



**BRAINWARE UNIVERSITY**  
**Term End Examination 2020 - 21**  
**Programme – Master of Law**

**Course Name – Law of Corporate Management & Governance**

**Course Code - LLM301A**

**Semester / Year - Semester III**

Time allotted : 75 Minutes

Full Marks : 60

[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 60=60

1. *(Answer any Sixty )*

(i) The term company is defined under which section of the Companies Act, 2013?

- |                   |                  |
|-------------------|------------------|
| a) Section 2 (20) | b) Section 4 (2) |
| c) Section 2 (4)  | d) Section 1 (3) |

(ii) Property of the company belongs to

- |            |                  |
|------------|------------------|
| a) Company | b) Share holders |
| c) Members | d) Promoters     |

(iii) Minimum subscription should be received within ..... Days.

- |        |        |
|--------|--------|
| a) 120 | b) 125 |
| c) 130 | d) 135 |

(iv) Minimum paid up share capital in case of a public company is

- |            |            |
|------------|------------|
| a) 1 lakh  | b) 3 lakhs |
| c) 5 lakhs | d) 7 lakhs |

(v) Minimum no. director in case of a private company is

- |      |      |
|------|------|
| a) 1 | b) 2 |
| c) 3 | d) 4 |

(vi) Age limit for directors in case of private company is

- a) 65
- b) 70
- c) 75
- d) No limit

(vii) The liability of members if company is limited by shares

- a) Unpaid value of shares
- b) Guarantee amount
- c) Unlimited liability
- d) None of these

(viii) Generally company liability is

- a) Limited
- b) Unlimited
- c) Situation does not arise
- d) None of these

(ix) Which statements are correct- Directors are- i.Trustees of Company  
ii.Managers of Company iii.Agents of Company iv.Owners of Company

- a) i. and ii. are correct
- b) ii. and iii. are correct
- c) iii. and iv. are correct
- d) i. and iii. are correct

(x) The National Company Law Tribunal shall consists of President and –

- a) Judicial Members only
- b) Technical members only
- c) Both Judicial and Technical members
- d) None of these

(xi) The Appellant Tribunal shall consists of members not exceeding –

- a) Ten
- b) Eleven
- c) Twelve
- d) Fifteen

(xii) What is regarded as the charter of a company?

- a) Memorandum
- b) Articles
- c) Both Memorandum and Articles
- d) None of these

(xiii) Pre-incorporation contract is also known as-

- a) Provisional
- b) Preliminary

c) Illegal

d) Legal

(xiv) Address of the Registered Office is situated in?

a) MOA

b) AOA

c) Prospectus

d) None of these

(xv) Duplicate certificate obtained if original certificate is lost in case of:

a) Share Certificate

b) Share Warrant

c) Dividend Warrant

d) None of these

(xvi) Company must pass.....for reducing its share capital

a) Ordinary Resolution

b) Special Resolution

c) Central Government permission

d) None of these

(xvii) Forfeiture of share can be made only if it is authorized by:

a) AOA

b) MOA

c) ROC

d) CG

(xviii) Doctrine of ultra vires is associated with:

a) Name Clause

b) Object Clause

c) Capital Clause

d) Liability Clause

(xix) How many persons are needed to form a public company?

a) 10 or more

b) 5 or more

c) 7 or more

d) 2 or more

(xx) The dividend on preference capital is paid

a) whenever there are profits

b) when there is loss

c) even if there are no profits

d) after dividend is paid to equity shares

(xxi) The name of a company can be changed by

- a) an ordinary resolution
- b) a special resolution
- c) the approval of the union government
- d) a special resolution and with the approval of the central government

(xxii) A change in a company's registered office from one state to another may be effected by

- a) an ordinary resolution
- b) a resolution of the board of directors
- c) a special resolution
- d) a special resolution and confirmation from the company law board

(xxiii) When is a company said to have been registered?

- a) When it files the memorandum of association with the registrar of companies.
- b) When it gets the certificate of incorporation
- c) When it gets the certificate of commencement of business
- d) When it actually starts its business

(xxiv) The \_\_\_\_\_ defines the scope of a company's activities.

- a) prospectus
- b) statutory declaration
- c) memorandum of association
- d) articles of association

(xxv) Which of the following companies must file a statement in lieu of prospectus?

- a) A private limited company .
- b) A cooperative society .
- c) A company that has issued a prospectus .
- d) A public company that has not issued a prospectus .

(xxvi) The rules and regulations for the internal management of a company are contained in its \_\_\_\_.

- a) prospectus .
- b) annual report .
- c) memorandum of association .
- d) articles of association .

(xxvii) Where the registered office of a company is changed from one state to another a certified copy of the order of the company Law Board confirming the alteration must be filed by the company with

- a) the Registrar of the state in which the company was originally located.
- b) the Registrar of the state in which the registered office is shifted.
- c) the Registrars of both the states
- d) the central Government.

(xxviii) How many types of preference shares are there

- a) 8
- b) 7
- c) 6
- d) 5

(xxix) The most common method used for marketing of new securities is

- \_\_\_\_\_
- a) sale of existing shareholders.
  - b) stock exchange placing.
  - c) direct sale to public through prospectus.
  - d) Sale through underwriters

(xxx) A/an \_\_\_\_\_ may become a director of a company.

- a) partnership firm .
- b) person of unsound mind .
- c) individual
- d) body corporate

(xxxi) The \_\_\_\_\_ constitute the top administrative organ of the company.

- a) general manager .
- b) shareholders.
- c) board of directors .
- d) advisory panel .

(xxxii) Which of the following is beyond the powers of the board of directors ?

- a) To issue debentures .
- b) To make loans .
- c) To remit the payment of any debt due by a director .
- d) to issue prospectus.

(xxxiii) The total managerial remuneration to the directors and the manager in respect of any financial year must not exceed \_\_\_\_\_ percent of the net profit.

- a) 1
- b) 3
- c) 11
- d) 10

(xxxiv) A person cannot act as managing director of more than \_\_\_\_\_ company /companies at a time.

- a) 1
- b) 20
- c) 4
- d) 5

(xxxv) Underwriting means \_\_\_\_\_.

- a) selling shares at a discount
- b) purchasing property at less than market price.
- c) agreeing to purchase shortfall of shares in a company in case of under subscription
- d) offering new shares to outsiders

(xxxvi) Annual General Meeting can be called by \_\_\_\_\_

- a) Managing director.
- b) shareholders.
- c) board of directors.
- d) company secretary.

(xxxvii) A share certificate is required to be signed by \_\_\_\_\_

- a) company secretary.
- b) two directors
- c) two directors and company secretary.
- d) all directors and company secretary.

(xxxviii) Transmission of shares takes place in the following case \_\_\_\_\_

- a) sale of shares
- b) theft of shares
- c) operation of any law
- d) all of these

(xxxix) Quorum for the Board of Directors meeting should be:

- a) 1/3 or three whichever is higher
- b) 1/2 or three whichever is higher
- c) 1/2 or two whichever is higher
- d) 1/3 or two whichever is higher

(xl) DIN represents

- a) Directory Identification Number
- b) Director Identification Number
- c) Doctor Identification Number
- d) Direct Identification Number

(xli) A prospectus is to be issued within \_\_\_\_\_ days of registration.

- a) 30
- b) 60
- c) 90
- d) 180

(xlii) All monies received with the application of shares are to be deposited \_\_\_\_\_.

- a) with the controller of capital issues .
- b) in the company's bank account
- c) in a special account opened in a scheduled bank for the purpose
- d) with the registrar of companies

(xliii) A share certificate once issued by the company binds it in two ways ,namely by estoppel as to title and -----

- a) by estoppel as to payment.
- b) by estoppel as to profit.
- c) by estoppel as to dividend.
- d) none

(xliv) Share capital of a company means \_\_\_\_\_

- a) equity share capital .
- b) preference share capital
- c) equity and preference share capital
- d) equity and preference share capital and debentures

(xlv) A shareholder in a company \_\_\_\_\_

- a) can be its debentureholder
- b) cannot be its debentureholder
- c) alone can become its debentureholder
- d) must also become its debentureholder within a year of being a shareholder.

(xlvi) Share premium received by issuing shares can be used for \_\_\_\_\_

- a) payment of dividend
- b) issue of bonus share.
- c) remuneration to management
- d) any business purpose

(xlvii) Prospectus is required to be issued when right issue are made

- a) yes
- b) no
- c) sometimes it is necessary
- d) None of these

(xlviii) Notice of statutory meeting should be attested by at least.

- a) 3 directors
- b) 2 directors
- c) 4 directors
- d) None of these

(xlix) Remuneration of the auditor is fixed by:

- a) General meeting
- b) Board of directors
- c) CMD
- d) Central Government

(l) \_\_\_\_\_ is the official recording of the proceedings of a meeting

- a) Quorum
- b) Minutes
- c) Both Quorum and Minutes
- d) None of these

(li) Proxy need not be a \_\_\_\_\_ of the company

- a) Shareholders
- b) Members
- c) Both Shareholders and Members
- d) None of these

(lii) The resolution passed at AGM are \_\_\_\_\_.

- a) Valid
- b) Void
- c) Voidable
- d) Void ab-initio

(liii) The person to whom the rights and duties are endorsed regarding transfer of shares is called:

- a) Transferee
- b) Transferor
- c) Endorser
- d) Endorser

(liv) Information Memorandum + Shelf Prospectus together constitutes:

- a) Memorandum
- b) Articles



c) Prospectus

d) None of these

(lv) A person ceases to be a company's member when \_\_\_\_\_

a) he loses his share certificate .

b) he becomes insolvent

c) his share certificate is converted into a share warrant

d) his shares are forfeited for nonpayment of call monies

(lvi) Punishment for fraud is given in

a) Section 447

b) Section 448

c) Section 449

d) Section 450

(lvii) Punishment where no specific penalty or punishment is provided is given in

a) Section 447

b) Section 448

c) Section 449

d) Section 450

(lviii) Which of the following are characteristics of a company ?

a) It has unlimited liability.

b) It exists only in contemplation of law

c) It has not a perpetual succession

d) It comes to an end on the death of all its members.

(lix) Formation of CSR committee is must for the companies having net worth of rupees

a) Three hundred crore

b) Five hundred crore

c) Two hundred crore

d) Seven hundred crore

(lx) The companies shall spend -----percent of net profit against CSR head.

a) 3

b) 7

c) 2

d) 9