



The Co-operative University of Kenya

END OF SEMESTER EXAMINATION DECEMBER-2016

EXAMINATION FOR THE DEGREE OF BACHELOR OF CO-OPERATIVE BUSINESS/ BACHELOR OF COMMERCE (BCOB YR II SEM II/ BCOM YR III SEM II)

UNIT CODE: HCOB 2209/ HBC 2209

UNIT TITLE: COMPANY LAW

DATE: 14TH DECEMBER, 2016

TIME: 9:00 AM – 11:00 AM

INSTRUCTIONS:

- Answer question **ONE (compulsory)** and any other **TWO** questions

QUESTION ONE

- (a) In company law, we have private and public companies. Highlight the difference between the two types of companies. (10 marks)
- (b) Discuss any FIVE instances in which a company incorporated in Kenya can have its veil of incorporation lifted by statutes (10 marks)
- (c) Although the company's Act gives the company powers to alter its articles of association such powers are subject to certain statutory and common law restriction on the alteration of the articles of association. Discuss (10 marks)

QUESTION TWO

- (a) State and explain any FIVE types of company capital (10 marks)
- (b) Public companies have various ways of raising capital. State and explain any FIVE ways (10 marks)

QUESTION THREE

- (a) Define the term "promoter" (4 marks)
- (b) List FOUR pieces of information that are found on annual return (8 marks)
- (c) The principle of corporate legal personality is an important and fundamental aspect of company law. Discuss the statement, citing relevant decided cases (12 marks)

QUESTION FOUR

- (a) Explain the ways in which a company may alter its share capital and the effects of the same (20 marks)

QUESTION FIVE

- (a) Discuss methods a personality become a member of a company (10 marks)
- (b) State and explain briefly any FIVE methods of issuing other capital (10 marks)