

**LL.B. (Three Years Course) Semester—II (CBS) Examination**

**COMPANY LAW**

**Compulsory Paper—5**

Time : Three Hours]

[Maximum Marks : 80

**Note :—** (1) Attempt **all** sections. Section A consists of **10** marks, Section B consists of **30** marks, Section C consists of **40** marks.

(2) Follow the instructions given in each section.

(3) Marks are indicated against each question.

**SECTION—A**

1. Choose the correct alternative (any **ten**) :

(i) \_\_\_\_\_ has only one person as a member and formed as a Private Limited Company.

(a) Dormant Company

(b) One Person Company

(c) Company Limited by Share

(d) Unlimited Company

(ii) The minimum number of persons required to form a public company is \_\_\_\_\_ and in case of private company it is \_\_\_\_\_.

(a) 7 and 2

(b) 50 and 200

(c) No limit and 200

(d) None of above

(iii) The term 'Promoter' means a person :

(a) Who has been named as promoter in the Prospectus

(b) Who has control over the affair of the company, whether as Share-holder or Director

(c) In accordance with whose advice the Board of Directors of Company act

(d) All the above

(iv) The doctrine of Ultra Vires is well illustrated by the House of Lords decision in :

(a) Ashbury Railway Carriage and Iron Co. v/s Riche.

(b) Royal British Bank v/s Turquand

(c) Solomon v/s Solomon and Co. Ltd.

(d) (b) and (c)

(v) Doctrine of Indoor Management is exception of :

(a) Doctrine of Constructive Notice

(b) Doctrine Ultra Vires

(c) Concept of Corporate Governance

(d) Rule in Foss vs. Harbottle

- (vi) Section 43 of the Companies Act, 2013 provides that the issue of Share Capital of a Company Limited by shares will be of \_\_\_\_\_ kinds.
- (a) Equity Shares (b) Preference Shares  
(c) Equity and Preference Shares (d) None of above
- (vii) \_\_\_\_\_ means portion of the profit earned by a company which is distributed among its Shareholders.
- (a) Dividend (b) Share Warrant  
(c) Sweat Equity Shares (d) All the above
- (viii) Transmission of shares take place by operation of law when :
- (a) A shareholder dies (b) Shareholder adjudged insolvent  
(c) Unsound mind (d) All the above
- (ix) 'DEMAT' denotes :
- (a) Deferred shares (b) Dematerialized shares  
(c) (a) and (b) both (d) None of above
- (x) Section 2(30) of the Companies Act, 2013 says that debenture includes :
- (a) Debenture Stock (b) Bonds  
(c) (a) and (b) both (d) None of above
- (xi) The winding up by Tribunal of a company may also be called as :
- (a) Winding up by Court (b) Voluntary winding-up  
(c) Under the supervision of the Court (d) Compulsory winding-up
- (xii) Every company shall have a Board of Directors consisting of individuals as Directors and shall have a minimum \_\_\_\_\_ and maximum \_\_\_\_\_ number of Directors in case of Public Company.
- (a) 3 and 15 (b) 5 and 20  
(c) 2 and 10 (d) 4 and 16
- (xiii) The first \_\_\_\_\_ of a company must be held within 15 months from the date of its incorporation.
- (a) Annual General Meeting (b) Class Meeting  
(c) Ordinary Meeting (d) Extraordinary Meeting
- (xiv) When a Shareholder signs the transfer form without filling the name of the transferee and hands it over along with the share certificate to the transferee it is known as :
- (a) Blank transfer (b) Transfer of share  
(c) Transmission of share (d) Both (b) and (c)

(xv) A reconstruction or Amalgamation of a company may be necessitated for the purposes :

- (a) To extend the scope of operation of the company
- (b) For the purpose of reorganisation
- (c) To restructure capital in accordance with the Act
- (d) All the above

1×10=10

### SECTION—B

**Note :—** Both the questions in this section are compulsory.

2. Answer the following (any **three**) :

- (a) What do you mean by One person Company as per new Companies Act, 2013 ?
- (b) What are the functions of promoters ?
- (c) Can a company buy its own shares ? If so, under what circumstances ?
- (d) When a Private Company becomes a Public Company ?

5×3=15

3. Write short notes on (any **three**) :

- (a) Amalgamation of companies
- (b) Buy-back of shares
- (c) Dematerialized share (DEMAT)
- (d) E-Governance and E-Filing.

5×3=15

### SECTION—C

**Note :—** Answer any **five** questions of the following.

- 4. What are the salient features of the new Companies Act, 2013 ?
- 5. “The rule of constructive notice very much opposes the doctrine of Indoor Management”. Explain with the help of decided cases.
- 6. What is Prospectus ? Explain the Civil and Criminal liability for mis-statement in the Prospectus.
- 7. Define the term share. Explain the various kinds of share and the procedure for transfer of shares.
- 8. What are the powers of Directors ? Explain the ways in which such powers can be exercised by them.
- 9. “A proper balance of the rights of majority and minority shareholders is essential for the smooth functioning of the company”. Explain.
- 10. Explain the position of official liquidator in the process of winding up of a company.
- 11. Discuss various modes of winding up of a company as per Companies Act, 2013. What are the effects of an order of winding-up of a company ?

8×5=40