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5 SEM LLB CL 2(N)

2017

(December)

LAW

Paper : 5.2

(Company Law)

Full Marks : 80

Time : Three hours

The figures in the margin indicate full marks for the questions.

Answer the following questions.

1. Define and explain the term Company. What are the advantages of incorporation of a Company ? Explain in brief the different companies known to law and classify them in a proper tabular form. 12

Or

Explain in brief the term Corporate veil. Under what circumstances a corporate veil is ordered to be lifted by the Court ?

5+7=12

2. What is the relation between the doctrine of indoor management and doctrine of constructive notice ? Discuss in detail.

12

Or

Explain in brief the doctrine of *ultra vires* in relation to Companies. What are the liabilities of a Company and its agents for *ultra vires* acts ?

6+6=12

3. State the basic Concept of Prospectus of a Company. What for is it issued ? Also discuss the liability for untrue statement in a prospectus.

4+3+5=12

Or

What is meant by 'debenture' ? Enumerate its main features. Also state the various kinds of debentures.

12

4. Who is a Managing Director ? How does he differ from a wholetime director or a manager ? What are the restrictions on the appointment of a Managing Director in a Public Company ?

3+4+5=12

Or

What do you mean by Meeting of a Company? Explain the various kinds of meetings. Also explain the requisites of a valid meeting. 12

5. What is Winding up of a Company? What are the various modes of winding up? Distinguish them from one another. 12

Or

Write notes on the following:

4+4+4=12

- (a) Appointment of an official liquidator of a Company.
 - (b) Position of official liquidator.
 - (c) Importance of official liquidator of a Company.
6. Write in brief on the following : 2×5=10
- (i) Nature of the Company.
 - (ii) Pre-Incorporation Contract.
 - (iii) Distinguish between Share and Share warrant.
 - (iv) Extraordinary General Meeting of a Company.
 - (v) Prevention of Oppression and Mismanagement.

7. Choose the correct answer : $1 \times 10 = 10$

(i) Which of the following is the advantage of the Corporate Personality ?

- (a) Corporation is not a citizen
- (b) Perpetual Succession
- (c) Formation Expensive
- (d) Exploitation of the Persons in minority.

(ii) The aggregate of fully paid up shares legally consolidated and divided for the purpose of convenient holding into different parts is known as —

- (a) Dividend
- (b) Stock
- (c) Share certificate
- (d) Share warrant.

(iii) Which of the following meetings is the first meeting of the company ?

- (a) Annual General Meeting
- (b) Statutory Meeting
- (c) Extraordinary General Meeting
- (d) Class meeting.

(iv) Quorum is determined by —

- (a) Articles of associations
- (b) Memorandum of associations
- (c) Promoters
- (d) Shareholders.

(v) The share of profit which is given to each member of the Company is known as —

- (a) Commission
- (b) Interest
- (c) Dividend
- (d) Profit.

(vi) If the shareholders feel that they are oppressed, before whom they have to move their application?

- (a) The Central Government
- (b) The Company Law Board
- (c) The Auditor
- (d) The Promoter.

(vii) Who may move petition for the winding up of the company ?

- (a) The Promoter
- (b) The Secretary
- (c) The Registrar
- (d) The State Government.

(viii) The articles of association deals with—

- (a) Share Capital and Variation of rights
- (b) Appointment of Manager or secretary
- (c) Board of Directors, their remuneration and powers
- (d) All of the above.

(ix) What would you call a person who sets the machinery of law in motion for setting and starting a Company ?

- (a) Director
- (b) Promoter
- (c) Secretary
- (d) Shareholder.

(x) If share is of the kind that the unpaid dividend lapses, such share would be known as —

(a) Cumulative Preference Share

(b) Non-Cumulative Preference Share

(c) Participating Preference Share

(d) Non-Participating Preference Share.