

**UGANDA MARTYRS UNIVERSITY**  
**FACULTY OF**  
**BUSINESS ADMINISTRATION AND MANAGEMENT,**  
**END OF SEMISTER EXAMINATIONS 2023**  
**BAM/ BSC ACC & FIN**  
**LAW OF BUSINESS ORGANISATIONS/ COMPANY LAW**  
**14<sup>th</sup>/DEC/2023**  
**TIME; (9:30 to 12:30AM)**  
**DURATION: 3 HOURS**

**Instructions;**

- Answer question one and any three questions in section B
- Each question in section B carries 20 Marks, question one carries 40 marks.
- Use of relevant examples, cases and illustrations is an added advantage.
- Avoid plagiarism as it may lead to marks reduction.

**SECTION A (COMPULSORY) (40 MARKS)**

**QUESTION ONE**

Mr. Mudaasi and his three friends want to register a private company and they are looking for someone to draft for them a memorandum of association. Use your knowledge to explain to them what they should include in their Memorandum of Association, the rules that govern the Memorandum of Association and Articles of association, the contractual effect of these documents and how they can be altered.

**SECTION B**

**QUESTION TWO**

“Companies are not the only way through which business is done.” This was a statement made by a student in the Faculty of Business and Management at IUEA. With this statement in mind, discuss other entities that can be formed instead of companies.

**20 MARKS**

**QUESTION THREE**

- a) Discuss the law relating to promoters of a company before incorporation
- b) Explain the consequences of incorporation of a company

**20MARKS**

**QUESTION FOUR**

Write short notes on the following

- Private companies
- Public companies
- Companies limited by guarantee
- Companies limited by shares

**20 MARKS**



**QUESTION FIVE**

*"A company is only limited to do businesses or activities that were clearly stated in the objects clause of its Memorandum of Association, anything outside the objects clause will be rendered as Ultravires."*

This was a statement by Musimenta Maureen, a Student at Umu. Discuss the validity of the statement and laws that support this statement.

**20MARKS**

**QUESTION SIX**

Discuss the circumstances that can lead to directors and shareholders being personally liable as opposed to the company.

**20 MARKS**

**GOOD LUCK**