



(University of Choice)

**MASINDE MULIRO UNIVERSITY OF SCIENCE AND TECHNOLOGY
(MMUST)**

UNIVERSITY EXAMINATIONS

2021/2022 ACADEMIC YEAR

FOURTH YEAR FIRST SEMESTER MAIN EXAMINATIONS

FOR BACHELOR OF COMMERCE

COURSE CODE: BCB 425

**COURSE TITLE: COMPANY SECRETARIAL AND ADMINISTRATIVE
LAW**

DATE: MONDAY, 17TH JANUARY 2022 TIME: 12:00 – 2:00PM

INSTRUCTIONS TO CANDIDATES

1. Answer question **one** and any **other TWO** Questions
2. Do not write anything on the question paper

TIME: 2 HOURS

MMUST observes ZERO tolerance to examination cheating

This Paper Consists of 2 Printed Pages. Please Turn Over.



QUESTION ONE

Birmingham company ltd is a public limited company which was incorporated a year ago. The company engages in real estate business, importation of cars and agricultural business. The directors of the company authorized the issue of a prospectus inviting members of the public to subscribe for shares or debentures. Jenkins and Rex who are partners bought shares from Birmingham company ltd. Many other allottees also bought shares. However, later on Jenkins and Rex discovered that their names were missing in the register of members of the company. They made several attempts to inform the company to insert their names in the register. The company has neglected, delayed and refused to rectify the omission. Jenkins and Rex are now aggrieved and seek your advice.

Advise Jenkins and Rex on the following;

- a. Persons who can sue for rectification of register marks) (3)
- b. The orders that the court might issue with respect to the application for rectification of the register of members marks) (3)
- c. Contents of the register of members marks) (5)
- d. Describe the responsibilities of the company secretary marks) (12)
- e. Highlight the circumstances under which a director of a company would be disqualified from holding office. marks) (7)

QUESTION TWO

- a. Corporate management is concerned with the efficiency of the resources used, value addition and wealth creation within the broad parameters of the corporate philosophy established by corporate governance. Identify and explain six principles of corporate governance marks) (12)
- b. In relation to meetings under company law discuss the rules which govern the following;
 - i. voting by proxy marks) (4)
 - ii. Termination of the authority of a proxy marks) (4)

QUESTION THREE

- a. The chairman is very essential in a general meeting. Clearly discuss the law relating to the duties of a chairperson marks) (12)
- b. Explain the reasons for disqualification of a company secretary marks) (4)

c. Outline the various matters that require to be sanctioned by members through a special resolution. (6 marks)

QUESTION FOUR

a. Explain five circumstances under which one person would constitute a valid meeting (10 marks)

b. The company being an artificial person conducts its business through a meeting of the owners who are the shareholders of the company. The conduct of meetings is therefore crucial to the operations of the company and the manner in which such meetings are called is important. The Companies Act provides guidelines on the calling of the meetings of a company.

In light of the above statement, explain the provisions of the law with regard to;

i. The service of notice of a meeting of a company. (3 marks)

ii. Contents of the notice (4 marks)

iii. The parties to whom the notice of a meeting should be issued. (3 marks)

QUESTION FIVE

a. Discuss six meetings recognized by the Companies Act (12 marks)

b. Whereas some powers are only exercisable by the board, others can only be exercised by the general meeting. With reference to the above statement explain four powers of the board exercised with the consent of the general meeting (4 marks)

c. Describe the role of the Capital Markets Authority (4 marks)

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