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## UNIVERSITY OF PETROLEUM AND ENERGY STUDIES

End Semester Examination, December 2017

Program: B.Com., LL.B. (Hons.) Taxation Laws

Semester : V

Subject (Course): Company Law I

Max. Marks : 100

Course Code: LLBL 421

Duration : 3 Hrs

No. of page/s: 02

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### Section A

(10×01=10 marks)

All questions are mandatory

#### Answer True/ False:

1. A firm can be appointed as a director in a company.
2. One person cannot form a quorum under any circumstances.
3. A public company can issue shares without issuing a prospectus.
4. Stock can be issued directly to the company.
5. The shares of a private company are not freely transferable.

#### Fill in the blanks:

6. No director shall hold office at the same time in more than \_\_\_\_\_ companies.
7. Declaration of dividend is an item of \_\_\_\_\_ business.
8. A company held its last Annual General Meeting on October 31, 2017. The next Annual General Meeting must be held before \_\_\_\_\_.
9. The \_\_\_\_\_ capital refers to the subscribed capital less the calls in arrears.
10. A director who pays damages for a misleading prospectus can claim contribution from \_\_\_\_\_.

### Section B

(04×05=20 marks)

Answer any four

11. Whether company is a citizen from the perspective of the Constitution of India?
12. Write a note on Doctrine of Indoor Management.
13. Write a note on Shelf Prospectus.
14. Write a note on bonus shares.
15. Write a note on disqualifications of director.

### Section C

(02×10=20 marks)

Answer any two

16. "Every meeting, in order to be valid must be duly convened, properly constituted and conducted". Comment.
17. Write a note on Related Party Transactions.
18. Write a note on reduction of capital.

**Section D**  
**All questions are mandatory**

**(04×12.5=50 marks)**

19. After receiving 80% of the minimum subscription, a company allotted 100 equity shares to Rajan, the company deposited the said amount in the bank but withdrew 50% of the amount, before finalization of all the allotment, for the purpose of buying certain assets. Rajan refuses to accept the allotment of shares on the ground that the allotment violates of the provisions of the Companies Act, 2013. Comment.
20. A public limited company has 10 directors as under:
- |  |    |
|--|----|
| Non-retiring director                  | 02 |
| Directors liable to retire by rotation | 04 |
| Additional directors                   | 04 |
- Explain the number of directors liable to retire by rotation at the Annual General Meeting and the total number of directors who shall vacate the office at the next AGM.
21. Masons (Pvt.) Ltd. is a private limited company as per the articles of association of the company. However, a public company acquired shares in Masons (Pvt.) Ltd. thereby making the company, Masons (Pvt.) Ltd., a subsidiary of that public company. State the impact of such acquisition of shares by a public company on Masons (Pvt.) Ltd.
22. Huff & Puff Ltd. has its registered office at Shillong. At an Extraordinary General Meeting, the company passed a special resolution and resolved to shift its registered office to Delhi as majority members are from Delhi. Advise the company on shifting its registered office from Shillong to Delhi.

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All questions are mandatory

**Answer True/ False:**

1. A person can be appointed as a Managing Director in not more than five companies.
2. An Annual General Meeting must be held on a working day, during the business hours and at the registered office only.
3. A company may alter its share capital by passing a special resolution.
4. Redemption of preference shares amounts to reduction of capital.
5. Foreign companies are incorporated in India.

**Fill in the blanks:**

6. Small shareholders director is appointed by \_\_\_\_\_.
7. One person can form a quorum in \_\_\_\_\_ meeting.
8. A body corporate excludes \_\_\_\_\_.
9. A company can change its name voluntarily by passing \_\_\_\_\_ resolution.
10. The amount of underwriting commission shall not exceed \_\_\_\_\_ of the issue price of shares.

**Section B****(04×05=20 marks)****Write short notes on the following (any four):**

11. Registration of a company.
12. Deemed Prospectus.
13. Issue of securities at premium.
14. Alternate Directors.
15. Dividends.

**Section C****(02×10=20 marks)****Answer any two:**

16. What is an extra-ordinary general meeting? When and by whom the meeting may be called and convened?
17. Write a note on powers of Board of Directors.
18. Write a note on buy-back of shares.

**Section D**  
**All questions are mandatory**

**(04×12.5=50 marks)**

19. At a meeting of the two directors of a private company, one director refuses, but, the other agrees, to approve a duly completed form of transfer of shares in the company from an existing shareholder to a third person. Explain the legal position of the proposed transferee of the shares.
20. Ashley, a director of Breeza Ltd., dies in an air crash. It has been decided to appoint Alisha in his place. Will the company be required to call extraordinary general meeting to approve the latter's appointment as a director? When appointed, how long would Alisha remain in office?
21. Zodiac Pvt. Ltd. had 5,00,000 equity shares of ten rupees each fully paid as on Sep 01, 2017. Two shareholders holding 1,50,000 equity shares each sold their shares to Raymond Ltd. and the Board of Directors approved the same on Sep 05, 2017. Explain the implications of the said transfer.
22. Board of directors of Bright Ltd. decides to change the name of the company to Shine Ltd. Certain members of the company object to the Board's decision to change the name of the company on the ground that the change will affect their rights. Examining the provisions of the Companies Act, 2013, explain:
  - a. The implications of change in name.
  - b. Whether the objection of the members be tenable?