



**STRATHMORE LAW SCHOOL
MASTER OF LAWS (LL.M.)
END OF MODULE SUPPLEMENTARY EXAMINATION
LLM 8313: INTERNATIONAL CORPORATE FINANCE LAW**

Date: **Tuesday, 16th May 2023**

Time: 3 Hours

INSTRUCTIONS

1. This is the final examination in the course International Corporate Finance Law offered to Master of Laws (LLM) degree candidates in February 2022.
2. This examination will comprise 60% of your final grade.
3. This examination has 3 questions. Answer ALL THREE QUESTIONS.
4. Time allocated for this examination is 3 hours. You must stop writing when time is called by the examination administrator.
5. This is a CLOSED BOOK examination. You should not bring into the examination room any material in any format including class notes, outlines, textbooks, electronic materials. You should not have any electronic gadgets including cellphones and computers during this examination.
6. You are bound by Strathmore University's Student Code of Academic Conduct while sitting this examination. Any violations will be strictly enforced.

QUESTION ONE (20 POINTS)

Bora Supermarket Limited was incorporated in Kenya in 1990 as a company with 1 million shares each with a nominal value of 10 shillings. It was one of the first supermarket chains in the country. The retail supermarket landscape has however changed since then. There is a lot of competition from online retailers. In addition, foreign investors find the Kenyan market very attractive and have brought fierce competition to indigenous establishments. Many indigenous retailers have steadily lost business to this new competition, and Bora has not been spared and may have to shut down unless interventions are made to help it survive.

To survive dwindling revenues, Bora is considering buying shares from its existing shareholders. Bora has asked you to write a legal opinion extrapolating whether it is legally permissible for it to buy the shares in order to improve its chances of surviving these financially difficult times. Your advice to Bora should consider the reasoning of international corporate finance law with regards to allowable corporate actions and you should assist Bora make its case for its proposed action.

(20 points)

QUESTION TWO (20 POINTS)

The vaccines that have been developed to combat the Covid-19 pandemic were all developed by or in partnership with private companies based in the western world. Consequently, African nations were among the last to vaccinate their populations. In contrast to the western world, procurement of vaccines and their administration in Africa was largely driven by governments, not private companies, a process that was mired in inefficiencies, irregularity and large-scale corruption. Leading global health experts at the World Health Organization have warned that the COVID-19 pandemic is probably just the beginning of what might become frequent global health crises. This is because the world is more interconnected today and there is higher travel frequency and efficiency because air travel has become more affordable. Experts warn that climate change is going to affect the stability of vital ecosystems, and this could trigger a spiraling of disease within human populations.

Write a short essay elaborating on the role international corporate finance law experts should play to enable African governments, scientists and business community develop home grown and effective solutions to global health crises such as Covid-19.

(20 points)

QUESTION THREE (20 QUESTIONS)

Daniella Wanja, Cyrus Senje and Walter Makori are shareholders in Milky Way Cable Vision Limited, a company incorporated in Kenya in 2015. Daniella owns 50% shareholding in the company. She has sued her co-shareholders claiming that in 2019 they duped her into selling her shares in the company for Kshs. 100,000,000.00 (one hundred million shillings) while in fact the price of the shares was 500,000,000.00 (five hundred million shillings). She also claims that they made her sign a share transfer agreement to transfer her shares at this depressed price, but because of the deception, the agreement is not valid.

- (a) Elucidate the concerns of international corporate finance law with regards to the issue of valuation of shares.

(10 points)

- (a) Extrapolate the measures that an aggrieved shareholder could take to address share valuation disputes and grievances.

(10 points)