



MACHAKOS UNIVERSITY

University Examinations for 2020/2021 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

THIRD YEAR SECOND SEMESTER EXAMINATION FOR

DIPLOMA IN ACCOUNTACY

COMPANY LAW

DATE: 3/9/2021

TIME: 2:30 – 5:30 AM

INSTRUCTIONS

ANSWER ANY FIVE QUESTIONS

1. (a) In reference to the companies Act outline six matters that should be expressly stated in an auditor's report. (12 marks)
- (b) Explain four characteristics of a floating charge. (8 marks)
2. (a) Outline six circumstances under which a director may be disqualified from holding office (12 marks)
- (b) Explain four conditions that must be satisfied before redeemable preference are redeemed. (8 marks)
3. (a) Explain four conditions that should be fulfilled before a public limited company can commence business (8 marks)
- (b) Outline six documents that should be delivered to the registrar of companies for the purpose of registering a company (12 marks)
4. (a) Explain five advantages of a private company over a public company (10 marks)
- (b) Explain five circumstances under which a company may be wound up by a court order. (10 marks)
5. (a) Explain five circumstances under which a company may by a special resolution alter the objects of its memorandum of association. (10 marks)
- (b) In relation to company law explain the procedures involved in a members voluntary winding up (10 marks)
6. (a) With regard to company general meeting. Explain the categories of persons who may have the power to call a meeting. (10 marks)
- (b) Explain five rights of directors to remuneration. (10 marks)

7. (a) Explain how the capital of a company may be
- I. Altered (5 marks)
 - II. Reduced (5 marks)
- (b) Explain five rights of members given by the companies Act (10 marks)