

CHUKA



UNIVERSITY

**UNIVERSITY EXAMINATIONS
ODEL**

EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR OF COMMERCE

BCOM 302: COMPANY LAW

STREAMS: Y3S1

TIME: 2 HOURS

DAY/DATE: WEDNESDAY 4/12/2019

11.30 A.M – 1.30 P.M

INSTRUCTIONS

Answer question one and any other two questions

QUESTION ONE

A group of business management students of Chuka University have come together to form a small business firm dealing with processing and export of metal products. You been appointed as member of the technical committee to help in registering the firm. Explain to the committee the below issues that will guide you in successful registration of the firm.

- (a) The legal characteristics of the firm as guided by the company act. [10 marks]
- (b) The issues to be included in the company's memorandum of association.[10 marks]
- (c) The advantages of the firm being 'limited' [10 marks]

QUESTION TWO

- (a) Discuss the content of a company prospectus. [12 marks]
- (b) Winding up of a company represents the proceedings by which a company is dissolved. Explain the circumstances under which a company can be wound up by the court. [8 marks]

QUESTION THREE

- (a) What is a corporate veil? Discuss the instance when a court may order the lifting of a company's corporate veil. [10 marks]
- (b) Explain the procedure of incorporating a company in Kenya. [10 marks]

QUESTION FOUR

- (a) Kinyanjui wants to register a new company but facing a challenge in the selection of an appropriate name. Advise him on the legal formalities and rules applicable in choosing a company name. [10 marks]
- (b) Company shares represent the interest of a shareholder in the company. Discuss the types of share capital. [10 marks]
-