



REFORMED CHURCH UNIVERSITY

FACULTY OF COMMERCE

**BACHELOR OF COMMERCE HONOURS DEGREE IN BUSINESS
MANAGEMENT**

COMPANY LAW & PRACTICE

HBUM 232

PART 2 SEMESTER 1

Total Marks [100]

DATE: OCTOBER 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

- i. Explain the characteristics of a private limited company (12 marks)
- ii. The Registrar of companies issues a Certificate of Incorporation after promoters have submitted specific documents as a requirement of companies' act. Explain the documents needed in registration of public limited companies (13 marks)

Question 2

“An Articles of Association constitutes an internal constitution between the shareholders, the directors and the promoters of a company and the employees”. Examine the contents of the Articles of Association. (25 marks)

Question 3

- i. Explain the difference between a share and a debenture. (10 marks)
- ii. In relation to company law, describe the differences between the various classes of shares. (15 marks)

Question 4

- i. Explain the duties directors owe their companies in relation to company law (10 marks)
- ii. How are the directors disqualified according to Companies Act and other Entities Chapter 24:31 (15 marks)

Question 5

- i. What is lifting of the Corporate Veil? (5 marks)
- ii. Explain the circumstances under which the corporate veil of a company is lifted. (20 marks)

Question 6

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

END OF PAPER