

**UGANDA MARTYRS UNIVERSITY RUBAGA DAY**  
**FACULTY OF BUSINESS ADMINISTRATION AND MANAGEMENT**  
**THIRD YEAR LAW OF BUSINESS ORGANIZATIONS EXAMS 2014**

**DATE: 11.12.2014.**

**TIME: 3 HRS.**

**INSTRUCTIONS:**

- (i) Answer **Four (4)** questions choosing at least one question from each section.
- (ii) ALL questions carry equal marks.
- (iii) Students who answer **number 6** should put the form in the middle of their answer sheets and should also indicate their registration numbers thereon
- (iv) You are advised to write legibly with clarity of expression.
- (v) Use of relevant examples and authorities shall earn you extra marks.

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**SECTION A (COMPANY LAW)**

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1. **Ten Lines Enterprises Ltd** is a limited liability company dealing in piggery. It started in **July 2014** with a share capital of 7,000,000/= all subscribed by its shareholders **Kajjimu, Lumu, Buloba** and **Bigirimungu**. Since it is just starting business, it expects to reap profits in **2016**. The company proposes to do the following:

- a) To issue new shares to the existing members **Kajjimu, Lumu, Buloba**
- b) To acquire the shares of **Bigirimungu** who has since the first issue of shares to him failed to pay the amount owing in respect of those shares
- c) To give **Lumu** a loan to enable him subscribe for these new shares
- d) To pay the members dividends
- e) To become a partner in **Bamutaasa Herbal Researchers**—a partnership

Advise the company on the legality of these proposals **(25 marks)**

2. In what ways did the Companies Act 2012 reform Company Law? **(25 marks)**

3. Explain the **statutory circumstances** under which a member may bring a suit against the wrongs doers notwithstanding the rule in **Foss V Harbottle** **(25 marks)**

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### SECTION B (PARTNERSHIP LAW)

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4. (a) Explain the law relating to the liability of a limited liability partner **(16 marks)**  
(b) Why are there few, if any, partnerships of this kind in Uganda? **(09 marks)**
5. On 20 February 2014, seven students from the faculty of Business Administration and management registered a general partnership.
- c) They now need your guidance on how they can open a bank account; explain to them three alternative ways in which they can give authority to the signatories/signatory to access the account **(15 marks)**
  - d) Outline five contents that you may find in their partnership deed **(10 marks)**
6. You are provided with a form for registering a general partnership for perusal.
- (a) Fill in the form by suggesting among the rest a business name, three named proprietors two being Britons now staying in Uganda and the other a Ugandan; only one of the proprietors should sign the form **(10 marks)**
  - (b) What is the legal implication of the nationality of the proprietors? **(05 marks)**
  - (c) Explain the procedure of using this form to reserve the business name **(10 marks)** *- using form*

*2 Britons*