



CS PART II SECTION 4

CORPORATE SECRETARIAL PRACTICE

THURSDAY: 20 May 2021.

Time Allowed: 3 hours.

Answer ALL questions. Marks allocated to each question are shown at the end of the question.

QUESTION ONE

- (a) Describe five functions of the Institute of Certified Secretaries. (5 marks)
- (b) Companies are required to file annual returns with the Business Registration Services (BRS) annually. Outline seven particulars that should be filed by the company in the process. (7 marks)
- (c) With reference to listed companies, summarise eight contents of the director's report. (8 marks)
- (Total: 20 marks)**

QUESTION TWO

- (a) Abax PLC directors are scheduled to hold a board meeting next month. One of the items on the agenda is declaration and payment of dividends. Most of the directors are newly appointed and have never held directorship in any company. As the company's secretary, advise the board of Abax PLC on the process of declaration and payment of dividends. (10 marks)
- (b) Analyse five acts or omissions constituting professional misconduct by a practicing Certified Secretary. (10 marks)
- (Total: 20 marks)**

QUESTION THREE

- (a) Summarise six qualities which should be exhibited by a Certified Secretary while managing board relationships and conflicts. (6 marks)
- (b) You are a Certified Secretary in practice and you have a client who wishes to form a company limited by guarantee and would like to know the distinguishing features of such a company. **Required:** Draft a letter setting out six distinctive features of a company limited by guarantee. (6 marks)
- (c) Discuss four legal effects of a company's articles of association. (8 marks)
- (Total: 20 marks)**

QUESTION FOUR

- (a) ABC Holdings, a public limited company, issued shares at an issue price of Sh.100 per share. Sh.50 was payable on application and the balance in two calls of Sh.25 each. Ali Kikwai applied for 100,000 shares but despite reminders by the company, he failed to pay for the final call. The directors are considering forfeiting the shares. **Required:** Draft a memorandum to be submitted to the Board of ABC Holdings outlining the procedure for forfeiture of shares. (10 marks)
- (b) Describe how the transmission of shares is effected by a company following receipt of grant of probate or letters of administration. (10 marks)
- (Total: 20 marks)**

QUESTION FIVE

- (a) Evaluate the procedure followed by the Certified Secretary while dealing with scrip dividends. (10 marks)
- (b) With reference to retirement benefits schemes, distinguish between “active members” and “deferred members”. (4 marks)
- (c) Describe the role of the following players in the management and administration of a retirement benefits scheme:
- (i) Sponsor. (2 marks)
 - (ii) Regulator. (2 marks)
 - (iii) Trustees. (2 marks)

(Total: 20 marks)

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