

Seat No. : _____

AR-130

May-2016

B.A., B.B.A., B.Com., LL.B., (Int.), Sem.-IV

IL-209 : Company Law

Time : 3 Hours]

[Max. Marks : 70

Instruction : Figures on the right side of the questions indicate maximum marks.

1. “The separate legal personality of a company represents one of the most fundamental principle of company law”. Explain the statement and evaluate the merits and demerits of the company form of business having separate legal personality. **14**

OR

What is a prospectus ? What are the different types of prospectus ? Explain the liability of directors in relation to misstatements in prospectus.

2. “A share represents the interest of a share holder in the capital of the company and this interest is measured by the number of shares he is holding and the amount paid by him to the company on shares.” Explain the statement in relation to the different kinds of share capital. **14**

OR

The memorandum of association is the company’s charter and defines the limitations of its powers. Explain the statement by highlighting the clauses of a MoA and explain the process of altering the registered office clause in the MoA.

3. Explain the position of directors in a company. Explain the different ways in which directors may be appointed and removed. **14**

OR

Explain the powers of a liquidator in voluntary winding up and in winding up the Tribunal.

4. What is oppression and mismanagement ? What are the powers of the NCLT in relation to oppression and mismanagement ? **14**

OR

What is winding up ? Explain the different types of winding up.

5. Write short notes on :

7 × 2

- (1) Difference between Shares and Debentures
- (2) Duties of a Director

OR

Answer **all** of the following :

14

- (1) What are redeemable shares ?
 - (a) Shares that cannot be transferred on the stock market.
 - (b) Shares kept by a company to be sold at a later date.
 - (c) Shares which when issued carry the right by the company to buy them back.
 - (d) Shares that carry rights in preference to other shares.
- (2) In addition to the Memorandum of Association, another important document which contains the rules, regulations relating to internal management of the company is
 - (a) Articles of Association
 - (b) Statement of Affairs
 - (c) Auditors Report
 - (d) Liquidator's Report.
- (3) A company is composed of _____, though it has its own identity distinct from members.
 - (a) Directors
 - (b) Members
 - (c) Auditors
 - (d) Companies
- (4) _____ means the act of appropriation by the Board of Directors of the company of a certain number of shares to persons who have made applications for shares.
 - (a) Shares fully paid up
 - (b) Shares held up
 - (c) Allotment
 - (d) Shares Forfeited
- (5) An _____ is a prospectus, within the meaning of the Act, and it is deemed to have been issued by the company.
 - (a) Offer for sale
 - (b) Acceptance
 - (c) Promise
 - (d) Consideration

- (6) _____ means a prospectus issued by any financial institution or bank for one or more issues of securities or class of securities specified in the prospectus.
- (a) Red- herring
 - (b) Shelf prospectus
 - (c) Statement of affairs
 - (d) Statement of accounts
- (7) A member can complain of oppression only in his capacity as a member and not in his capacity as _____.
- (a) Director or creditor
 - (b) Administrator
 - (c) Liquidator
 - (d) Auditor
- (8) Majority rule is not applicable when
- (a) The act done is illegal
 - (b) The act done is ultra vires the company.
 - (c) The act done constitutes a fraud
 - (d) all the above
- (9) A _____ is a company limited by shares or by guarantee.
- (10) Person ceases to be a member when his name is removed from _____ of company.
- (11) _____ means all share capital which is not preference share capital.
- (12) Contracts made after incorporation but before obtaining the certificate to commence the business are _____.
- (13) A member of a private company cannot appoint more than _____ proxy to attend and vote at the meeting of the company.
- (14) If the _____ holds more than half in nominal value of subsidiary's equity share capital, the relationship of holding company and subsidiary subsists between them.
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