



KISII UNIVERSITY
UNIVERSITY EXAMINATIONS

THIRD YEAR EXAMINATION FOR THE AWARD OF
THE DEGREE OF BACHELOR OF LAWS
FIRST SEMESTER, 2023/2024
(AUGUST-DECEMBER, 2023)

LLBK 312: LAW OF BUSINESS ASSOCIATIONS I

STREAM: Y3 S1

TIME: 2 HOURS

DAY: THURSDAY, 12:00 – 2:00 PM

DATE: 16/11/2023

INSTRUCTIONS

- 1. Do not write anything on this question paper.***
- 2. Answer Question ONE (COMPULSORY) and any other TWO questions.***
- 3. Illustrate your answer with relevant cases and statutory provisions where applicable.***

QUESTION ONE

- A. The Board of Directors exists as a delegate of the Shareholders hence the principal agency relationship with the Board of Directors only exercising delegated functions. Yet statute places premium on the functions of the Board of Directors and as since codified the Directors' Statutory Duties. In light of the underlying Shareholder – Board of Directors architectural framework, critically examine the organ of the Board of directors as the ultimate de facto organ of the Company in modern corporate law. **(10 marks)**
- B. Discuss at least two statutory limitations visited upon the Board of Directors powers in the Company. **(5 marks)**
- C. Discuss the Court's limited roles in facilitating Company General Meeting(s) and instances where the Court may invoke its powers towards General Meeting(s). **(10 marks)**

QUESTION TWO

- A. Discuss the principle of separate legal personality conferred on a Company bringing to the fore the legal consequences of the separate legal existence of a Company vis a vis its Shareholders. **(10 marks)**
- B. Critically examine the exceptions to the separate legal personality of a Company enabling Courts to lift the veil of incorporation. **(10 marks)**

QUESTION THREE

- A. Discuss the General Meeting as the residual organ of the Company bringing forth the statutory business to be undertaken at the General Meeting of a Company. **(10 marks)**
- B. Explain the difference between special resolution and ordinary resolution bringing forth the basis for requiring either type of resolution in carrying out the business of the General Meeting. **(10 marks)**

QUESTION FOUR

- A. Explain the rule in *Foss v Harbottle*. **(5 marks)**
- B. Critically examine the statutory protections and remedies afforded to minority shareholders in a Company against acts of oppression against (i) the minority and (ii) the Company. **(15 marks)**

QUESTION FIVE

Discuss at least four statutory provisions visited upon public companies on the basis of their “public nature” and which provisions are intended to protect the subscribers to the public companies’ shares. **(20 marks)**