



MACHAKOS UNIVERSITY

University Examinations for 2016/2017 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

FOURTH YEAR FIRST SEMESTER EXAMINATION FOR BACHELOR OF
COMMERCE

BBA 401: COMPANY LAW

DATE: 26/7/2017

TIME: 2:00 – 4:00 PM

INSTRUCTIONS:

Answer question **ONE** (*Compulsory*) and any **other two** questions

QUESTION ONE (COMPULSORY) (30 MARKS)

- a) Explain the meaning of a company. (5 marks)
- b) For the purpose of company Act outline what the company includes. (5 marks)
- c) Explain the characteristics of a company. (10 marks)
- d) Analyze the effects of legal status that distinguish a company from a partnership? (6 marks)
- e) Identify contents of memorandum of association (4 marks)

QUESTION TWO (20 MARKS)

- a) Distinguish between a company and a partnership (10 marks)
- b) Identify the statutory offences in conducting a company affairs (10 marks)

QUESTION THREE (20 MARKS)

- a) Give Five advantages and Five disadvantages of incorporation. (10 marks)
- b) Explain the procedures involved in winding up of a company. (10 marks)

QUESTION FOUR (20 MARKS)

- a) Identify five cases where the court may lift the company veil of incorporation (10 marks).
- b) Explain five cases where the veil of incorporation may be lifted by the statutes(10 marks)

QUESTION FIVE (20 MARKS)

Your friends who have just completed a degree course wish to start a company.

- a) Advice on five methods of raising share capital. (10 marks)
- b) Discuss on the most appropriate method of raising loan capital. (10 marks)