



GRETSA UNIVERSITY - THIKA

UNIVERSITY EXAMINATIONS MAY - AUGUST 2018 SEMESTER

BACHELOR OF COMMERCE

COURSE CODE: BCAC 402

COURSE TITLE: COMPANY LAW

DATE: 8 AUGUST 2018

TIME: 11.30 AM – 2.30 PM

INSTRUCTIONS TO CANDIDATES

1. SECTION A IS **COMPULSORY**.
2. SECTION B: ANSWER ANY OTHER **THREE** QUESTIONS.
3. **DO NOT** WRITE ANYTHING ON THIS QUESTION PAPER AS IT WILL BE AN EXAM IRREGULARITY.
4. ALL ROUGH WORK SHOULD BE AT THE BACK OF YOUR ANSWER BOOKLET AND CROSSED OUT.

CAUTION: *All exam rooms are under CCTV surveillance during the examination period.*

SECTION A: COMPULSORY

Question One

The articles of every registered company have provisions regarding the delegation of powers pertaining to the company's management;

- a) In relation to this statement, discuss the restrictions on appointment of company directors
[10 marks]
- b) Explain the duties of a company secretary
[10 marks]

Every company shall cause to be kept in the English language proper books of accounts at the registered office;

- c) From this statement, explain the various statements of account a company is required to present to its members during the annual general meeting
[12 marks]
- d) Discuss the various types of capital a company may have at any given moment
[8 marks]

SECTION B: ANSWER ANY THREE QUESTIONS

Question Two

During one of the meetings of Grets University business club held early this semester, it was agreed that as the club's secretary you should start the registration process for the printing business you intend to launch later in the year;

- a) Explain the various documents required for successful registration of the club's business as a company
[10 marks]
- b) Discuss the various types of companies that individuals can form according to the Kenya's company act
[10 marks]

Question three

You and your colleagues were involved in starting Hazel properties limited, a company registered in Kenya and which deals in real estate. Having the required qualifications you have agreed to become the company secretary;

- a) Discuss the various types of meetings Hazel properties limited can hold under the law [12 marks]
- b) Explain the powers of the chairman in the conduct of a meeting [8 marks]

Question Four

Babz enterprises is unregistered business engaging in production of toys. The business has been expanding rapidly over the recent years and has recently been seeking additional capital to finance its growth;

- a) In relation to this statement, discuss the various unincorporated organizations [12 marks]
- b) Explain the limitations of unincorporated businesses [8 marks]

Question five

You are a shareholder of Honolulu timber Limited, a successful furniture manufacturer and exporter;

- a) In relation to the statement above, discuss the circumstances under which a company may be wound up [12 marks]
- b) Explain the advantages of floating charges [8 marks]