1. Comment on any four of the following:
   (i) It is not necessary to have the minutes of the meeting confirmed in the next meeting.
   (ii) Postal ballot mechanism improves shareholders' participation in corporate decision-making.
   (iii) Redeemable preference shares are not preference shares.
   (iv) Directors ought not misuse the trust entrusted on them.
   (v) The terms 'winding-up' and 'dissolution' are not one and the same thing.

2. (a) Choose the most appropriate answer from the given options in respect of the following:
   (i) The amount of dividend declared will have to be deposited in a separate bank account within —
      (a) 5 Days from the date of declaration of dividend
      (b) 7 Days from the date of declaration of dividend
      (c) 15 Days from the date of declaration of dividend
      (d) 21 Days from the date of declaration of dividend.
   (ii) No person can hold office of a director in more than —
      (a) 10 Public companies at a time
      (b) 15 Public companies at a time
      (c) 20 Public companies at a time
      (d) 50 Public companies at a time.
   (iii) DIN will be allotted by the Central Government within —
      (a) 1 Month from the receipt of application for the same
      (b) 3 Months from the receipt of application for the same
      (c) 6 Months from the receipt of application for the same
      (d) 12 Months from the receipt of application for the same.
(iv) After completion of buy-back operation, the securities must be extinguished and physically destroyed within —
(a) 30 Days
(b) 15 Days
(c) 7 Days
(d) 21 Days.

(v) Under section 224(1), an auditor is appointed for a particular period —
(a) From the date of appointment till another auditor is appointed
(b) From the conclusion of one AGM until the conclusion of next AGM
(c) From the date of appointment till the auditor resigns
(d) None of the above.

(vi) Under section 75, whenever a company having a share capital makes any allotment of shares, it must file a return of allotment with the Registrar of Companies within —
(a) 7 Days
(b) 15 Days
(c) 30 Days
(d) 60 Days.

(vii) Certified copy of the special resolutions passed in the meeting will have to be filed with the Registrar of Companies within —
(a) 30 Days
(b) 60 Days
(c) 15 Days
(d) 7 Days.

(viii) Section 149(1) provides that in case of a public company, borrowing powers are not exercisable until the company is entitled to —
(a) Commence business
(b) Incorporate business
(c) Start business
(d) None of the above.

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

(i) Small deposit holders are those who have deposited in a financial year a sum not exceeding Rs.__________ in a public company.

(ii) If the proposed dividend exceeds 15% but does not exceed 20% of the paid-up capital, the amount to be transferred to reserves will not be less than __________% of the current profit.

(iii) Resignation of a director is effective from the date it was ____________.

(iv) Under section 285, there should be at least ____________ meetings of the Board of directors in a year.

(v) An audit firm having 3 partners not in full time employment anywhere may be appointed as auditor in maximum ____________ public companies.

(vi) Section 260 provides for the appointment of ____________.

(vii) A director of 10 companies will require ____________ number(s) of DIN.

(viii) In terms of section 383A, it is necessary to appoint a Whole-time Secretary in a company having a paid-up capital of Rs.__________.

(1 mark each)

3. (a) Explain when a person ceases to be a member of the company.

(b) Enumerate the disqualifications of a director mentioned in section 274.

(8 marks each)

4. Write notes on any four of the following :
   (i) Liability clause in memorandum of association
   (ii) Cases in which prospectus is not required to be issued
   (iii) Investor education and protection fund
   (iv) Procedure for striking off the name of a company
   (v) Digital signature certificate.

(4 marks each)

5. (a) What are the consequences of non-registration of a charge which requires registration under section 125 ?

   (5 marks)

(b) “The power to borrow includes the power to give security.” Comment.

   (5 marks)

(c) What are the rights, powers and disabilities of debenture trustees ?

   (6 marks)

2/2010/CL

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6. (a) What are the important rules relating to forfeiture of shares?

(b) What are the benefits of 'depository system'?

7. (a) Money Ltd. desires to reduce its paid-up capital by purchasing from some select shareholders holding shares constituting 20% of its paid-up capital. Can it do so? Discuss.

(b) Abhay Ltd. committed default by failing to file balance sheet and profit and loss account. Proceedings have been initiated against a non-executive director. However, he contended that he had resigned before the date of default. Whether the contention of the ex-director can be taken into account? Give reasons.

(c) A demerger scheme was approved by the shareholders, secured and unsecured creditors. The scheme was neither in violation of any law nor against public interest. However, Accounting Standard-14 was not adopted. Whether the scheme can be sanctioned? Explain.

8. Distinguish between any four of the following:
   (i) 'Subsidiary company' and 'holding company'.
   (ii) 'Rights issue' and 'bonus issue'.
   (iii) 'Sweat equity' and 'employees' stock purchase scheme'.
   (iv) 'Trust' and 'agency'.
   (v) 'Producer company' and 'limited liability partnership'.

   (4 marks each)