INTERNATIONAL UNIVERSITY OF EAST AFRICA
'Learning to Succeed'

FACULTY OF LAW

END OF SEMESTER EXAMINATIONS - APRIL 2025

PROGRAMME: LLB
YEAR/SEM: YEAR 3/SEMESTER 2
COURSE CODE: LLB 3207
NAME: LAW OF BUSINESS ASSOCIATIONS I

DATE:
TIME:

INSTRUCTIONS TO CANDIDATES:

SECTION A

Question is mandatory

Question 1:

Solitad Co. Limited was incorporated in 2010 as a company limited by shares.

John Kulu is one of its listed shareholders. However, for one reason or another, the other shareholders of the company who are also its Directors in Irene Trouble, Kaggwa Mulu and Dot Tranze fell out with him.

John Kulu alleges that there have been threats trying to force him to sell his shares in the company.

They have since excluded him from meetings and the company has refused to convene any meetings at his request. He also contends that he has

The Directors contend that he is not a member of the company as he is not in the register of members of the company and has not paid for his shares since.

Citing all the relevant legal authorities, comprehensively discuss all the relevant legal issues arising from the above problem question. **(25 marks)**

Question 2:

Karo Kigu is a shareholder in Muginga Co. Limited where has 30% shareholding, her husband Paul Kigu is the other shareholder with 70% shareholding in the said company.

Overtime her marriage has suffered and come under immense strain- her and her husband no longer see eye to eye and sleep in different sections of their house in Kigo. Karo alleges that the majority shareholder, Paul Kigu unilaterally removed her from management of the company, he took by away cheques, books of accounts and

records of the company from her.

She alleges that she has not been invited for company meetings as her husband has singularly sat in the said meetings and made decisions alone. He for example made a decision to open a new company dollar account and appoint a company secretary. She also alleges that she has been denied access to the properties of the company like vehicles and telephones.

Citing all the relevant legal authorities, comprehensively discuss all the relevant legal issues arising from the above problem question. (25 marks)

SECTION B

Choose any 1 question from both questions available

Question 1:

Write short notes on the following:

a. Public and Private company **(25 marks)**

b. Company limited by shares and Company limited by guarantee **(25 marks)**

Question 2:

Write short notes on the following:

a. Extraordinary and Annual General Meeting **(25 marks)**

b. Ordinary and special resolution **(25 marks)**

Question 3:

a. Write short notes on the following:

a. Holding and subsidiary company Extraordinary and Annual General Meeting **(25 marks)**

Limited Liability Partnership Extraordinary and Annual General Meeting **(25 marks)**

Question 4:

a. Write short notes on the following:

Derivative action **(25 marks)**

b. Company Secretary **(25 marks)**

SECTION C

Choose any two from the four questions

Question 1:

Directors of a company are the mind and will of the company and their day to day activities determine the success or not of a company. In light of this statement, discuss the duties and responsibilities of directors citing all the relevant legal authorities. **(25 marks)**

Question 2:

Members and directors of a company make decisions about the affairs of companies at meetings. Citing the relevant law and authorities discuss the law on meetings including the different types of meetings under the companies' legal framework. (25 marks)

Question 3:

Partnership law in Uganda has evolved over the years. Discuss the law on Partnerships in Uganda. **(25 marks)**

Question 4:

Courts and/or outsiders ideally do not and should not interfere in the internal management of companies as decisions taken by the majority should ideally bind the company. This is otherwise known as the indoor-management rule. Comprehensively discuss this rule citing all the relevant law and authorities. **(25 marks)**

Question 5:

Thoroughly citing the law and relevant legal authorities, discuss the concept of "Corporate Personality" in company law. **(25 Marks)**