

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 2011
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. Formation of a Public Company requires minimum of ----- members.
2. Corporate Veil ensures -----, ----- to the Company.
3. An example of licensed Company is -----.
4. An AGM and a statutory meeting are ----- meeting.
5. Alteration of Memorandum requires mostly ----- resolution.
6. Prospectus need not be issued in case of ----- of shares.
7. The main purpose of convening a Statutory Meeting is for approving -----.
8. An ----- director is not counted for quorum.
9. A company shall have ----- number of directors out of its total numbers as retiring directors by rotation.
10. When there is a deadlock among directors affecting the function of the board of the company could be winding up on the ground of -----.

State whether the following statements are TRUE or FALSE:

11. A company can file a writ petition in the High Court as a citizen of this nation.
12. Certificate of Incorporation signifies the legal personality of the company.
13. A public company can be converted into a private company.
14. Object clause need not be amended for bifurcating the existing business.
15. Criminal liability for untrue statement in a prospectus leads to a punishment up to 5 years or fine up to Rs. 50000 or both.
16. A board meeting need not be held frequently in a year.
17. A proxy can demand for a poll.
18. The Memorandum of association is the charter of a company.
19. On the passing of winding up order the company stands dissolved.
20. The court during winding up proceedings has power to make the unpaid call money.

Choose the correct answer:

21. The quorum needed for a general meeting of a public is
(a) 2 members (b) 5 members personally present (c) 7 members personally present
22. Which of the following is not the characteristic of a company?
(a) It has separate legal entity
(b) it has perpetual succession
(c) its shares are not transferable.
23. A private company is deemed to be public company under Sec 43A of the Companies Act when its annual turnover is:
(a) Rs. 5 Crores (b) Rs. 10 Crores (c) Rs. 20 Crores (d) Rs. 25 Crores
24. 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
25. 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.
26. The first Annual General Meeting of the company must be held within:
(a) 6 months of incorporation
(b) 6 month from the date at which the company is entitled to start business
(c) 18 months of incorporation.
27. 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.
28. What is proportion of total directors that can be given permanent appointment in the company?
(a) 2/3 (b) 1/3 (c) 1/4 (d) 1/6
29. In case of members' voluntary winding up the liquidator for conducting the winding up proceedings is approved by:
(a) Central Government
(b) Company at its General meeting.
(c) Company Law Board.
30. After the passing of winding up order, the suits or other legal proceedings pending against the company:
(a) Become Void
(b) can be continued with the leave of the Registrar of Companies
(c) can be continued with the leave of Tribunal.

SECTION – B

ANSWER ANY FIVE QUESTIONS:

(5 x 6 = 30)

- 31. Explain and illustrate the characteristics of a company.
- 32. Define the term ‘Promoter’. State the functions and obligations of the promoter.
- 33. What is ‘Doctrine of Indoor Management’? State the exceptions to it.
- 34. Discuss the Investor’s right to rescind the contract for a mis-statement in the prospectus.
- 35. State the circumstances under which an extra-ordinary meeting be called on requisition.
- 36. Discuss the duties of a director.
- 37. State the differences between ‘members voluntary winding up ‘and ‘creditors’ voluntary winding up’.

SECTION – C

ANSWER ANY TWO QUESTIONS:

(2 x 20 = 40)

- 38. The doctrine of ultra vires is an illusory protection to the shareholders and a pitfall for third parties”. Comment.
- 39. Discuss special resolutions and ordinary resolutions of a company registered under the Companies Act.
- 40. Who is a Managing Director/ discuss the provisions of Companies Act relating to appointment, disqualification of a Managing Director.
- 41. Discuss the circumstances under which a company can be wound up by the court.

