

National Management college-Perundurai

CA-Intermediate Batch:2021-2022

Multiple Choice Questions [2 Marks each]

1. With reference to holding AGM at Mussoorie by NBD, identify the correct statement.

- (a) NBD has violated the provisions of the Act and is guilty because AGM can be held only at the registered office or at any other place in the same city.
- (b) NBD is legally correct because the board of directors is authorized in this regard and hence their decision shall prevail.
- (c) NBD can hold a meeting at a place outside the city in which registered office is situated, only after passing a special resolution and obtaining the permission of the central government.
- (d) NBD has to get consent from all the members in writing or through electronic mode in advance to convene AGM at a place other than the city in which the registered office is situated.

2. DPPL needs to register the charge by;

- (a) 16th September, 2021
- (b) 1st October, 2021
- (c) 16th October, 2021
- (d) 31st October, 2021

3. In furtherance to a court order regarding the appointment of Mr. Rawat as a receiver, Mr. Rawat shall give notice (along with a copy of the order) of such appointment to

- (a) The company by 9th December, 2021
- (b) The company and the registrar by 9th December, 2021
- (c) The company by 12th December, 2021
- (d) The company and the registrar by 12th December, 2021

4. What is the maximum period statutorily allowed within which the allotment of such 5,00,000 shares must be made by the company:

- (a) Shares must be allotted within 30 days of the receipt of application money towards such shares.
- (b) Shares must be allotted within 45 days of the receipt of application money towards such shares.
- (c) Shares must be allotted within 60 days of the receipt of application money towards such shares.
- (d) Shares must be allotted within 90 days of the receipt of application money towards such shares.

5. In case, the company also contemplates to raise deposits from public in addition to its members, which of the following option is applicable, apart from satisfying other conditions:

(a) In order to raise deposits from public besides members, the company should have net worth of minimum ` 100 crores and a turnover of minimum ` 500 crores.

(b) In order to raise deposits from public besides members, the company should have net worth of minimum ` 150 crores and a turnover of minimum ` 250 crores.

(c) In order to raise deposits from public besides members, the company should have net worth of minimum ` 150 crores or a turnover of minimum ` 750 crores.

(d) In order to raise deposits from public besides members, the company should have net worth of minimum ` 100 crores or a turnover of minimum ` 500 crores.

6. How many more such prospective shareholders can be invited by the company for investment in the capital of the company under private placement, if such offer is not to be made to qualified institutional buyers or to employees of the company under ESOP?

(a) The company can offer equity shares maximum up to the 30 prospective shareholders in the remaining part of the current financial year.

(b) The company can offer equity shares maximum up to the 55 prospective shareholders in the remaining part of the current financial year.

(c) The company can offer equity shares maximum up to the 80 prospective shareholders in the remaining part of the current financial year.

(d) The company can offer equity shares maximum up to the 130 prospective shareholders in the remaining part of the current financial year

7. State the time period within which the company is required to refund the application money to the subscribers if it had failed to allot the shares within the statutorily allowed period.

(a) The application money must be refunded within sixty days from the expiry of statutorily period allowed within which the allotment of shares ought to have been made.

(b) The application money must be refunded within forty-five days from the expiry of statutorily period allowed within which the allotment of shares ought to have been made.

(c) The application money must be refunded within thirty days from the expiry of statutorily period allowed within which the allotment of shares ought to have been made.

(d) The application money must be refunded within fifteen days from the expiry of statutorily allowed period within which the allotment of shares ought to have been made.

8. What is the maximum number of persons to whom an offer may be made under Private placement?

(a) Maximum of two hundred persons in a particular financial year, including qualified institutional buyers and employees of the company being offered securities under a scheme of employees stock option.

- (b) Maximum of two hundred persons, in a particular financial year excluding qualified institutional buyers and employees of the company being offered securities under a scheme of employee's stock option;
- (c) Maximum of two hundred persons, including qualified institutional buyers and employees of the company being offered securities under a scheme of employees stock option; inclusive of any such placement during previous years also;
- (d) Maximum of two hundred persons, excluding qualified institutional buyers and employees of the company being offered securities under a scheme of employees stock option; inclusive of any such placement during previous years also.

9. Assess the validity of board resolution by board of directors of GOPL to undertake guarantee for one of the associate companies.

- (a) Valid
- (b) Void
- (c) Voidable
- (d) Void-ab-initio

10. Is Mr. Alok eligible to take defence of 'Doctrine of Indoor Management'?

- (a) Yes, because company deny in making payment to him
- (b) Yes, defence of 'Doctrine of Indoor Management' is unconditional and without exception
- (c) No, rule of constructive notice is absolute and doctrine of indoor management can't be raised in any circumstances
- (d) No, because 'Doctrine of Indoor Management' has exception of knowledge of irregularity.

11. To keep prospectus valid, within how many days GOPL, is supposed to issue the registered prospectus?

- (a) Within 30 days from date of registration with ROC
- (b) Within 60 days from date of registration with ROC
- (c) Within 90 days from date of registration with ROC
- (d) Within 120 days from date of registration with ROC

12. Which of following statement is legally valid in regard to underwriting commission offered by GOPL if the articles of company are silent relating to such rate of commission?

- (a) Maximum underwriting commission can be 5% in case of shares
- (b) Maximum underwriting commission can be 2.5% in case of shares
- (c) There is no maximum ceiling limit on underwriting commission in case share
- (d) Underwriter cannot appoint sub-underwriters

13. The first auditor should be appointed by the Board of Directors within _____ days from the date of registration of the company, failing which the members of the company shall within _____ days at _____ appoint such auditor and such auditor shall hold office till the conclusion of the _____.

- (a) 30 days / 30 days / an EGM / 6 th AGM
- (b) 30 days / 60 days / an EGM / 6 th AGM
- (c) 30 days / 90 days / an EGM / First AGM.
- (d) 30 days / 90 days / an EGM / 6 th AGM

14. How, the company shall treat the situation of conviction of Bharat by the court of law?

- (a) The company shall continue with the appointment of such auditor.
- (b) The company shall wait till the appeal and its final decision comes out.
- (c) The company shall wait till the date when the execution of Bharat accomplished i.e., he is actually put behind the bars.
- (d) The company shall treat this as casual vacancy.

15. In the given case the Board treating it as casual vacancy, appointed Gaurav. Such casual vacancy of auditor should be filled up by the Board of Directors _____ days and Gaurav shall continue as an auditor of the company till the conclusion of the next AGM.

- (a) Within 30 days
- (b) Within 45 days
- (c) Within 60 days
- (d) Within 90 days

Division-B

1.(a)

Abhiyogic Ltd. having 1,000 members with paid-up capital of ` 1 crore, decided to hold its Annual General Meeting (AGM) on 21st August, 2022, and it received a notice on 2nd July,2022, from its 60 members holding paid-up capital of ` 7 lakhs, in aggregate, for a resolution to be passed at the AGM for appointing Vedy & Co., as its auditor from F.Y. 2022-23 onwards, instead of its existing auditor, Chepal & Co. which was originally appointed for 5 years term and had completed its 4 years term.

Such a notice for resolution was forthwith send by the company to Chepal & Co. which gave its representation in writing to the company along with a request for its notification to the members of the company, but it was received too late (3 days before the meeting) by the company.

In the context of aforesaid facts, please answer to the following question(s):-

- (a) Whether the said notice was given by adequate number of members within the prescribed time limit to Abhiyogic Ltd.?
- (b) Whether the company was bound to send to its members such representation made by Chepal & Co. and if it could not have been send, then in such case, what was the responsibility(ies) of the company?

(b) Vrinda Limited is a company manufacturing orange and strawberry candies for kids. Now, the company wants to expand its business and start the manufacturing of 10 more types of candies. The company has raised ₹ 1 crore through the issue of non-convertible debentures not constituting a charge on the assets of the company and listed on a recognised stock exchange as per the applicable regulations made by the Securities and Exchange Board of India. Advise, whether the above amount of ₹ 1 crore will be considered as deposit **3**

(c) The Board of Directors of Plum Limited proposes to issue a prospectus inviting offers from the public for subscribing to the equity shares of the company. State the reports which shall be included in the prospectus for the purposes of providing financial information under the provisions of the Companies Act, 2013. **5**

(d) One of the matters contained in the articles of Dhimaan Foundation, incorporated as a limited company under section 8 of the Companies Act, 2013, was altered by passing a special resolution in its general meeting and thereafter, intimation for the same was given to Registrar of Companies.

However, such alteration in the articles was opposed by Dhvaj & Co., a partnership firm which is its member that there such alteration was not valid.

Advise, as per the provisions of the Companies Act, 2013, whether the contention of Dhvaj & Co. was valid and whether it can be a member in such company? **5**

2.(a) Mr. Abhi is a Chartered Accountant and MBA by profession, has been appointed as an Executive Director on the Board of XYZ Limited. His job profile includes advising the Board of Directors of the company on various compliance matters, strategies, business plans, and risk matters relating to the company. Keeping in view of above position whether Mr. Abhi can be classified as the Promoter of XYZ Limited? Please examine the same under the provisions of the Companies Act, 2013. **4**

(b) Krish Limited created a charge on its assets on 2nd February, 2021. However, the company did not register the charge with the Registrar of companies till 15th March, 2021.

(a) What procedure should the company follow to get the charge registered?

(b) Suppose the company realises its mistake of not registering the charge on 27th May, 2021 (instead of 15th March, 2021), can it still register the charge?

Advise with reference to the relevant provisions of the Companies Act, 2013. **5**

(c) Vishal Limited has paid dividend consistently every year at the rate of 10% on its equity share capital in the last 5 years (2015-2016 to 2019-2020). The company has incurred loss in the current financial year (FY 2020-2021). It still wants to declare dividend for the FY 2020-2021. Whether the company can do so? Explain. **4**

(d) Write about significant beneficial interest. **4**

3.(a) Yellow Pvt Ltd. is an unlisted company incorporated in the year 2012. The company have share capital of rupees fifty crores. The company has decided to issue sweat equity shares to its directors and employees. The company decided to issue 10% sweat equity shares (which in total will add up to 30% of its paid up equity

shares), with a locking period of five years, as it is a start-up company. How would you justify these facts in relation to the provision for issue of sweat equity shares by a start-up company, with reference to the provision of the Company Act, 2013. Explain? **5**

(b) The Income Tax Authorities in the current financial year 2019-20 observed, during the assessment proceedings, a need to re-open the accounts of Q Ltd. for the financial year 2008-09 and, therefore, filed an application before the National Company Law Tribunal (NCLT) to issue the order to Q Ltd. for re-opening of its accounts and recasting the financial statements for the financial year 2008-09. Examine the validity of the application filed by the Income Tax Authorities to NCLT. **4**

(c) Shekhar Limited appointed an individual firm, Suresh & Company, Chartered Accountants, as Auditors of the company at the Annual General Meeting held on 30th September, 2019. Mrs. Kamala, wife of Mr. Suresh, invested in the equity shares having face value of ` 1 lakh of Shekhar Limited on 15th October, 2019. But Suresh & Company continues to function as statutory auditors of the company. Advice. **3**

(d) Mention the different forms of &MOA&AOA **5**

4. (a) Explain the provisions of e-voting in an annual general meeting in the following cases as per the Companies Act, 2013:

(i) 'A' and his wife 'B' has joint Demat Account in Alfa Investment Ltd. in such a case, who will cast the vote in e-voting system.

(ii) AGM is going to be held on 07-09-2020. Then what will be the e-voting period and the time of closing? **4**

(b) Referring the provisions of the Companies Act, 2013, regarding appointment of auditors, answer the following:

(i) XYZ Ltd. is a newly established company owned by the Central Government. State the provisions regarding appointment of its first auditor.

(ii) Mr. Kamal is the auditor of XYZ Limited, which is a Government company. He has resigned on 31st December, 2020 while the financial year of the company ends on 31st March, 2021.

Explain the provisions regarding filling or such vacancy. Would your answer differ if it is other than a Government company? **4**

(c) Diya Limited, incorporated under the provisions of the Companies Act, 2013, has two subsidiaries – Jai Limited and Vijay Limited. All the three companies have prepared their financial statements for the year ended 31st March, 2021. Examining the provisions of the Companies Act, 2013, explain in what manner the subsidiaries – Jai Limited and Vijay Limited shall prepare their Balance Sheet and Statement of Profit & Loss?

(d) The Companies Act, 2013 has prescribed an additional duty on the Board of directors to include in the Board's Report a 'Directors' Responsibility Statement'. Briefly explain the matters to be furnished in the said statement. **5**

5.(a) Examine that following offers of ABC Limited are in compliance with provisions of the Companies Act, 2013, related to private placement or should these offers be treated as public

(i) ABC limited wants to raise funds for its upcoming project. It has issued private placement offer letters to 55 persons in their individual name to issue its equity shares. Out of these four are qualified institutional buyers.

(ii) If in case (i) before allotment under this offer letter company issued another private placement offer to another 155 persons in their individual name for issue of its debentures.

(iii) Being a public company can it issue securities in a private placement offers? **5**

(b) Discuss the following situations in the light of 'Deposit provisions' as contained in the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended from time to time.

(i) Bhupendra, one of the Directors of Moon Technology Private Limited, a start-up company, requested his close friend Paras to lend to the company ` 20.00 lacs in a single tranche by way of a convertible note repayable within a period of six years from the date of its issue. Advise whether it is a deposit or not.

(ii) Shriram Readymade Garments Limited wants to accept deposits of ` 50.00 lacs from its member for tenure, which is less than six months. Is there any possibility to do so?

(iii) The turnover of Y Ltd. Is ` 400 crore as per last audited financial statement and net worth is ` 50 crores. Can Y Ltd. accept deposits from the public as per section 73 of the Companies Act, 2013? **5**

(c) Explain the purpose of IEPF can be utilized. **3**

(d) Examine the validity of the following with reference to the relevant provisions of the Companies Act, 2013:

(i) The Board of Directors of a company refuse to convene the extraordinary general meeting of the members on the ground that the requisitionists have not given explanatory statement for the resolution proposed to be passed at the meeting.

(ii) The Board of Directors refuse to convene the extraordinary general meeting on the ground that the requisitions have not been signed by the joint holder of the shares.

(iii) Adjournment of extraordinary general meeting called upon the requisition of members on the ground that the quorum was not present in the meeting. **4**