

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) A company cannot ratify its pre-incorporation contracts.
- (ii) Registered office of a company can be shifted from one State to another without the approval of the State Government.
- (iii) A company can accept deposits by issuing advertisement.
- (iv) Statutory meeting is held only once in the lifetime of a company.
- (v) Buy-back of shares does not amount to reduction of share capital.

(5 marks each)

2. (a) Discuss the provisions relating to 'registration of charges'.

(6 marks)

(b) Discuss the majority rule and minority rights.

(10 marks)

3. (a) When is a trust said to be extinguished and when revoked ?

(8 marks)

(b) An existing company wants to commence a new business. Elucidate the procedure laid down therefor.

(8 marks)

4. Write short notes on **any four** of the following :

- (i) Government company
- (ii) Doctrine of *ultra vires*
- (iii) Multi-State co-operative societies
- (iv) Investor Education and Protection Fund
- (v) Audit committee.

(4 marks each)

5. (a) Choose the most appropriate answer from the given options in respect of the following :
- (i) Promoter is a person who is :
    - (a) Elected as director
    - (b) Appointed as chairman
    - (c) Appointed as managing director
    - (d) Engaged in promoting a company.
  - (ii) Minimum number of directors which every public limited company should have is :
    - (a) 5
    - (b) 10
    - (c) 3
    - (d) 7.
  - (iii) Maximum number of companies in which an individual can become director is :
    - (a) 20
    - (b) 50
    - (c) 15
    - (d) 5.
  - (iv) Maximum value of shares an investor must hold to become a 'small shareholder' is :
    - (a) Rs.10,000
    - (b) Rs.5,000
    - (c) Rs.25,000
    - (d) Rs.20,000.
  - (v) Percentage of deposits maturing in a year that is to be placed in a bank account is :
    - (a) 20%
    - (b) 15%
    - (c) 30%
    - (d) 5%.
  - (vi) A private limited company can commence its business after obtaining :
    - (a) Certificate of commencement of business
    - (b) Certificate of incorporation
    - (c) Approval from Central Government
    - (d) Approval from Registrar of Companies.

*(1 mark each)*

(b) Following information has been extracted from the balance sheet of Richy Rich Ltd. :

(i) Paid-up share capital	Rs.20 crore
(ii) Reserves and surplus	Rs.80 crore
(iii) Capital reserve	Rs.5 crore
(iv) Investment in securities	Rs.10 crore
(v) Loan to companies	Rs.30 crore

DEF Ltd. has requested Richy Rich Ltd. for a loan of Rs.50 crore which the Board of directors will consider at its ensuing meeting. Explain the legal position and advise the Board.

*(10 marks)*

6. (a) Ajay sold his shares and executed a transfer deed in favour of Vijay. The documents were lodged for transfer with the company. However, before effecting and registering the transfer by the company, Ajay, the transferor passed away. What is the impact of the death of Ajay on the registration of transfer of shares in favour of Vijay, if the death of Ajay is – (i) intimated to the company before the registration; and (ii) intimated to the company after registration of the transfer of the shares in favour of Vijay ?

If Vijay dies before registration of the transfer of shares, what will be the consequences — (i) if the death of Vijay is intimated to the company before registration of transfer; and (ii) if the death of Vijay is not intimated to the company before the registration of transfer ?

*(8 marks)*

(b) Two companies are incorporated with the same set of shareholders. Are they same or distinct under the Companies Act, 1956 ? Discuss.

*(4 marks)*

(c) The entire assets of a company are acquired by another company. Will it constitute taking over the management of the company ? Why ?

*(4 marks)*

7. (a) Explain 'independent director' and 'inside director'. Does inside director and interested director connote the same meaning ?

*(5 marks)*

(b) Companies are required to obtain Secretarial Compliance Certificate in certain cases. What are these ? Who is competent to issue the said certificate ?

*(5 marks)*

(c) When is dividend payable ? When may dividend be payable out of capital profits ?

*(6 marks)*

8. Distinguish between the following :

- (i) 'Company' and 'co-operative society'.
- (ii) 'Shares in physical form' and 'shares in dematerialised form'.
- (iii) 'Certificate of incorporation' and 'certificate of commencement of business'.
- (iv) 'Mortgage' and 'charge'.

*(4 marks each)*

—o—