



BRAINWARE UNIVERSITY

Term End Examination 2024-2025

Programme – B.Com.(AFB)-Hons-2022

Course Name – Corporate & Banking Laws

Course Code - BCMC502

(Semester V)

Library
Brainware University
398, Ramkrishnapur Road, Barasat
Kolkata, West Bengal-700125

Full Marks : 60

Time : 2:30 Hours

[The figure in the margin indicates full marks. Candidates are required to give their answers in their own words as far as practicable.]

Group-A

(Multiple Choice Type Question)

1 x 15=15

1. Choose the correct alternative from the following :

(i) Identify the meaning of perpetual succession in a company.

- | | |
|---|--|
| a) The company can be dissolved at any time | b) The company continues to exist even if its members change |
| c) The company cannot be sued | d) The company can operate in perpetuity only if members agree |

(ii) Identify the stakeholders who are being benefitted by the concept of limited liabilities.

- | | |
|-------------------------------|----------------------------|
| a) The company's creditors | b) The company's employees |
| c) The company's shareholders | d) The government |

(iii) Identify the type of company where shares are freely transferable.

- | | |
|----------------------------|---------------------------|
| a) Private limited company | b) Public limited company |
| c) Partnership | d) Sole proprietorship |

(iv) Identify the minimum number of shareholders that are required to form a public limited company.

- | | |
|------|-------|
| a) 1 | b) 2 |
| c) 7 | d) 10 |

(v) Identify the meaning of quorum.

- | | |
|--|---|
| a) The majority vote required to pass a resolution | b) The minimum number of shareholders or directors needed to hold a valid meeting |
| c) The list of attendees at the meeting | d) The time at which the meeting is adjourned |

(vi) Identify the characteristic of a Public Limited Company (PLC).

- | | |
|--------------------------------------|---|
| a) It can offer shares to the public | b) It is exempt from paying taxes |
| c) It has unlimited liability | d) It does not require a board of directors |

(vii) Select the meaning of Holding Company.

- a) Company operates in multiple countries
- b) Company holds more than 50% of the shares in another company
- c) Company is owned by a government
- d) Company has no employees

(viii) Identify the key characteristic of a statutory company.

- a) It is registered under the Companies Act
- b) It is formed for non-profit purposes only
- c) It is created and governed by a specific statute or legislative act
- d) It cannot borrow money or raise funds

(ix) Identify the individuals who are responsible for the promotion of a company.

- a) Directors
- b) Promoters
- c) Creditors
- d) Shareholders

(x) Select the document that is typically prepared by promoters to outline the company's objectives and structure.

- a) Articles of Association
- b) Memorandum of Association
- c) Business Plan
- d) Shareholders' Agreement

(xi) Identify the minimum number of subscribers that are required for a prospectus to be valid in case of a public issue.

- a) 5
- b) 50
- c) 200
- d) There is no specific requirement

(xii) Identify the civil liability in case of any misstatement in the prospectus of a company.

- a) Compensation
- b) Liability for non-compliance
- c) Damages for Deceit as Fraud
- d) All of them

(xiii) Identify the situation when company is required to file a statement in lieu of prospectus.

- a) When it makes a public offer of shares
- b) When it converts from a private company to a public company without issuing a prospectus
- c) When it is a wholly owned subsidiary
- d) When it buys back its shares

(xiv) Select the most common pricing strategy for share warrants.

- a) Above the market price of the underlying shares.
- b) Below the market price of the underlying shares.
- c) At the same price as the market price of the underlying shares.
- d) There is no fixed price.

(xv) Choose the type of director who is elected by the shareholders.

- a) Executive
- b) Non-executive
- c) Independent
- d) Alternate

Group-B

(Short Answer Type Questions)

3 x 5=15

- 2. Explain the concept of hypothecation. (3)
- 3. Write a short note on Prevention of Money Laundering Act. (3)
- 4. Write short note on one person company. (3)
- 5. Explain doctrine of ultra vires. (3)
- 6. Explain the essential elements of meeting of a company. (3)

OR

- Explain the disqualifications of managing director in a company. (3)

Group-C

(Long Answer Type Questions)

5 x 6=30

7. Justify the statutory duties of directors. (5)
8. Summarize the various disqualifications of director in a company. (5)
9. Illustrate the various objectives of corporate governance. (5)
10. Identify the difference between limited liability partnership and company. (5)
11. Discuss the various contents of the memorandum of association. (5)
12. Explain the concept of share certificate. (5)

OR

Explain the concept of minimum subscription. (5)
