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**KIRIRI WOMEN'S UNIVERSITY OF SCIENCE AND TECHNOLOGY**  
**UNIVERSITY EXAMINATION, 2022/2023 ACADEMIC YEAR**  
**FIRST YEAR, FOURTH SEMESTER EXAMINATION**  
**FOR THE DIPLOMA IN ACCOUNTING**  
**DBA 1118-COMPANY LAW**

Date: 16<sup>TH</sup> DECEMBER, 2022  
Time: 8:30am-10:30am

**INSTRUCTIONS TO CANDIDATES**

**ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS**

**QUESTION ONE (30 MARKS)**

- a) Explain the meaning of the term "Limited liability" as used in company law. (2 Marks)
- b) Distinguish between Articles of Association and Memorandum of Association. (4 Marks)
- c) Explain any THREE effects of incorporating a company. (6 Marks)
- d) Identify any THREE differences between a Limited Liability Company and a Partnership. (6 Marks)
- e) Describe any THREE documents required before a company can be registered. (6 Marks)
- f) Explain the role of the following individuals in a company
  - i) Auditors (2 Marks)
  - ii) Ordinary shareholders (2 Marks)
  - iii) Promoters (2 Marks)

**QUESTION TWO (20 MARKS)**

- a) Provide any THREE distinctions between Ordinary and Preferential shareholders. (6 Marks)
- b) Explain any FOUR effects of registering the Articles of Association. (8 Marks)
- c) With reference to a company's membership, explain the meaning of the following terms:
  - i) Share allotment (2 Marks)
  - ii) Transmission on bankruptcy (2 Marks)
  - iii) Share transfer (2 Marks)

**QUESTION THREE (20 MARKS)**

- a) Describe any THREE characteristics of debentures. (6 Marks)
- b) Briefly explain what happens during the annual general meeting of a company. (8 Marks)
- c) Identify any SIX circumstances that can make one NOT to qualify for the appointment as a company's director. (6 Marks)

**QUESTION FOUR (20 MARKS)**

- a) Briefly explain the importance of a company's register. (6 Marks)
- b) By being a member of a company, there are certain rights that one is entitled to. List any FOUR such rights. (4 Marks)
- c) State and explain any THREE ways through which an individual may lose his membership of a company. (6 Marks)
- d) Explain any TWO consequences of winding up a company. (4 Marks)

**QUESTION FIVE (20 MARKS)**

- a) Distinguish between a public and private limited company in any THREE ways. (6 Marks)
- b) Discuss any THREE reasons that can make the application for the registration of a company to be declined by the registrar of companies in Kenya. (6 Marks)
- c) Explain any FOUR roles of a company secretary. (8 Marks)