

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

**EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR OF
COOPERATIVE MANAGEMENT**

BCOP 202: COOPERATIVE LAW

STREAMS: BCOP

TIME: 2 HOURS

DAY/DATE: WEDNESDAY 08/04/2020

8.30 A.M. – 10.30A.M.

INSTRUCTIONS:

- **Answer question ONE and any other TWO questions only.**
- **Do not write anything on question paper.**

1. (a) (i) The late Mack-Koyoo was a member of Nyatike cooperative society where he owned shares of Sh. 12, 000 and investment of sacco house in Kisumu city of Sh. 250,000. He passed on with his wife in road accident in June 2019 leaving behind two children Somoni and Akinyi (son and daughter aged 15 years and 13 years respectively). In January 13th 2020 the two children entered into a contract with Nyatike cooperative society that they will be receiving their late father dividends annually which was averaging Sh. 130,000. The finance officer as paying officer is of the opinion that this payment should be stopped because the cooperative cannot enter contract with minor. But credit officer says the contract was agreed on basis that the money paid directly for their school fees. The cooperative has requested your opinion advise them. (6 marks)
- (ii) Outline any eight rules of a valid contract that the cooperative officers needs to be aware to make any contract to client valid. (8 marks)
- (b) Describe the main sources of cooperative law in Kenya. (15 marks)
2. In Chuka- Igamba Ngombe are 79 members carrying out agricultural activities of daily farming and coffee. They are interested and considering the option of registering a

cooperative firm or organize themselves and come up with unregistered union. These members have approached you for an opinion.

- (a) Advice them on legal implication as advantage of registering their organization as cooperative society. (7 marks)
- (b) Based on cooperatives act explain to them all procedures of registering a cooperative society. (13 marks)
3. (a) Briefly explain main contents of by-laws of cooperative societies in Kenya. (8 marks)
- (b) Once a person is admitted as a cooperative member he must adhere to rules of the by-laws and the act. As stipulated in these rules and laws:
- (i) Highlight the obligations of a member in the society. (6 marks)
- (ii) What are the rights of a member? (6 marks)
4. (a) Describe the essential elements of conducting a valid meeting in a cooperative society. (6 marks)
- (b) Under section 28 (4) provides qualification criteria of management committee members. Highlight who is qualified to be in management committee of a cooperative society. (6 marks)
- (c) Explain the provisions for dissolution orders of a cooperative societies in Kenya. (8 marks)
-