



Riara School of Business
Nurturing business innovators
JANUARY – APRIL 2023 TRIMESTER
EXAMINATION FOR BACHELOR OF BUSINESS ADMINISTRATION
EVENING PROGRAMME
RBA 304: COMPANY LAW

DATE: 15th APRIL 2023
HOURS

TIME: 2

GENERAL INSTRUCTIONS:

Students are NOT permitted to write on the examination paper during reading time.

This is a closed book examination. Text book/Reference books/notes are not permitted.

SPECIAL INSTRUCTIONS

1. Write your REGISTRATION NO. Clearly on the answer booklet(s).
2. Answer Question One and ANY other TWO questions.
3. Questions in all sections should be answered in answer booklet(s)
4. PLEASE start the answer to EACH question on a NEW PAGE.
5. For the questions, write the number of the question on the answer booklet(s) in the order you answered.
6. Write on both sides of each leaf and indicate number of each question at the top of each page.
7. Write the answers in a paragraph form unless stated otherwise.
8. Marks allocated to each question are shown at the end of the question.
9. All rough work must be done on the answer booklet and crossed through!
10. Use supplementary pages only when you have exhausted those in this book
11. Fasten the supplementary pages to the inside back cover of this booklet.

QUESTION ONE: COMPULSORY (30 MARKS)

- a) Explain the doctrine of ultra vires as applied in company law. **(2 marks)**
- b) Describe the procedure to be followed by persons who intend to form a registered public company in Kenya. **(14 marks)**
- c) Describe **four** practical consequences of registration of a company. **(8 marks)**
- d) Describe **three** circumstances under which the corporate veil can be lifted by courts. **(6 marks)**

QUESTION TWO (20 MARKS)

- a) Explain the **six** contents of memorandum of association. **(12 marks)**
- b) Describe **four** duties of the chairman of the board of directors in a company **(8 marks)**

QUESTION THREE (20 MARKS)

- a) Explain **four** types of share capital **(8 marks)**
- b) You have been approached by three promoters who are in the process of forming a new company by the name “Trio Limited” which will be dissolved after its intended function and have sought your advice on the procedure of members voluntary winding up. Advise them on the **six** steps followed in procedure of members voluntary winding up of a company. **(12 marks)**

QUESTION FOUR (20 MARKS)

- a) Explain **four** requisites of a valid company meeting. **(8 marks)**
- b) A promoter has no right to get compensation from the company for his services in promoting the company unless there is a contract to that effect. However, there are a number of ways in which promoters can be remunerated. Describe **four** ways of remunerating promoters. **(8 marks)**
- c) State **four** advantages of incorporation. **(4 marks)**

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