



# TECHNICAL UNIVERSITY OF MOMBASA

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SCHOOL OF BUSINESS

DEPARTMENT OF BUSINESS ADMINISTRATION

**UNIVERSITY EXAMINATION FOR:**

DIPLOMA IN ACCOUNTANCY

BMG 2213: COMPANY LAW

END OF SEMESTER EXAMINATION

**SERIES: JULY 2017**

**TIME: 2 HOURS**

**DATE: 22 Sep 2017**

## **Instructions to Candidates**

You should have the following for this examination

*-Answer Booklet, examination pass and student ID*

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

**Do not write on the question paper.**

## **Question ONE**

- a) Define a company and discuss the factors which have contributed to the development of company law  
(10 mks)
- b) Discuss the various statutory documents which must be considered in incorporation of a company  
(10mks)
- c) Explain the advantages in the rule of Foss vs Harbottle  
(10mks)

## **Question TWO**

- a) Explain the rule in Royal British Bank vs Turquand  
(10mks)
- b) Discuss business communication in relation to a company  
(10mks)

## **Question THREE**

- a) Outline what may be entailed in directors report (10 mks)
- b) Explain the principle in the rule of majority and explain any four exemptions of this rule  
(10mks)

## **Question FOUR**

- a) Discuss what may be entailed in the Auditors report (10mks)
- b) Explain the Doctrine of indoor management and its exemptions (10mks)

## **Question FIVE**

- a) Briefly explain the following concepts :legal personality and limited liability  
(10mks) (10mks)
- b) Explain the dissolution of partnership through operation of law  
(10mks) (10 mks)