



# MERU UNIVERSITY OF SCIENCE AND TECHNOLOGY

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## UNIVERSITY EXAMINATIONS 2024/2025

SECOND YEAR, FIRST SEMESTER EXAMINATION FOR DIPLOMA IN BUSINESS  
ADMINISTRATION

### BFD 2305: COMPANY LAW

DATE: DECEMBER 2024

TIME: 1 ½ HOURS

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**INSTRUCTIONS:** *Answer Question ONE (compulsory) and any other TWO Questions.*

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#### QUESTION ONE - (30 MARKS)

- a) Explain the key differences between a company and partnership. (10 Marks)
- b) Discuss the factors considered in converting a private company to public company. (10 Marks)
- c) Discuss the nature and characteristics of a company. (10 Marks)

#### QUESTION TWO - (20 MARKS)

- a) Describe the contents of Memorandum of association. (10 Marks)
- b) Discuss the sources of capital for the private limited company. (10 Marks)

#### QUESTION THREE - (20 MARKS)

- a) A company is a legal entity that has the status of an ‘artificial person’ state and explain the rights and duties of a company. (10 Marks)
- b) Discuss the four documents associated with the formation of a limited company. (10 Marks)

**QUESTION FOUR (20 MARKS)**

- a) State and explain the disadvantages of public limited companies. (10 Marks)
- b) Explain the modes of winding a company. (10 Marks)

**QUESTION FIVE – (20 MARKS)**

- a) Explain the modes of acquiring membership of a company. (10 Marks)
- b) Describe the formation process of a company. (10 Marks)