



REFORMED CHURCH UNIVERSITY

FACULTY OF COMMERCE

**BACHELOR OF COMMERCE HONOURS DEGREE IN
ACCOUNTING**

COMPANY LAW

HACC 213

PART 2 SEMESTER 1 EXAMINATION

TOTAL MARKS [100]

DATE: DECEMBER 2024

Time: 3 Hours

INSTRUCTIONS

1. This paper has *six (6)* questions
2. Answer question *one (1)* and *any* other *three (3)*
3. Each question carries *25 marks*
4. Start each question on a new page

Question 1

- a. Explain what an AGM entails (5 marks)
- b. Elaborate what business is transacted at the AGM (20 marks)

Question 2

Directors play a very important role in the management, success and failure of companies. Where the powers of management of companies are given to directors, shareholders cannot usurp those powers. However; the law does not saddle directors with responsibilities that their position demands. Discuss this in relation to the law appointment, disqualification and duties of directors. (25 marks)

Question 3

Discuss in brief the following Company Law terms:

- i. Promoter of a company (5 marks)
- ii. Prospectus of a Company (5 marks)
- iii. Doctrine of Ultra Vires (5 marks)
- iv. Ordinary shares (5 marks)
- v. Articles of Association (5 marks)

Question 4

Companies are obliged to hold meetings to transact business. What meetings are possible in a company and what business is possible at each of those meetings? Support your discussion using the relevant statute law. (25 marks)

Question 5

- i. Define what a Private Limited Company is in relation to company law? (5 marks)
- ii. Distinguish between Private and Public companies? (20 marks)

Question 6

- (a) What is lifting of corporate veil? (5 marks)
- (b) Explain the circumstances under which the corporate veil of a company may be lifted? Highlight cases where possible (20)

END OF PAPER