

**CO-OPERATIVE UNIVERSITY COLLEGE OF KENYA**  
**BACHELOR OF CO-OPERATIVE BUSINESS/ COMMERCE/FINANCE**  
**HCOB 2209: COMPANY LAW- E-LEARNING**  
**YEAR I SEMESTER 1**  
**JANUARY-APRIL 2016 SEMESTER**  
**APRIL 2016 EXAMINATIONS**

**INSTRUCTIONS**

1. Answer Question One and any other Two Questions
2. Time: 2 Hours

**QUESTION ONE**

- a) Highlight any five advantages of incorporation as was established in the case of Salomon Vs Salomon & Co. ltd (1897) (10 marks)
- b) Explain the duties of a company secretary in a Limited Liability Company (10 Marks)
- c) Discuss the functions of promoters. (5 Marks)
- d) Distinguish between a company and a partnership. (5 Marks)

**QUESTION TWO**

- a) Describe the characteristics of a company. (5 Marks)
- b) Explain the following concepts as used in company law.
  - i. Separate legal entity. (5 Marks)
  - ii. Perpetual succession. (5 Marks)
  - iii. Promotion of companies. (5 Marks)

**QUESTION THREE**

- a) Briefly discuss the differences between underwriters and brokers. (10 Marks)
- b) Explain the conditions under which shares may be converted into stocks or vice-versa. (10 Marks)

**QUESTION FOUR**

- a) Explain the doctrine of ultra vires. (10 Marks) b)
- b) Distinguish between the memorandum of association and articles of association. (10 Marks)

**QUESTION FIVE**

- a) Explain five exceptions when dividends can be paid out of the money raised by issue of shares or debentures. (10 Marks)
- b) Discuss the disadvantages of incorporation. (10 Marks)