



## **MURANG'A UNIVERSITY COLLEGE**

*(A constituent college of JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND TECHNOLOGY)*

### **BACHELOR OF COMMERCE**

#### **YEAR II SEMESTER II**

**UNIT CODE: HBC 2306**

**UNIT TITLE: COMPANY LAW**

**DATE: 27<sup>TH</sup> APRIL 2016**

**TIME: 2 HOURS**

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#### **INSTRUCTIONS:**

1. Answer three questions in all.
2. Question one is compulsory and carries 25 marks and the rest 22.5 each.

### **QUESTION ONE**

Ondimu is an illiterate man who wants to form a company called "United Nations Company Limited". He is determined of the company in the same way he has been operating his banana shop proprietorship. Advice Ondimu as broadly as possible citing statutory provisions and case law on the following matters:

- a) The proposed name (4 marks)
- b) The possibility of one man to constitute a company. (4 marks)
- c) The importance of a certificate of incorporation once he acquires one. (4 marks)
- d) The documents to be submitted to the Registrar of Companies in order to incorporate the company and their contents (13 marks).

### **QUESTION TWO**

- a.) How are directors in a public and private company appointed (6.5 marks)
- b.) Critically discuss the duties of directors of a company (8 marks)
- c.) What remedies available for breach duties of directors of a company (8 Marks)

### **QUESTION THREE**

- a.) List and explain the characteristics of a company (10 marks)
- b.) Discuss various ways in which a company incorporated under the Companies Act, Cap 486, may be wound up. (12.5 Marks)

### **QUESTION FOUR**

- a.) who are minorities in a company? (4 marks)
- b.) Both the (directors and the members) in a general meeting are the primary organs of the company between whom the company's powers are divided. How does the Companies Act of Kenya distribute power and functions between the two organs? (18.5 Marks)