



MACHAKOS UNIVERSITY

University Examinations for 2016/2017 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

**DEPARTMENT OF BUSINESS ENTREPRENEURSHIP AND MANAGEMENT
SCIENCES**

**FOURTH YEAR FIRST SEMESTER EXAMINATION FOR BACHELOR OF
COMMERCE (PROCUREMENT AND SUPPLY CHAIN MANAGEMENT OPTION)**

BBA 401: COMPANY LAW

DATE: 11/12/2017

TIME: 11:00 – 1:00 PM

INSTRUCTIONS:

Answer Question One and Any Other Two Question

QUESTION ONE (COMPULSORY) (30 MARKS)

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

QUESTION TWO (20 MARKS)

Distinguish between a company and a partnership. (20 marks)

QUESTION THREE (20 MARKS)

Give Ten advantages and Ten disadvantages of incorporation. (20 marks)

QUESTION FOUR (20 MARKS)

Identify Five cases where the court may lift the company veil and Five cases where the veil may be lifted by the statutes

QUESTION FIVE (20 MARKS)

You have just completed a degree course and wish to start a company. Discuss the methods of raising share and loan capital for the purpose of indentifying the most appropriate.