



The Co-operative University of Kenya

END OF SEMESTER EXAMINATION DECEMBER-2019

**EXAMINATION FOR THE DEGREE OF BACHELOR OF CO-OPERATIVE
BUSINESS/COMMERCE**

UNIT CODE: HCOB 2209

UNIT TITLE: COMPANY LAW

DATE: DECEMBER, 2019

TIME:

INSTRUCTIONS:

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

QUESTION ONE

- (a) There are various forms of business organization in Kenya, discuss these forms while stating their advantages and disadvantages (15 marks)
- (b) The capital of a company is divided into indivisible units known as shares. Discuss the various ways in which shares of a company may be transferred (8 marks)
- (c) Discuss the various clauses that must be included in a company's Memorandum of Association

QUESTION TWO

- (a) Explain the various rights of members of a company (10 marks)
- (b) Discuss the proper claimant rule as stated in *Foss v Harbottle* and state the exceptions under this rule (10 marks)

QUESTION THREE

- (a) Discuss the grounds for disqualification of Directors of a company (10 marks)
- (b) Explain the circumstances in which a company may be compulsorily wound up by the court (10 marks)

QUESTION FOUR

- (a) Discuss TEN main differences between a company and a partnership (20 marks)

QUESTION FIVE

- (a) Discuss the classification of company meetings (15 marks)
- (b) State the various rights and duties of company auditors (5 marks)