

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600 086.
(For candidates admitted during the academic year 2008-2009 & thereafter)
SUBJECT CODE : CM/MC/CL54
B.Com. DEGREE EXAMINATION NOVEMBER 2012
COMMERCE
FIFTH SEMESTER

COURSE : MAJOR – CORE
PAPER : COMPANY LAW
TIME : 3 HOURS **MAX. MARKS : 100**

SECTION – A

ANSWER ALL QUESTIONS: (30 x 1 = 30)

Fill in the Blanks:

1. Solomon vs. Solomon case gives an example of ----- company.
2. A company comes into existence only by the issue of -----.
3. Memorandum of an unlimited company must be in accordance with Table-----.
4. Typographical and clerical mistakes found in the Articles have to be changed only by passing ----- Resolution.
5. A Prospectus is used by a ----- company.
6. The main purpose of convening a Statutory Meeting is for approving-----.
7. A Director who has absent himself without leave is deemed to -----.
8. A Managing Director can be appointed for a period of ----- years at a time.
9. Provisional Liquidator is appointed after receiving-----.
10. A defunct company is one -----.

State whether the following statements are TRUE or FALSE:

11. A Holding company has always a permanent control over its Subsidiary.
12. Certificate of Incorporation signifies the legal personality of a Company.
13. Articles can be amended by the Board of Directors.
14. Postponement and adjournment of the meeting are one and the same.
15. A proxy can demand for a poll.
16. Directors are always appointed in a General Body Meeting.
17. An alternative Director can be terminated by the Central Government.
18. During compulsory winding up the powers of the Board cease.
19. The debts due to secured creditors supersede the claim of the Government dues.
20. A company has to be wound up only when it is insolvent.

Choose the correct answer:

21. A Government company is one in which 51% or more of the paid up share capital is held by:
(a) Central Government alone (b) State Government alone (c) Central and State Government jointly and (d) any of the above.
22. The procedure for changing the name of a company when it is identical with the name of an existing company is by passing:
(a) Ordinary resolution and obtaining approval of Central Government
(b) Special resolution and obtaining approval of Company Law Board
23. Can a subscriber to a Memorandum of Association withdraw his name there from?
(a) Yes, before the Memorandum is actually registered
(b) No, because if it is allowed, the registration of company would never be possible

24. A Prospectus is required to be issued to the public within:
 (a) 30 days after the copy of the prospectus is filed with the Registrar
 (b) 60 days after the copy of the prospectus is filed with the Registrar
 (c) 90 days after the copy of the prospectus is filed with the Registrar
25. Is there any criminal liability for untrue statements in a prospectus?
 (a) Yes, punishment up to 2 years or fine up to Rs. 5,000 or both
 (b) No, as such an untrue statement does not amount to offence under any Law
26. What is the overall maximum managerial remuneration that can be paid by a Public company in respect of a financial year?
 (a) 9% of Net Profits. (b) 10% of Net Profits and (c) 11% of Net Profits
27. A director appointed to fill up a casual vacancy will hold office:
 (a) For 5 years from the date of appointment
 (b) For 3 years from the date of appointment
 (c) Up to the date which the person in whose place he is appointed would have held the office
28. Can the Annual General Meeting (AGM) be held on a day which has been declared as a public holiday by the Central Government?
 (a) Yes, but only if the notice of AGM has been issued prior to the declaration of the holiday
 (b) No, as the AGM cannot be held on a public holiday
29. An ordinary resolution is one which is passed by:
 (a) Simple majority of votes cast either personally or by proxy.
 (b) Simple majority of vote cast personally (c) one-third of the total votes.
30. In case of compulsory winding up, the Official Liquidator is appointed by:
 (a) Company Law Board (b) Central Govt. (c) Court and (d) Board of Directors

SECTION – B

ANSWER ANY FIVE QUESTIONS:

(5 x 6 = 30)

31. Define Body Corporate. State its features.
32. What are the privileges and exemptions enjoyed by a Private Company?
33. What is Doctrine of Indoor Management? State the exceptions to it.
34. Briefly explain the duties of a Director.
35. State the circumstances in which an extra-ordinary meeting can be called on requisition.
36. Explain the provisions of Companies Act with regard to Proxies.
37. State the content of the name clause in the Memorandum of Association. How can it be altered?

SECTION – C

ANSWER ANY TWO QUESTIONS:

(2 x 20 = 40)

38. Explain clearly the meaning of 'Lifting of Corporate Veil'. In what circumstances can Veil of the corporate personality be lifted?
39. Discuss the liabilities for mis-statement in a prospectus.
40. "Every meeting, in order to be valid, must be duly convened, properly constituted and conducted." Elucidate.
41. What is winding up? State the various modes of winding up?

