

Roll No.....

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 8

Total number of printed pages : 4

- NOTE :** 1 Answer SIX questions including Question No.1 which is compulsory.  
2 All references to sections relate to the Companies Act, 1956 unless stated otherwise.

1. Comment on **any four** of the following :

- (i) Role of independent directors in a listed company is vital.
- (ii) All illegal associations are not necessarily unlawful associations though the members of such associations are personally liable.
- (iii) The company must exercise *bona fide* and for the benefit of the company, the power to forfeit shares.
- (iv) The memorandum of association and articles of association when registered bind the company and its members.
- (v) In certain cases, diminution of share capital is not to be treated as reduction of capital.

(5 marks each)

2. (a) Choose the most appropriate answer from the given options in respect of the following :

(i) Debenture is --

- (a) An evidence of debt
- (b) An acknowledgement of debt
- (c) A certificate of debt
- (d) An instrument of debt.

(ii) Apart from the Secretary or some other person authorised by the Board of directors, share certificates are required to be signed by --

- (a) Three directors
- (b) Five directors
- (c) Two directors
- (d) One director.

- (iii) In case of refusal of share transfer by the company, an appeal should be made within --
- (a) One month of receipt of notice of refusal
  - (b) Three months of receipt of notice of refusal
  - (c) Two months of receipt of notice of refusal
  - (d) Fifteen days of receipt of notice of refusal.
- (iv) A managing director can be appointed for a term --
- (a) Not exceeding three years at a time
  - (b) Not exceeding seven years at a time
  - (c) Not exceeding five years at a time
  - (d) Not exceeding ten years at a time.
- (v) A company having paid-up share capital of Rs.10 lakh and above and which is not required to appoint a Whole-time Company Secretary shall obtain --
- (a) Audit certificate from a Practising Company Secretary
  - (b) Due diligence certificate from a Practising Company Secretary
  - (c) Compliance certificate from a Practising Company Secretary
  - (d) Legal compliance certificate from a Practising Company Secretary.
- (vi) Out of the following, which meeting is held only once in the life time of a public limited company --
- (a) Annual general meeting
  - (b) Board meeting
  - (c) Statutory meeting
  - (d) Extra-ordinary general meeting.
- (vii) Form of the proxy must be deposited with the company at least --
- (a) 24 hours before the time of annual general meeting
  - (b) 10 hours before the time of annual general meeting
  - (c) 48 hours before the time of annual general meeting
  - (d) 20 hours before the time of annual general meeting.
- (viii) After close of the financial year, the accounts of the company are required to be laid before the shareholders within --
- (a) 12 months
  - (b) 15 months
  - (c) 6 months
  - (d) 24 months.

(1 mark each)

(b) Re-write the following sentences after filling-in the blank spaces with appropriate word(s)/figure(s) :

- (i) Once a company is incorporated, it becomes a \_\_\_\_\_ distinct from its members.
- (ii) In the application for availability of name, the promoters should give \_\_\_\_\_ suitable names in addition to the main name.
- (iii) Memorandum of association of a company is the \_\_\_\_\_ of the company.
- (iv) Doctrine of constructive notice protects the company against the \_\_\_\_\_.
- (v) Floating charge is not attached to any \_\_\_\_\_.
- (vi) After allotment of shares by any company, a return of allotment in Form e-2 must be filed with the Registrar of Companies within \_\_\_\_\_ days.
- (vii) A Whole-time Director is one who is in the \_\_\_\_\_ employment of the company.
- (viii) As per section 383A, a company having a paid-up share capital of Rs. \_\_\_\_\_ and above must appoint a Whole-time Company Secretary.

(1 mark each)

3. (a) State, with reasons in brief, whether the following statements are correct or incorrect :

- (i) An incorporated body gets liquidated when the shareholders change.
- (ii) Any company promoted by Government is a government company.
- (iii) *Ultra vires* acts bind the company.
- (iv) Pre-incorporation contracts do not bind the company.
- (v) A company may price the shares above its face value.
- (vi) Debentureholders are owners of the company.

(2 marks each)

(b) Adarsh Ltd. was incorporated on 1<sup>st</sup> January, 2009 and entered into a contract for purchase of land on 15<sup>th</sup> January, 2009. It received certificate of commencement of business on 1<sup>st</sup> April, 2009. Examine the status of the contract.

(4 marks)

4. Distinguish between **any four** of the following :

- (i) 'Memorandum of association' and 'articles of association'.
- (ii) 'Preference shares' and 'equity shares'.
- (iii) 'Transfer of shares' and 'transmission of shares'.
- (iv) 'Whole-time Company Secretary' and 'Company Secretary in Practice'.
- (v) 'Statutory meeting' and 'annual general meeting'.

(4 marks each)

5. (a) What is meant by 'proxy' ? Who is empowered to decide on the validity of a proxy in case of dispute ?  
(4 marks)
- (b) What are the objects of holding an annual general meeting ? List out the businesses statutorily required to be transacted in that meeting.  
(4 marks)
- (c) Explain the conceptual differences between 'producer company' and 'private limited company' .  
(4 marks)
- (d) Section 77A permits companies to buy-back their own shares which, however, is subject to some restrictions laid down under section 77B. What are these restrictions ? Does the Companies Act, 1956 permit negotiated buy-back transactions ?  
(4 marks)
6. (a) Who is 'sole selling agent' ? How is he appointed ? What are the duties of a Company Secretary in connection with appointment of a sole selling agent ?  
(8 marks)
- (b) What is 'postal ballot' ? What type of companies are required to adopt the procedure of postal ballot ? What matters have to be decided by postal ballot only ?  
(8 marks)
7. (a) Can a director enter into a contract with a company in which he is a director ? Briefly explain the procedure therefor and indicate the exceptions where such a procedure is not required to be followed.  
(8 marks)
- (b) What is the rule in Foss vs. Harbottle ? What are its advantages ? State any four exceptions to the said rule.  
(8 marks)
8. (a) What is 'audit' ? Discuss the procedure for appointment of an auditor other than the retiring auditor and rights of the retiring auditor in this regard. In case of casual vacancy of statutory auditor, who is the authority to fill-up such casual vacancy and what is his term of appointment ?  
(8 marks)
- (b) Define 'trust' ? Who may be a trustee ? Discuss in brief the duties of a trustee.  
(8 marks)