

Section-A(30Marks)

I. Choose the most suitable answer

1. Mr. X, shareholder of A Ltd. used the property of the Company for his personal use, he did not enter into any contract with the Company for such sale, whether the shareholder of the Company can use the property of the Company for their own personal purpose?

- a. Yes b. No c. Partly Yes d. Partly No

2. Mr. Superman is a truck driver formed company for testing trucks. The name of the company is Tilak Diya Ltd. Mr. Superman was also an employee having a contract of compensation with Tilak Diya Ltd. in case of damage to him or his life. At one day Mr. Superman drove a truck and went into accident with bicycle and lost his life. Now his widow want to claim compensation from Tilak Diya Ltd.

Whether wife of the Superman can receive the compensation from the company?

- a. Yes b. No c. Partly Yes d. Partly No

3. MN Limited Company, desirous for inviting the public for subscription of its issue. Can the Company do so?

- a. Yes b. No c. Partly Yes d. Partly No

4. As per Section 2(87) of the Companies Act, 2013, Subsidiary Company in relation to any other company means a company in which the holding company-----.

- a. Controls the composition of the board of directors
b. Exercises or controls more than one – half of the total voting power either at its own or together with one or more of its subsidiary companies
c. Either option a or b
d. None of the above

5. Mr. Rajesh(age 17 years) is an Indian citizen and he also resident in India more than 182 days, does he shall be a nominee for the sole member of a One Person Company?

- a. Yes b. No c. Partly Yes d. Partly No

6. Shelf Prospectus is valid for Years.

- a. 1 Year b. 2 Year c. 3 Year d. 5 Year

7. M/s Sunstar Ltd. is authorized by its Article of Association to accept whole or any part of the amount of remaining unpaid calls from any member although no parts of that amount has been called up. A, a shareholder of the Sunstar Ltd. deposits in advance the remaining amount due on his shares without any calls made by Sunstar Ltd. State the Section of the Companies Act, 2013?

- a. Section 49 b. Section 50 c. Section 51 d. Section 52

8. In case of allotment of shares, company need to deliver certificates of the securities allotted within a period of-

- a. 2 months from the date of allotment
b. 2 months from the date of application
c. 3 months from the date of application
d. 3 months from the date of allotment

9. The pre-emptive subscription rights to buy additional securities to the existing shareholders is called-

- a. Initial public issue b. Right issue c. Buy back of shares d. None of the above

10. Return of deposit to be filed with Registrar of Companies in Form No.....

- a. Form DPT 1 b. Form DPT 2 c. Form DPT 3 d. Form DPT 4

11. Instrument of charge shall be preserved for a time period of from the date of satisfaction of charge:

- a. 5 years b. 7 years c. 8 years d. 15 years

12. Total days of one time closure of register of members or debenture holders or other security holders shall not exceed..... Days.

- a. 10 days b. 20 days c. 30 days d. 45 days

13. The gap between two Annual General Meeting must not be more than

- a. 12 months as may be extended by Registrar of Companies to 18 months
- b. 15 months as may be extended by Registrar of Companies to 20 months
- c. 18 months as may be extended by Registrar of Companies to 20 months
- d. 15 months as may be extended by Registrar of Companies to 18 months

14. M/s ABC Ltd. issued a notice for holding of its Annual General Meeting on 7th November, 2015. The notice was posted to the members on 18.10.2015. Some members of the company allege that the company had not complies with the provision of the Companies Act, 2013 with regard to the period of notice and as such the meeting was not validly called. Whether the members are right or wrong?

- a. Right
- b. Wrong
- c. Partly right
- d. Partly wrong

15. If the quorum is not present within half an hour from the time appointed for holding adjourned meeting then

- a. Meeting shall stand terminated
- b. Present member will be considered as quorum
- c. Meeting will adjourned again
- d. None of the above.

16. Casual Vacancy of a woman director shall be filled by BOD not later than

- a. Immediate BM
- b. 3 months
- c. (a) or (b), Whichever is earlier
- d. (a) or (b), Whichever is later

17. Mr. X, son-in-law of Mr. A (Promoter of Associate Company PQR Ltd.) seeks to appointed as Independent Director of LMN Pvt. Ltd. Can he be so appointed?

- a. Yes
- b. No
- c. Yes, GM-SR
- d. Yes, GM-UR

18. Private company may:

- a. Provide additional grounds for Vacation other than mentioned u/s 167

- b. Cancel grounds for Vacation mentioned u/s 167
- c. Increase the threshold of imprisonment period attracting vacation from >6 months to >12months
- d. None.

19. If the Director is holding such Directorship by virtue of his employment at certain position in the Company or its Holding or Subsidiary etc: then if that position is lost , the Director shall :

- a. Disqualified u/s 164
- b. Vacate Office u/s 167
- c. Shall not be eligible for re-appointment
- d. All of these

20. Which of the following shall not be included in calculating Directorships?

- a. Directorship of Dormant Company
- b. Alternate Directorships
- c. Casual Vacancy Directorships
- d. Additional Directorships

II. Fill in the blanks

1. The term ethics is derived from latin word _____.
2. Ethics of a three types viz., _____, _____ and _____.
3. The ethical operation of a company is directly related to _____ in both short and long term.
4. Meta ethics deal with the nature of _____.
5. Continuous improvement or _____ is a popular theme.

iii. State whether TRUE or FALSE

1. A company may appoint more than 15 directors after passing a resolution.
2. The holders of equity shares with differential rights shall have the rights of getting bonus shares, rights issue etc.,
3. Before incorporation of a company, the Shareholder has to select a name for the company.

4. The impact of the doctrine of ultra vires is that a company can neither be sued on an ultra vires transaction, nor can it sue on it.

5. The articles of a company shall contain the regulations for management of the company.

SECTION-B(70MARKS)

Q.No.1. Compulsory and answer any three questions from remaining FOUR questions

Q.No.1

(a) The Articles of Association of DJA Ltd. require the personal presence of 7 members to constitute quorum of General Meetings. The company has 965 members as on the date of meeting. The following persons were present in the extra-ordinary meeting to consider the appointment of Managing Director:

(i) A, the representative of Governor of Uttar Pradesh.

(ii) B and C, shareholders of preference shares,

(iii) D, representing Y Ltd. and Z Ltd.

(iv) E, F, G and H as proxies of shareholders.

Can it be said that the quorum was present in the meeting?

5

(b) Miraj Limited held its Annual General Meeting on September 15, 2019. The meeting was presided over by Mr. Venkat, the Chairman of the Company's Board of Directors. On September 17, 2019, Mr. Venkat, the Chairman, without signing the minutes of the meeting, left India to look after his father who fell sick in London.

Referring to the provisions of the Companies Act, 2013, examine the manner in which the minutes of the above meeting are to be signed in the absence of Mr. Venkat and by whom.

5

(c) Explain the conditions for issuing bonus shares.

5

(d) Point out the contents of annual return.

4

Q.No.2

(a) Point out various disqualifications of directors.

6

(b) Explain the advantages and disadvantages of business ethics.

6

(c) Write about the concept of ultra vires.

5

Q.No.3

(a) W Foods Limited has an authorized share capital of 2,00,000 equity shares of Rs.100 per share and an amount of Rs.2 crores in its Securities Premium Account as on 31-3-2020. The Board of Directors seeks your advice about the application of securities premium account for its business purposes. Please give your advice. 6

(b) Write about lifting of corporate veil. 6

(c) What are the provisions of the Companies Act, 2013 relating to the appointment of 'Debenture Trustee' by a company? 5

Q.No.4

(a) Explain the conditions for buy back of shares. 6

(b) Discuss the powers of the Board of Directors of a company as per the Companies Act, 2013. 5

(c) What are the areas in business ethics and write note of the same 6

Q.No.5

(a) What are the conditions to issue equity shares with differential rights as to dividend, voting? 6

(b) What are the conditions stipulated in the Act for private placement? 5

(c) Write note on women director and independent director 6