

NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY

BACHELOR OF COMMERCE HONOURS DEGREE

DECEMBER 2002 1ST SEMESTER EXAMINATION

COMPANY LAW I : CIN 2106

INSTRUCTIONS TO CANDIDATES

1. Answer five (5) questions only.
 2. Question 1 is compulsory
 3. All questions carry equal marks.
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Question 1

Explain the concept of juristic personality in Company Law with special reference to the following decided cases:

- (a) Salomon v Salomon & Co. 1897 AC 22
- (b) Dadoo v Krugerdorp Municipality 1920 AD. 530.

[20 marks]

Question 2

In relation to the registration of a company under the Companies Act (Chapter 24:03) explain the following:

- a) Memorandum of Association **[10 marks]**
- b) Articles of Association **[5 marks]**
- c) Certificate of Incorporation **[5 marks]**

Question 3

- (a) Discuss the main differences between a partnership and a company registered under the Companies Act. **[10 marks]**
- (c) "There is no significant difference between an ordinary share and a preference share".

Critically discuss this assertion.

[10 marks]

Question 4

Discuss:

- (i) The legal duties of the promoters. **[5 marks]**
(ii) The legal duties of the Directors. **[5 marks]**

Question 5

- (a) A sold and transferred a portion of his farm to a partnership composed of B and C and undertook that for a period of nine years he would not sell or let any part of the remainder of his farm as a trading site. Thereafter B and C dissolved their partnership and C ceded his rights under the undertaking to B.

State whether the dissolution of the partnership affects the rights and duties of the partners. **[10 marks]**

- (b) Write critical notes on both of the following:
- (i) Appointment of a Liquidator **[5 marks]**
(ii) Liquidator's duties **[5 marks]**

Question 6

- (a) Under what circumstances may a court give an alternative remedy to winding up? Who may apply to the court to exercise its powers in this connection?

- (b) Who may present a winding up petition? **[20 marks]**

Question 7

- (a) What are the principal functions of the chairperson of the board of directors of a company? **[10 marks]**

- (b) What do you understand by the following:-

- (i) Alternate Director? **[5 marks]**
(ii) Director exceeding authority? **[5 marks]**
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END OF EXAMINATION