



TECHNICAL UNIVERSITY OF MOMBASA
Faculty of Business & Social Studies

DEPARTMENT OF BUSINESS STUDIES

DIPLOMA IN ACCOUNTANCY

BMG 2213: COMPANY LAW

END OF SEMESTER EXAMINATIONS

SERIES: APRIL 2015

TIME: 2 HOURS

INSTRUCTIONS:

- This paper consists of **FIVE** questions.
- Answer question **ONE (Compulsory)** and any other **TWO** questions.
- Do not write on the question paper

This paper consists of Two printed pages.

QUESTION 1 (Compulsory)

- a) State the principle in the Rule of Majority and explain **FOUR** exemptions in the rule of Foss Vs. Harbottle. **(10 marks)**
- b) Briefly discuss the directors report as provided under the Company's Act. **(10 marks)**
- c) Explain the advantages in the rule of Foss Vs Harbottle. **(10 marks)**

QUESTION 2

- a) Define a company and explain **FOUR** of its characteristics. **(10 marks)**
- b) Briefly explain the factors which helped in the development of company law. **(10 marks)**

QUESTION 3

- a) What is meant by the doctrine of indoor management, explain any **FOUR** exceptions to this rule. **(10 marks)**
- b) Explain **FIVE** matters which must be registered at the company's registry. **(10 marks)**

QUESTION 4

- a) Explain **FIVE** orders which may be made by a court of law on petition presented under section 211. **(10 marks)**
- b) Explain **FIVE** disadvantages of incorporation of a company. **(10 marks)**

QUESTION 5

- a) Explain the statutory documents which must be filed with the register of company's when forming a company. **(10 marks)**
- b) Explain the ways under which a partnership can be dissolved. **(10 marks)**