



(University of Choice)

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

**UNIVERSITY EXAMINATIONS**

**2022/2023 ACADEMIC YEAR**

**FOURTH YEAR FIRST SEMESTER  
MAIN EXAMINATIONS**

**FOR DEGREE  
OF  
BACHELOR OF COMMERCE**

**COURSE CODE: BCB 425**

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

**DATE: THURSDAY, 15<sup>TH</sup> /12/2022**

**TIME: 12:00 – 2:00PM**

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**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

Mistel company Limited was incorporated to engage in the making and selling, or lending or hiring railway carriage and wagons and all kinds of railways plants, to carry on the business of mechanical engineers and general contractors, real estate business etc. The company had been in operation for the past seven years however due to emergence of several competitors it begun losing customers and was now not doing well. The board of directors resolved secretary advised the board that a company could not alter the conditions contained in its memorandum except in that they should make amends in relation to the activities undertaken by the company. The company cases, in the mode and to the extent for which express provision had been made in the Act.

As the company secretary you are required to advice on the following;

- a. Describe the procedure for altering the objects clause (5 marks)
- b. Explain the grounds for altering objects clause of a company (6 marks)
- c. Assuming the company is a private company and the directors have resolved to convert it into a public company. Highlight the characteristics of a public company. (4 marks)
- d. You are interested in getting appointed as the company secretary of a company. Elucidate on the traits you must possess for appointment as a company secretary. (5 marks)
- e. Discuss five contents of a company's constitution. (10 marks)

### QUESTION TWO

- a. Explain the role of the Capital Markets Authority (10 marks)
- b. Under what circumstances may the CMA revoke a license that had been approved? (5 marks)
- c. The members present at a general meeting of the company may, subject to the articles, by ordinary resolution, elect one of the members to preside at the meeting. Discuss the powers of a chairperson (10 marks)

### QUESTION THREE

- a. Who is a proxy and how can the proxy's authority be terminated? (5 marks)



b. Distinguish between special and ordinary resolution and highlight cases when ordinary resolution is required (5 marks)

c. Every public company having a share capital is required to hold a statutory meeting once in its lifetime. Before the meeting is held a notice of the meeting together with a statutory report should be sent to shareholders. Discuss the contents of a statutory report. (10 marks)

#### QUESTION FOUR

a. Corporate governance became a dominant business topic in the wake of the spate of corporate scandals and business failures, such as Enron and WorldCom. However, internationally, similar scandals have made corporate governance an issue that all organizations have made a business priority. State and explain five principles of corporate governance (10 marks)

b. Highlight the circumstances wherein shares of a company can be issued at a discount. (5 marks)

c. Every company incorporated must maintain and keep at its registered office certain books, registers and documents which are open for inspection by directors, creditors, members or other interested party on a business day and during business hours. State the contents of the register of members. (5 marks)

#### QUESTION FIVE

a. Examine the critical situations under which a director would vacate office. (5 marks)

b. Discuss the role of the company secretary in meetings. (10 marks)

c. The Insolvency Act provides for appointment of an administrator and the administration of the company by that person. Examine the powers of an administrator (5 marks)

