

**UGANDA MARTYRS UNIVERSITY
FACULTY OF BUSINESS ADMINISTRATION AND
MANAGEMENT**

**LAW OF BUSINESS ORGANISATIONS
Examination**

2013 – 2014

BAM III – Nkozi Campus

Date: Monday 16th December 2013

Time: 10.00 – 1.00pm

Instructions

1. Do not write anything on the question paper
 2. Answer **Four (4)** questions choosing at least one question from each section
 3. ALL questions carry equal marks.
 4. You are advised to write legibly with clarity of expression.
 5. Use of relevant examples and authorities shall earn you extra marks.
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SECTION A (COMPANY LAW)

1. Jackson, Jim and John are three Ugandan young ambitious businessmen who have incorporated a company with the name J3 Investments limited. They now need your guidance on how they can open a bank account. Advise them. (25 marks)
2. While giving justifications for your answer, critically analyse the view that a company cannot acquire its own shares (25 marks)
3. "Lifting the corporate veil" means disregarding the corporate personality of a company in order to apportion liability to a person who carries out any act" S.2 of the Companies Act 2012. Explain how this is illustrated throughout the Companies Act 2012 (25 marks)
4. Over time, there have been attempts to dodge the consequences of the *ultravires* doctrine and now the final nail in the coffin was laid in the Companies Act 2012. Explain the validity of this statement (25 marks)
5. **Mazzi, Mawanvu and Munene** are three Ugandans who believe that they can successfully do business if they team up. They want to incorporate a private company limited by shares to be called **MP3 Business Consultancy Ltd.**
 - a. Outline the documents that they would need to incorporate the company (10 marks).
 - b. Explain five advantages that would flow from the incorporation of **MP3 Business consultancy Ltd** (15 marks)

SECTION B (PARTNERSHIP LAW)

6. Seven BAM III students have formed a partnership which they intend to engage in the business of money lending. Advise them on the procedure they need to go through (25 marks)
7. Explain:
 - a) Three similarities between a limited liability partnership and a limited company strictly in connection with the name of the business association (15 marks)
 - b) Outline five contents of a partnership deed (10 marks)
8. On 20 July 2013, **Mudomo Kachapizo** delivered the following lecture to some MBA II students with whom he intends to form a general partnership:

".....since our proposed general partnership targets assisting the many flood victims in Kasese through relief aid, we should ensure that we bring on board so many partners but, upon clothing our partnership with legal personality, given the Letters of Administration that the registrar of documents will issue to us after registration of our general partnership, we want those partners to have limited liability....."

You are required to make legal comments on **Mudomo Kachapizo's** proposals (25 marks)

9. Analyse:
- c) Five rights (**10 marks**)
 - d) Three duties (**15 marks**)
- of general partners under the Partnership Act 2010

MERRY CHRISTMAS AND HAPPY NEW YEAR