

Note: Question 1 is compulsory. Attempt any five from the rest.

Question 1

- (A) Briefly discuss the five modes of creation of agency as per the Indian Contract Act, 1872. **(5 marks)**
- (B) Explain the meaning of 'Holder' and 'Holder in due course' of a negotiable instrument. The drawer, 'D' is induced by 'A' to draw a cheque in favour of P, who is an existing person. 'A' instead of sending the cheque to 'P', forgoes his name and pays the cheque into his own bank. Whether 'D' can recover the amount of the cheque from 'A's banker. Decide. **(5 marks)**
- (C) Mr. Pati, Secretary, of Town Handlooms Ltd. called an extraordinary general meeting of the company on the requisition of some members. Mr. Pati, Secretary of the Company, issued notice of the meeting without the authority of the Board of Directors. Discuss on the validity of the notice issued by Mr. Pati, Secretary of the Town Handlooms Ltd. **(5 marks)**
- (D) Ryan industries, a pesticides manufacturing company distributed 91 lacs (Rs. Ninety One Lacs) to scientific institutions for furtherance of scientific education and research. Referring to the provisions of the Companies Act, 2013 decide whether the said distribution of money was "Ultra vires" the company? **(5 marks)**

Question 2

- (A) Enumerate the rights of the finder of lost goods. **(5 Marks)**
- (B) Angadia Limited realised on 2nd May, 2015 that particulars of charge created on 12th March, 2015 in favour of a Bank were not filed with the Register of Companies for Registration, what procedure should the Company follow to get the charge registered with the Registrar of Companies? Would the procedure be different if the charge was created on 12th February, 2015 instead of 12th March, 2015? Explain with reference to the relevant provisions of the Companies Act, 2013. **(5 marks)**
- (C) What is meant by "Abridged Prospectus"? Is it necessary to furnish abridged form of prospectus along with the application form for shares? Under what circumstances an abridged prospectus need not accompany the detailed information regarding prospectus along with the application form? **(6 marks)**

Question 3

- (A) Amandeep induced Bhargava by fraud to draw a cheque payable to Chaman or order. Amandeep obtained the cheque, forged Chaman's endorsement and collected proceeds to the cheque through his Bankers. Bhargava the drawer wants to recover the amount from Chaman's Bankers. Decide in the light of the provisions of Negotiable Instruments Act, 1881-
- (i) Whether Bhargava the drawer, can recover the amount of the cheque from Chaman's Bankers?
- (ii) Whether Chaman is the Fictitious Payee?
- Would your answer be still the same in case Chaman is a fictitious person? **(8 marks)**
- (B) The Board of Directors of M/s Reckless Investments Ltd. have allotted shares to the investors of the company without issuing a prospectus with the Registrar of Companies, Mumbai. Explain the remedies available to the investors in this regard. **(4 marks)**
- (C) ADJ Company Limited decides to buy-back its own shares. Advise the company's Board of Directors about the sources out of which the company can buy-back its own shares. What conditions are attached to the buy-back scheme of the company in accordance with the provisions of the Companies Act, 2013? Whether there is any time limit for the completion of buy-back of its shares? Explain. **(4 Marks)**

Question 4

- (A) What do you mean by an acceptance of a negotiable instrument? Examine validity of the following in the light of the provisions of the Negotiable Instruments Act, 1881:
- (i) An oral acceptance
- (ii) An acceptance by mere signature without writing the word "accepted".? **(6 marks)**

(B) Pick out the correct answer from the following and give reasons:

(i) Contracts entered into by a company after its incorporation and before it is entitled to commence business are called:

1. provisional contracts
2. pre-incorporation contracts
3. both 1 and 2
4. None of the above.

(ii) The underwriting commission on shares must not exceed:

1. 2.0 percent of the issued price of shares
2. 2.5 percent of the issued price of shares
3. 5.0. percent of the issued price of shares
4. 5.5 percent of the issued price of shares.

(iii) Which one of the following required ordinary resolution?

1. to change the name of the company
2. to alter the articles of association
3. to reduce the share capital
4. to declare dividends. **(6 marks)**

(C) What are the conditions to be fulfilled for minor to become a member of a Company, as per the Companies Act,2013. **(4 marks)**

Question 5

(A) Explain the rule of exceptional construction? **(6 marks)**

(B) Xavier purchased 1000 equity shares of Anonymous ltd. from Yuang. Though the amount of transaction was paid to the seller, the transferee name is not appearing in the list of members. Subsequently, the company declared dividend. Referring to the provisions of the Companies Act, 2013 state to whom the company will be paying the dividend. **(4 Marks)**

(C) The last General Meeting was conducted by the Chairman on 12th August, 2015. Thereafter, on 19th August, 2015, the Chairman died, before the minutes of the said meeting could be signed. In such an eventuality, how are the minutes book to be dated and signed? Discuss in terms of the provisions of the Companies Act, 2013. **(6 Marks)**

Question 6

(A) define the following terms under general clauses act, 1897: **(8 marks)**

- (i) chief controlling revenue authority
- (ii) provincial government
- (iii) will
- (iv) son

(B) Explain briefly the provisions relating to modification and satisfaction of charges. **(8 marks)**

Question 7

(A) (i) "Masculine includes Feminine, and Singular includes plural". Do you agree?
(ii) explain the concept of pro-rata duty?

(4 marks)

(B) Can an annual general meeting be held on 26th January 2016? Explain. **(6 marks)**

(C) R ltd wants to shift its registered office from Gujarat to Maharashtra. Explain the steps to be taken by a company for transfer of its registered office from one State to another? **(6 marks)**
