

Total No. of Questions: 6

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Enrollment No.....



Faculty of Commerce
End Sem (Even) Examination May-2022
CM3CO04 Corporate Laws
Programme: B.Com. (Hons.) Branch/Specialisation: Commerce

Duration: 3 Hrs.

Maximum Marks: 60

Note: All questions are compulsory. Internal choices, if any, are indicated. Answers of Q.1 (MCQs) should be written in full instead of only a, b, c or d.

- Q.1 i. Minimum number of members in case of private company is: **1**
(a) 1 (b) 2
(c) 3 (d) 4
- ii. A company is named as govt. company if it holds _____% of **1**
paid-up share capital.
(a) More than 30 (b) More than 40
(c) More than 50 (d) None of these
- iii. Generally, rights and obligations of the company are regulated in- **1**
(a) A.O. A (b) M.O.A
(c) Partnership deed (d) None of these
- iv. Articles of Association are for the- **1**
(a) External Affairs of the Company
(b) Internal Affairs of the Company
(c) Both (a) and (b)
(d) None of these
- v. Transfer of shares in case of private company is- **1**
(a) Prohibited (b) Restricted
(c) Freely transferable (d) None of these
- vi. Equity shares cannot be issued for the purpose of- **1**
(a) Cash Receipts
(b) Purchase of assets
(c) Redemption of debentures
(d) Distribution of dividend

P.T.O.

[2]

vii.	What is a 'quorum?'	1
	(a) The minimum number of 'qualifying persons' required in order to validly conduct business.	
	(b) A meeting that lacks a chairman.	
	(c) The maximum number of persons who may attend a meeting.	
	(d) A meeting that is invalid because sufficient notice has not been provided.	
viii.	What is a 'proxy?'	1
	(a) A person appointed, on behalf of a member, to attend, speak and/or vote at a general meeting on the member's behalf.	
	(b) A member who appoints another person to attend, speak and vote at a general meeting on his behalf.	
	(c) A member who has agreed not to use the votes attached to his shares.	
	(d) A director of a company who owns shares in that company.	
ix.	If the company failed to comply with the order of NCLT they will be punishable with fine and imprisonment up to-	1
	(a) 2 years (b) 3 years (c) 4 years (d) None of these	
x.	Petition for Compulsory winding up of a company can be filed by-	1
	(a) The company	
	(b) Creditors and also by contributories	
	(c) The Registrar	
	(d) All of these	
Q.2	i. Write the meaning & definition of a company.	2
	ii. Explain any three characteristics of a company.	3
	iii. Explain the types of companies on the basis of incorporation and on the basis of liability.	5
OR	iv. Explain the procedure for formation of a company.	5
Q.3	i. Write a short note on the following:	2
	(a) Place Clause (b) Capital Clause	
	ii. What is a statement in lieu of prospectus? What are the consequences/penalty for misstatement in, or not filing of, statement in lieu of prospectus?	8

[3]

OR	iii.	Difference between Memorandum of association and articles of association.	8
Q.4	i.	Write brief note on the appointment and removal of director.	4
	ii.	What do you mean by debentures? Explain its features & types.	6
OR	iii.	Write difference between shares and debentures.	6
Q.5	i.	Write the meaning of quorum and proxy.	4
	ii.	Write difference between extraordinary general meeting and annual general meeting.	6
OR	iii.	What are the requisites of a valid meeting?	6
Q.6		Attempt any two:	
	i.	Explain the procedure and modes of winding up of a company.	5
	ii.	What are the function of NCLT and NCLAT?	5
	iii.	Write a short note on the following:	5
		(a) Compulsory winding up (b) Voluntary winding up	

Marking Scheme

CM3CO04 Corporate Laws

Q.1	i.	Minimum number of members in case of private company is:	1
		(b) 2	
	ii.	A company is named as govt. company if it holds _____% of paid-up share capital.	1
		(c) More than 50	
	iii.	Generally, rights and obligations of the company are regulated in-	1
		(b) M.O.A	
	iv.	Articles of Association are for the-	1
		(b) Internal Affairs of the Company	
	v.	Transfer of shares in case of private company is-	1
		(b) Restricted	
	vi.	Equity shares cannot be issued for the purpose of-	1
		(d) Distribution of dividend	
	vii.	What is a 'quorum?'	1
		(a) The minimum number of 'qualifying persons' required in order to validly conduct business.	
	viii.	What is a 'proxy?'	1
		(a) A person appointed, on behalf of a member, to attend, speak and/or vote at a general meeting on the member's behalf.	
	ix.	If the company failed to comply with the order of NCLT they will be punishable with fine and imprisonment up to-	1
		(b) 3 years	
	x.	Petition for Compulsory winding up of a company can be filed by-	1
		(a) The company	

Q.2	i.	Meaning	1 mark	2
		Definition	1 mark	
	ii.	Any three characteristics	(1 mark * 3)	3
	iii.	On the basis of incorporation	2.5 marks	5
		On the basis of liability	2.5 marks	
OR	iv.	Procedure for formation of a company	5 marks	5
Q.3	i.	(a) Place Clause	1 mark	2
		(b) Capital Clause	1 mark	

	ii.	Statement in lieu of prospects	2 marks	8
		Any three consequences	(2 marks * 3)	
OR	iii.	Any four difference	(2 marks * 4)	8
Q.4	i.	Appointment of director	2 marks	4
		Removal of director	2 marks	
	ii.	Meaning of Debenture	1 marks	6
		Any five features	(0.5 mark * 5)	
		Any five types	(0.5 mark * 5)	
OR	iii.	Any six difference	(1 mark * 6)	6
Q.5	i.	Meaning of quorum	2 marks	4
		Meaning of proxy	2 marks	
	ii.	Any six difference	(1 mark * 6)	6
OR	iii.	Any six requisite	(1 mark * 6)	6
Q.6		Attempt any two:		
	i.	Procedure of winding up of a company	2.5 marks	5
		Modes of winding up of a company	2.5 marks	
	ii.	Functions of NCLT	2.5 marks	5
		Functions of NCLAT	2.5 marks	
	iii.	(a) Compulsory winding up	2.5 marks	5
		(b) Voluntary winding up	2.5 marks	
