



# UGANDA MANAGEMENT INSTITUTE

POSTGRADUATE DIPLOMA IN BUSINESS ADMINISTRATION (DBA) KLA;  
(WKD)

## SECOND SEMESTER EXAMS 2017/2018

MODULE: BUSINESS AND CORPORATE LAW

Date: Monday 1 October 2018

Time: 02.00 PM – 05.00 PM

### INSTRUCTIONS

1. Answer FOUR Questions.
2. Question ONE of Section A is compulsory and carries 40 marks.
3. Answer any other THREE Questions from Section B. Each question carries 20 marks.
4. Write clearly and legibly.
5. Do not write anything on the question paper.
6. Do not take Mobile Phones into the examination room.
7. Follow the instructions of the Examination Supervisor.
8. Indicate questions answered on the Answer Sheet in the column of Questions.

This paper consists of 4 printed pages.

***-GOOD LUCK-***

**SECTION A:****COMPULSORY****(40 MARKS)****QUESTION ONE**

- (a) Patrick Agaba sold a motorcycle number UCE 169K to Joseph Mulenga at Shs. 4,500,000. Joseph made an initial deposit of Shs. 3,000,000 and paid the balance of Shs. 1,500,000 after one month.

Joseph has been riding the bike for the last eight months. On 25th September 2018. Joseph was arrested for the reason that the motorcycle he was riding was a stolen property having been stolen from Yowana Okedi. The motorcycle was removed from Joseph and handed over to Yowana Okedi.

Joseph is devastated and wants the full price he paid for the motorcycle.

**Required:**

Advise Joseph.

**(10 Marks)**

- (b) Gideon Bwambale is a business man based in Kasese. Gideon's wife, Mary Masika works with Exim Bank as a teller. Gideon Bwambale has an account with Exim Bank, Kasese Branch. On 22nd September 2018 Bank of Uganda officials went to Exim Bank, Kasese Branch and requested for details relating to Gideon's account and the transactions thereon. The manager of the bank readily handed over the details to the Bank of Uganda officials. Mary Masika called her husband Gideon and recounted to him whatever transpired.

Gideon Bwambale has come to consult you on the release of information on his account to Bank of Uganda officials and the possible remedy he could have against Exim Bank.

**Required:**

Advise Gideon Bwambale.

**(10 Marks)**

- (c) James Odongo wanted to sell his land at Buwate in Wakiso District. Odongo was advised by his friend that the land could fetch Shs. 250,000,000. However, Odongo's Lawyers, Mwoto and Company Advocates informed him that no one would give him that much money. Mwoto and Company Advocates persuaded Odongo to accept Shs. 100,000,000 and the Lawyers bought the land from him at that much.

Four days after selling the land to the Lawyers, Odongo was approached by Keneth Ojok who is ready to pay Shs. 300,000,000 for the land in question.

Odongo is confused and he feels he has been cheated. Odongo now comes to you to advise him whether he can recover the land from the Lawyers and sell it to Keneth Ojok.

**Required:**

Advise Odongo.

**(10 Marks)**

(d) Distinguish a contract of sale of goods from the following contracts:

- (i) Barter
- (ii) Hire Purchase

**(10 Marks)**

## **SECTION B: ANSWER ANY THREE QUESTIONS FROM THIS SECTION**

### **QUESTION TWO**

“Formation of a company means the process of registering a company with the Registrar of Companies and obtaining a Certificate of Incorporation”

**Required:**

Identify the documents required to be presented to the Registrar for incorporation of a company.

**(20 Marks)**

### **QUESTION THREE**

“The ability of an agent to bind the principal depends on him having the authority to act”.

**Required**

- (a) Explain the concept of authority given by the principal to the agent.
- (b) What is the effect of the an agent acting without authority and what remedy would be available to the third party?

**(20 Marks)**

### **QUESTION FOUR**

Section 24 of the Public Procurement and Disposal of Public Assets Act 2003 provides for the composition of Procuring and Disposing Entity.

**Required**

- (a) List the various components of a Procuring and Disposing Entity.
- (b) Discuss the functions of each component.

**(20 Marks)**

### **QUESTION FIVE**

“A partnership is a relationship where two or more people come together to do business in common with a view of making profit”

**Required**

How does a partnership come to an end?

**(20 Marks)**

**QUESTION SIX**

Explain the meaning of the following concepts under Insurance law:

- (a) Insurable Interest
- (b) Risk
- (c) Indemnity
- (d) Uttermost good faith.

**(20 Marks)**

**END**