

**QUESTION NO.1 and 2 are compulsory and attempt any three out of remaining four questions.**

**QUESTION NO.1 (OBEJECTIVE QUESTIONS)**

**(30\*1 = 30 MARKS)**

1. Relaxation to an OPC:-
  - a) OPC is not required to hold AGM
  - b) Reduction in Information to be provided in Directors Report
  - c) Certain provisions applicable to an Private company shall not apply to an OPC
  - d) All of these
  
2. Prospectus of a company must be in \_\_\_\_
  - a) Writing
  - b) oral
  - c) Television Advertisement
  - d) Film Advertisement
  
3. The provision of acceptance of deposit are not applicable to
  - A. Banking company
  - B. Insurance company
  - C. Listed company
  - D. Private company
  
4. Acceptance of deposits by a chit fund company shall be considered as a deposit. True or false?
  
5. On satisfaction of the charge the borrower shall file \_\_\_ along with CHG4.
  
6. Members holding beneficial ownership of \_\_\_% shall be considered as having significant influence in the company
  
7. A proxy shall be counted for the quorum of an Annual General Meeting. True or false?
  
8. Interim dividend is declared by board of directors at board meeting true or false?
  
9. For calculation of net profit for arriving at dividend depreciation shall be taken as per Income Tax Act true or false?
  
10. A one person company can declare dividend true or false?
  
11. Which of the following is not an essential of a valid guarantee?
  - a. Existence of a principal debt
  - b. If the co-surety does not join, contract of guarantee is not valid
  - c. It shall be in writing only.
  - d. Consent of surety shall not be obtained by fraud

12. "Quit facitper alium, facitper se" means:
- Delegatee cannot further delegate
  - Something in return
  - He who acts through an agent is acting himself
  - For an act of agent, principal is liable
13. The dishonor of cheque is punishable if it is dishonored due to \_\_\_\_\_.
- Insufficient Balance in drawers account
  - Account closed by drawer
  - Countermanded payment by drawer
  - All of these
14. If in an instrument the amount undertaken or ordered to be paid is stated differently in figures and in words
- The instrument is void due to uncertainty
  - The amount stated in figure shall be the amount undertaken or ordered to be paid
  - The amount stated in words shall be the amount undertaken or ordered to be paid
  - None of the above.
15. In construing the words ' medicines and drugs available ' the word drugs can only refer to vital life saving medicines. It cannot cover narcotics. This implies which rule of interpretation?
- Noscitur a Sociis
  - Expressio Unis Est Exclusio Alterius
  - Contemporanea Expositio
  - Ejusdem Generis
16. Which of the following is an external aid of interpretation?
- Historical Setting
  - Usage
  - Dictionary definitions
  - All of the Above
17. Where any legislation or regulation requires any document to be served by post, then unless a different intention appears, the service shall be deemed to be effected by:
- Properly addressing, post paying, posting by registered post
  - Properly addressing, pre paying, posting by registered post
  - Properly addressing, pre paying, posting by ordinary post
  - Addressing, pre paying, posting by registered post
18. Penalty under sec 470 of companies Act 2013 for imprisonment for a term not less than \_\_\_\_ months but it can be extended for \_\_\_\_\_ years in case of fraud involving public interest
19. The company shall not make any issue of same kind of shares/securities (including right shares) within a period of \_\_\_\_ months from the date of completing of Buy back.

20. Royal British bank vs Turquand is a case reference for Doctrine of Constructive Notice true or false?
21. When is agency terminated by operation of Law :
- Expiry of time
  - Mutual Agreement
  - Renunciation by agent
  - Revocation by principal
22. It is compulsory for every company to conduct a extraordinary General Meeting in every calendar year. True or false?
23. If a company violates any provisions of section 73 or 76 the maximum penalty levied Upon A company is \_\_\_\_
24. Lender of an unregistered charge when the borrower is a Going Concern Shall be \_\_\_\_
25. Maximum time gap from the end of the first financial year and the first Annual General Meeting Shall be \_\_\_\_
26. The preamble is most important in any legislation, it:
- Provides definitions in the Act.
  - Expresses scope, object and purpose of the Act.
  - Provides summary of the entire Act.
  - None of the above.
27. 'Person' shall include:
- Any company, or
  - Association, or
  - Body of individuals, whether incorporated or not
  - All of above
28. Can a drawer escape from his liability?
- No, a drawer can never escape from his liability
  - Yes, a drawer can limit or exclude his liability by inserting in the bill an express stipulation to that effect
  - In certain cases although he can escape from his liability but always he cannot so escape
  - None of the above.
29. The term 'negotiation' in section 14 of the Negotiable Instruments Act, 1881 refers to
- The transfer of a bill of exchange, promissory note or cheque to any person, so as to constitute the person the holder thereof
  - The payment by a bank on a negotiable instrument after due verification of the instrument
  - The bargaining between the parties to a negotiable instrument
  - all of the above.
30. For discussing a special business at AGM the company shall send an explanatory statement. True or false?

## QUESTION NO.2

- A. ABC Limited has on its Board, four Directors viz. W, X, Y and Z. In addition, the company has Mr. D as the Managing Director. The company also has a full time Company Secretary, Mr. Wise, on its rolls. The financial statements of the company for the year ended 31st March, 2015 were authenticated by two of the directors, Mr. X and Y under their signatures.

Referring to the provisions of the Companies Act, 2013:

- (i) Examine the validity of the authentication of the Balance Sheet and Statement of Profit & Loss and the Board's Report.
- (ii) What would be your answer in case the company is a One Person Company (OPC) and has only one Director, who has authenticated the Balance Sheet and Statement of Profit & Loss and the Board's Report ? **(6 MARKS)**
- B. P draws a bill on Q for Rs. 10,000. Q accepts the bill. On maturity the bill was dishonored by non-payment. P files a suit against Q for payment of Rs. 10,000. Q proved that the bill was accepted for value of Rs. 7,000 and as an accommodation to the plaintiff for the balance amount i.e. Rs. 3,000. Referring to the provisions of the Negotiable Instruments Act, 1881 decide whether P would succeed in recovering the whole amount of the bill ?

**(4 MARKS)**

## QUESTION NO.3

- A. What are the powers of Registrar to make entries of satisfaction and release of charges in absence of intimation from company. Discuss as per the provisions of the Companies Act, 2013. **(6 MARKS)**
- B. Alfa school started imparting education on 1.4.2010, with the sole objective of providing education to children of weaker society either free of cost or at a very nominal fee depending upon the financial condition of their parents. However, on 30th March 2018, it came to the knowledge of the Central Government that the said school was operating by violating the objects of its objective clause due to which it was granted the status of a section 8 company under the Companies Act, 2013. Describe what powers can be exercised by the Central Government against the Alfa School, in such a case? **(6 MARKS)**
- C. The Board of Directors of Sindhu Limited wants to make some changes and to alter some Clauses of the Articles of Association which are to be urgently carried out, which include the increase in Authorized Capital of the company, issue of shares, increase in borrowing limits and increase in the number of directors.
- Discuss about the provisions of the Companies Act, 2013 to be followed for alteration of Articles of Association. **(4 MARKS)**
- D. Explain the principles of "Grammatical Interpretation" and "Logical Interpretation" of a Statute. What are the duties of a court in this regard? **(4 MARKS)**

#### QUESTION NO.4

A. Examine the following with reference of the provisions of the Companies Act, 2013.

- (i) 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: **(5 MARKS)**

- (1) A, the representative of Governor of Uttar Pradesh.
- (2) D, representing Y Ltd. and Z Ltd.
- (3) E, F, G and H as proxies of shareholders.

**Determine whether the quorum was present in the meeting?**

- (ii) Sirhj, a shareholder, gives a notice for inspecting proxies, five days before the meeting is scheduled and approaches the company two days before the scheduled meeting for inspecting the same. What is the legal position relating to his actions (as per the provisions of the Companies Act, 2013)?

**(3 MARKS)**

B. Unique Builders Limited decides to pay 2.5 percent of the value of debentures as underwriting commission to the underwriters but the Articles of the company authorize only 2.0 percent underwriting commission on debentures. The company further decides to pay the underwriting commission in the form of flats. Examine the validity of the above arrangements under the provisions of the Companies Act,2013. **(6 MARKS)**

C. The Director of Rom Limited proposed dividend at 12% on equity shares for the financial year 2016-17. The same was approved in the annual general meeting of the company held on 20<sup>th</sup> September, 2017. The Directors declared the approved dividends. They seek your opinion on the following matters: **(6 MARKS)**

- i. Mr. A, holding equity shares of face value of Rs. 10 lakhs has not paid an amount of Rs. 1 lakh towards call money on shares. Can the same be adjusted against the dividend amount payable to him?
- ii. Ms. N was the holder of 1,000 equity shares on 31<sup>st</sup> March, 2017, but she has transferred the shares to Mr. R, whose name has been registered on 20<sup>th</sup> May, 2017. Who will be entitled to the above dividend?

#### QUESTION NO.5

A. Mr. Honest, an auditor of MM company ltd. has colluded with the company for a fraud. The Central Government has applied to Tribunal about the said fraud by Mr. Honest. State the provisions of the Companies Act, 2013 regarding the steps that can be taken by Tribunal when it finds that the auditor of a company has acted in a fraudulent manner. **(4 MARKS)**

B. What are the rights of the auditor of a company in respect of attending the General Meeting. **(4 MARKS)**

C. Briefly explain the meaning and application of the rule of "Harmonious Construction" in the interpretation of statutes? **(6 MARKS)**

- D. Referring to the provisions of the Companies Act, 2013, examine the validity of the following : **(6 MARKS)**

ABC Limited having a net worth of 120 crore rupees wants to accept deposit from its members. They have approached you to advise them regarding that if they fall within the category of eligible company, what special care has to be taken while accepting such deposit from members.

#### QUESTION NO.6

- A. In a General meeting of Alpha Limited, the chairman directed to exclude certain matters detrimental to the interest of the company from the minutes, Mukesh, a shareholder contended that the minutes of the meeting must contain fair and correct summary of the proceedings thereat. Decide, whether the contention of Mukesh is maintainable under the provisions of the Companies Act, 2013 ?

**(4 MARKS)**

- B. XY Ltd. has its registered office at Mumbai in the State of Maharashtra. For better administrative conveniences the company wants to shift its registered office from Mumbai to Pune (State of Maharashtra). What formalities the company has to comply with under the provisions of the Companies Act, 2013 for shifting its registered office as stated above? Explain. **(4 MARKS)**

- C. Amit lends a horse to Bimal for his own riding only. However, Bimal allows Chinku, a member of his family to ride the horse. Chinku rides the horse with care, but the horse falls and is injured. As per the provisions of the Indian Contract Act, 1872, analyse the liability of Bimal in the given situation. **(4 MARKS)**

- D. SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015 was issued by SEBI vide Notification dated 14<sup>th</sup> August, 2015 with effect from 1 January, 2016.

Referring to the provisions of the General Clauses Act, 1897, examine the date of enforcement of these Regulations? **(2 MARKS)**

- E. State the procedure for the following, explaining the relevant provisions of the Companies Act, 2013 : **(6 MARKS)**

- (i) Appointment of First Auditor, when the Board of directors did not appoint the First Auditor within one month from the date of registration of the company.
- (ii) Removal of Statutory Auditor (appointed in last Annual General Meeting) before the expiry of his term.