



**MASENO UNIVERSITY**  
**UNIVERSITY EXAMINATIONS 2016/2017**

**THIRD YEAR FIRST SEMESTER EXAMINATION FOR THE  
DEGREE OF BACHELOR OF BUSINESS ADMINISTRATION  
WITH INFORMATION TECHNOLOGY**

**CITY CAMPUS – EVENING**

**ABA 302: COMPANY LAW**

Date: 16<sup>th</sup> June, 2017

Time: 5.30 - 8.30pm

---

**INSTRUCTIONS:**

- Answer Question ONE and any other THREE Questions.
- Question One carries 25 marks and the rest 15 marks each



1(a) Discuss the chief functions of a promoter of a joint stock company. (15 marks)

1(b) On the request of the promoters of a company, a solicitor prepared the ~~memorandum and articles of association of a company, paid the registration fee~~ and got the company registered. Explain if the company is bound to pay the services. (5 marks)

1(c) Explain the effects of ultra-vires transactions. (5 marks)

---

2(a) Discuss ways in which a person may cease to be a member of the company. (10 marks)

2(b) A company amends its articles of association to provide for expulsion of a "member" by the Board of directors, if in the opinion of the Board of directors the conduct of the person concerned is prejudicial to the interests of the company, and thereafter the Board of directors expels the "member" by passing a resolution. Is the expulsion valid? Give reasons to your answer. (5 marks)

3(a) Define statutory meeting and explain the provisions regarding holding of a statutory meeting. (10 marks)

3(b) There are four directors of a company. All desire to hold boards meeting at different places. Advise them. (5 marks)

4(a) Discuss the manner of appointment of directors of a public limited company. (10 marks)

---

4(b) A public company has got a director who is a partner in a shareholder firm. In a recent public issue made by the company the said firm also acted as brokers to the issue. Can the appropriate brokerage be paid to such a firm by the company? If so in what circumstances? (5 marks)

5(a) Discuss the contents of the Director's report. (10 marks)

5(b) A member requested a company in which he holds shares to provide a copy of the register of members and paid required fees. The company did not reply even after limited time prescribed by the law. What is the remedy he has (5 marks)

6. Discuss the principle laid down in the case of Foss =Vs= Harbottle and state if there are any exception to this rule. (15 marks)