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KIRIRI WOMEN'S UNIVERSITY OF SCIENCE AND TECHNOLOGY
UNIVERSITY EXAMINATION, 2023/2024 ACADEMIC YEAR
FIRST YEAR, FOURTH SEMESTER EXAMINATION
FOR THE DIPLOMA IN ACCOUNTING
DBA 1118: COMPANY LAW

Date: 20TH APRIL 2023
Time: 4:00PM-6:00PM

INSTRUCTIONS TO CANDIDATES

ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS

QUESTION ONE (30 MARKS)

- a) State the meaning of the following terms as used in company law.
- i. Limited by shares (2 Marks)
 - ii. Limited by guarantee (2 Marks)
 - iii. Unlimited (2 Marks)
- b) Describe the practical consequences of registration. (6 Marks)
- c) Highlight the advantages of company incorporation. (6 Marks)
- d) Highlight the various types of share capital. (6 Marks)
- e) State the grounds for winding up of a company by the court as listed in s. 219 of the company act. (6 Marks)

QUESTION TWO (20 MARKS)

- a) Explain the characteristics of a private company to a sponsor who wants to invest in such a company. (6 Marks)
- b) Outline the meaning of an article of association and a memorandum of association to an investor who does not have any legal background. (6 Marks)
- c) Explain the concept of lifting the corporate veil in company law. (8 Marks)

QUESTION THREE (20 MARKS)

- a) As an entrepreneur who wants to open a company, discuss the classifications of companies one can choose from. (5 Marks)
- b) Explain the effects of ultra vires transactions in company law. (8 Marks)
- c) A promoter is the person who conceives the idea of forming a company. Discuss the functions of a promoter in company law. (7 Marks)

QUESTION FOUR (20 MARKS)

- a) Examine the importance of a memorandum of association. (5 Marks)
- b) Discuss the contents that are expected to be included in an article of association. (8 Marks)
- c) A prospectus gives a picture of the company's intended activities and position. Explain what must be observed in the preparation of a prospectus. (7 Marks)

QUESTION FIVE (20 MARKS)

- a) There are several formalities, which have to be followed before a company is incorporated. Explain the process of company incorporation. (5 Marks)
- b) Analyse the relationship between an article of association and a memorandum of association. (8 Marks)
- c) A company can be defined as a group of persons associated together for the purpose of attaining a common objective, social or economic. Discuss its characteristics. (7 Marks)