

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

EXAMINATION FOR THE AWARD OF DEGREE  
OF BACHELOR OF COMMERCE

BCOM 302: COMPANY LAW

STREAMS: BCOM/BTHM Y3S2)

TIME: 2 HOURS

DAY/DATE: MONDAY 16/11/2020

8.30 A.M. – 10.30 A.M.

**INSTRUCTIONS: Answer Question 1 and any other TWO Questions**

**QUESTION ONE**

- (a) Explain the process of incorporation of a company. (7 marks)
- (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. (5 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 principle of indoor management, what are the exceptions to it? (10 marks)

**QUESTION THREE**

- (a) Explain the rule in *foss vs harbottle*, what are its exceptions? (10 marks)
- (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. (10 marks)

**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. (14 marks)
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