RESIT/SPECIAL EXAMINATIONS

THIRD YEAR EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR OF COMMERCE

BCOM 302: COMPANY LAW

STREAMS: BCOM/BTHM Y3S2

TIME: 2 HOURS

DAY/DATE: WEDNESDAY 03/02/2021

2.30 P.M – 4.30 P.M

INSTRUCTIONS:

Answer Question 1 and any other TWO Questions

QUESTION

- (a) Explain the process of incorporation of a company. (7marks)
- (b) Explain six classifications of companies. (12 marks)
- (c) Under what circumstances a company may be deemed to be a holding of another company? (6 marks)
- (d) Enumerate the legal status of preliminary contracts in a company. (5marks)

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 principle of indoor management, what are the exceptions to it? (10marks)

QUESTION THREE

- (a) Explain the rule in *foss vs harbottle*, what are its exceptions? (10marks)
- (b) Explain the circumstances in which the separate legal existence of a company will be modified or is disregarded by court under the provision of the companies Act 2015. (10marks)

QUESTION FOUR

(a) With respect to winding up of a company, explain;

(i) When it can be wound up on grounds of just and equity.

(6 marks)

(ii) Modes of winding up.

(14marks)
