PAN AFRICA CHRISTIAN UNIVERSITY

BUS 2413: COMPANY LAW ONLINE EXAM

DATE: TIME:

ANSWER QUESTION ONE AND ANY OTHER THREE

QUESTION 1 (COMPULSORY) (10 MARKS)

(a) Define the following terms:

(i) Company; **(1 Mark)**

(ii) Articles of Association; **(1 Mark)**

(iii) Promoter. **(1 Mark)**

(b) Explain **THREE** disadvantages of stock market flotation for a company. **(3 Marks)**

(c) Discuss **FOUR** regulatory functions of the Capital Markets Authority. **(4 Marks)**

QUESTION 2 (10 MARKS)

(a) JENT Limited is in the process of listing at the Nairobi Securities Exchange. Advise the management on any **TWO** ways in which they can list on the various segments of the capital market. **(4 Marks)**

(b) Differentiate between a partnership and a company. **(6 Marks)**

QUESTION 3 (10 MARKS)

(a) Jamani Limited intends to raise funds through the public. Explain any **FOUR** methods of public issue that they may be used to achieve this goal. **(4 Marks)**

(b) Using an example in each case, discuss **THREE** types of Capital as used in Company Law. **(6 Marks)**

QUESTION 4 ***(10 MARKS)***

(a) Agency Limited is in the process of being wound up. Explain **FOUR** circumstances that may warrant such a move. **(4 Marks)**

(b) Discuss the following types of company meetings:

(i) Statutory Meeting; **(2 Marks)**

(ii) Annual General Meeting; **(2 Marks)**

(iii) Extraordinary General Meeting. **(2 Marks)**

QUESTION 5 ***(10 MARKS)***

(a) Marks Enterprise, a new start up, is preparing to appoint its directors. As a consultant, explain to them the various stages of appointment of a director in a company. **(5 Marks)**

(b) Glenn wants to prepare a Memorandum of Association for his company. Briefly explain any **FIVE** clauses that he should include in the document. **(5 Marks)**

QUESTION 6 ***(10 MARKS)***

(a) Describe the concept of Organic Theory as used in Company Law. **(4 Marks)**

(b) Dena Commercial Bank has contacted you for advice on certain issues on the money markets. Advise the management of the bank on any **THREE** of the markets segments of the Nairobi Security Exchange. **(6 Marks)**

End of Exam