



TECHNICAL UNIVERSITY OF MOMBASA
Faculty of Business & Social Studies

DEPARTMENT OF BUSINESS STUDIES

DIPLOMA IN ACCOUNTANCY

BMG 2213: COMPANY LAW

SPECIAL/SUPPLEMENTARY EXAMINATIONS

SERIES: FEBRUARY 2015

TIME: 2 HOURS

INSTRUCTIONS:

- This paper consists of **FIVE** questions.
- Answer question **ONE (Compulsory)** and any other **TWO** questions.

This paper consists of Two printed pages.

QUESTION 1 (Compulsory)

- a) With the help of decided cases explain the fundamental concepts of a company. **(10 marks)**
- b) Briefly explain the factors which helped in development of company law. **(10 marks)**
- c) Briefly explain what is meant by business communication. **(10 marks)**

QUESTION 2

- a) Explain **FIVE** matters which must be registered at the companies registry. **(10 marks)**
- b) Explain the differences between partnership and a company. **(10 marks)**

QUESTION 3

- a) Explain the disadvantages of forming a company. **(10 marks)**
- b) State the rule in *foss Vs Harbottle* and its advantages. **(10 marks)**

QUESTION 4

- a) Briefly discuss the auditors report and what it should entail. **(10 marks)**
- b) Explain the formation of a company as provided under the Act. **(10 marks)**

QUESTION 5

Write short notes on the following:

- a) Memorandum of association **(4 marks)**
- b) Articles of Association **(4 marks)**
- c) Statement of Nominal capital. **(4 marks)**
- d) Declaration of compliance **(4 marks)**
- e) Holding property. **(4 marks)**