

UGANDA MARTYRS UNIVERSITY, NKOZI/LUBAGA CAMPUS

FACULTY OF BUSINESS ADMINISTRATION AND MANAGEMENT
DEPARTMENT OF MANAGEMENT SCIENCE

BAM III AND BSC FIN & ACC III SEMESTER ONE 2021/2022

**COURSE UNIT: LAW OF BUSINESS ORGANISATION / COMPANY
LAW**

DATE: Monday, 27th January 2022

Time allowed: 2:00pm -5:00pm

Instructions to Candidates:

Read the following before answering the examination questions.

- 1) Do not write anything on this question paper.**
- 2) This is strictly a closed book.**
- 2. No excuse for cheating / Test malpractice.**
- 3. Attempt 4 questions.**
- 4. Question 7 is compulsory**
- 5. All questions carry equal marks**

✓ **Question One**

(a) "Once a Company is fully incorporated in the laws of Uganda, it becomes a body corporate that is distinct from its directors, thus creating a corporate veil," as per Kevin a Banker.

Discuss the above assertion in relation to the legal office of registration of a company/ incorporation (20 marks).

(b) What is the responsibility of Promoters in the process of incorporating a Company (5 marks).

✓ **Question Two**

Explain the various clauses that must be included in both articles and memorandum of association. (25 marks).

Question Three

Briefly explain the following;

- i) Promoters (5 marks)
- ii) Proxy (5 marks)
- iii) Company resolution (5 marks)
- iv) Single Proprietorship Company (5 marks)
- v) Voting by show of hands in a company meeting (5 marks)

✓ **Question Four**

a). Under what circumstances can a registrar reject a Company name (9 marks)

b) What are the circumstances that lead to the disqualification of a director (9 marks)

c) What are the duties of a director in a company (7 marks).

Question Five

Abel (6years) Christine (18years) and Daphine (32 years) want to open up a Company for Charitable Work, they have approached you as a Bank Manager and want to open up a bank account in your bank. Advise them on what type of company they need to open up and all the necessary steps they need to go through in order to realize their dream and if they can. (25 marks).

Question Six

Write short notes about the following.

- a) Table A and its Usage (5 marks)
- b) Winding up of a Partnership (5 marks)
- c) Reservation of a Company name (5 marks)
- d) Firm (5 marks)
- e) Partnership (5 marks)

✓ **Question Seven**

Compare and contrast a Partnership and a company as business organizations. (25 marks)