

CHUKA UNIVERSITY

BCOM 302: COMPANY LAW

STREAM: BCOM Y3S2

TIME: 2HRS

Instructions: Answer Question ONE and any other TWO Questions

Question One

A group of Business and Management students of Meru university have come together to form a small business firm dealing with processing and export of juice products. You have been appointed as a 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.

- i. The consequences of incorporating a company. (10mks)
- ii. The reasons for appointing and using the services of a promoter (6mks)
- iii. The issues to be included in the company's Articles of Association.(8mks)
- iv. The advantages of the firm being 'limited'. (6mks)

Question Two

- a) It is mandatory for a public ltd company to hold meetings whenever necessary to discuss company matters relating to the business of the company. Discuss the various types of company meetings. (12mks)
- b) Explain how membership can be lost in a company. (8mks)

Question Three

- a) Discuss the instances when a court may order the lifting of a company's corporate veil (10mks)
- 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. (10mks)

Question Four

- a) Jane wants to register a new company but is facing a challenge in the selection of an appropriate name. Advise Jane on the legal formalities and rules applicable in choosing a company name. (10mks)
- b) Explain the steps in incorporation of a company. (8mks)