

UGANDA MARTYRS UNIVERSITY
FACULTY OF BUSINESS ADMINISTRATION AND
MANAGEMENT

LAW OF BUSINESS ORGANIZATIONS
(SUPPLEMENTARY/ SPECIAL)

Examination

2013 - 2014

BAM III – NKOZI CAMPUS

Date: 05th / 08/ 2014

Time allowed: 3 hours

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. Explain the:
 - (a) Circumstances which can lead to disqualification from office of a director under the Companies Act 2012 **(16 marks)**
 - (b) Procedure of removing a director from office **(09 marks)**
2. In what ways did the Companies Act 2012 reform Company Law? **(25 marks)**
3. Explain:
 - a) Five features of a company limited by guarantee **(15 marks)**
 - b) Two differences between private company and public company strictly in connection with company meetings **(10 marks)**
4. **Crane Maize Millers Ltd** is a limited liability company dealing in poultry farming. It started in January 2013 with a share capital of 10,000,000/= and expects to start reaping profits in 2014. Its shareholders are **Kajjimu, Lumu, Buloba** and **Bigirimungu**. The company has just started business and is expecting to accumulate profits.

The company proposes to do the following:

 - a) To increase its share capital to 15,000,000/=
 - b) To issue the new shares thereby created by the increment of share capital to the existing members **Kajjimu, Lumu, Buloba** at a 10% discount as part of Independence day grand offer
 - c) 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
 - d) To give **Lumu** a loan to enable him subscribe for these new shares
 - e) To pay the members dividends

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

SECTION B (PARTNERSHIP LAW)

5. Explain:
- a) The procedure of registering a Limited Liability Partnership in Uganda (10 marks)
 - b) Three reasons for the unpopularity of limited liability partnerships in Uganda (15 marks)
6. On 20 January 2013, Kansiime, Kijinja, Kamyu, Kyeeyo, and Kato registered a general partnership which they called **Kakye and Sons**.
- a) They now need your guidance on how they can open a bank account (15 marks)
 - b) Outline five contents that you may find in their partnership deed (10 marks)
7. Discuss the law relating to:
- a) The liability of an incoming and outgoing partner (10 marks)
 - b) The liability of a limited partner (15 marks)
8. With specific reference to the Partnership Act 2010, discuss the circumstances under which a general partnership can be dissolved by court (25 marks)

GOOD LUCK