



BRAINWARE UNIVERSITY

Term End Examination 2022
Programme – LL.B.-2020/LL.B.-2021
Course Name – Company Law
Course Code - LLB305
(Semester III)

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) XYZ Company is a Government Company and X Co. is a subsidiary of XYZ Co. Determine the character of the X Company.
- | | |
|--------------------|-----------------------|
| a) Private Company | b) Government company |
| c) Public company | d) None of these |
- (ii) Calculate the date of the first annual general meeting from the given information. The date of closing of the first Financial Year is 31st March, 2015.
- | | |
|--------------------------------------|-------------------------------------|
| a) On or before 31st September, 2015 | b) On or before 31st October, 2015 |
| c) On or before 31st November, 2015 | d) On or before 31st December, 2015 |
- (iii) A Ltd. has appointed 15 directors and now wants to appoint one more director. Determine the manner of such addition.
- | | |
|----------------------------|------------------------------|
| a) By a special resolution | b) By an ordinary resolution |
| c) By a board resolution | d) Any one of these |
- (iv) Analyse 'significant influence' in terms of percentage for an associate company.
- | | |
|---------------------------------------|---------------------------------------|
| a) atleast 35% of total share capital | b) atleast 30% of total share capital |
| c) atleast 20% of total share capital | d) atleast 10% of total share capital |
- (v) Categorize the business transacted at Extraordinary General Meeting under the suitable head.
- | | |
|---------------------------|----------------------|
| a) Special business | b) Ordinary business |
| c) Extraordinary business | d) None of these |
- (vi) Identify the one which is not a stage of the development of the company.
- | | |
|---------------|-----------------------------|
| a) Production | b) Incorporation |
| c) Promotion | d) Commencement of business |
- (vii) Recall the name of the document in which the rules and regulations for the internal management of a company are contained.
- | | |
|---------------|------------------------------|
| a) Prospectus | b) Memorandum of Association |
|---------------|------------------------------|

- c) Articles of Association
 (viii) Choose from the following: In which case did the doctrine of Indoor Management evolve?
 a) Salomon vs. Salomon & Co. Ltd
 b) Royal British Bank vs. Turquand
 c) R v. McDonald
 d) Dermatine Co Ltd. v Ashworth
- (ix) Judge the validity of ultra vires loans granted by the company.
 a) Void
 b) Voidable
 c) Valid
 d) None of these
- (x) Define authorised capital of the company.
 a) Total issued capital of the company
 b) Amount stated in the memorandum
 c) Both a and b
 d) Neither a nor b
- (xi) Produce the main dimensions of Insider trading.
 a) Someone connected with a company has access to inside information
 b) Someone buys or sells the company's stock on basis of inside information
 c) Someone uses the inside information for personal gain
 d) All of these
- (xii) Indicate the correct answer: A company filing a shelf prospectus shall be required to file an ____.
 a) Article of Information
 b) Information Memorandum
 c) Information Article
 d) Article of Memorandum
- (xiii) Express another name for pre-incorporation contracts.
 a) Preliminary
 b) Provisional
 c) Illegal
 d) None of these
- (xiv) Associate the liability of members in case of a company limited by shares.
 a) Unlimited liability
 b) Paid value of shares
 c) Unpaid value of shares
 d) Both b and c
- (xv) Illustrate the case in which the principle of corporate veil was ignored by the courts.
 a) Determination of character of the company
 b) For protection of revenue of the Government
 c) For prevention of fraud or improper conduct
 d) All of these

Group-B

(Short Answer Type Questions)

3 x 5=15

2. Discuss the legal position of directors in a company. (3)
3. A company was incorporated on 6th October, 2013. The certificate of incorporation of the company was issued on 15th October, 2013. The company had entered into a contract on 10th October, 2013. The company denied the said liability on the ground that it is not bound by the contract entered into prior to issuing of certificate of incorporation. Apply the relevant provisions/ doctrines to decide on the: a. Contractual liability of the company b. Liability of any other individuals (if any) (3)
4. Develop a line of reasoning for the necessity to address insider trading. (3)
5. Analyze the position of women Directors under the Companies Act, 2013. (3)
6. Produce the general principles as to the allotment of shares. (3)

OR

Compile the provisions to produce a brief on whether a company can purchase its own shares. (3)

Group-C

(Long Answer Type Questions)

5 x 6=30

7. Explain the concept of corporate veil and state the circumstances when it can be lifted. Refer to relevant decided cases and the provisions of the Companies Act, 2013 in this regard (5)
8. Describe share capital. List the kinds of share capital provided under the Companies Act, (5)

2013.

9. Paul applied for 100 shares in a company in a fictitious name. The shares were allotted in that name. Examine if he incurred any liability under the Companies Act. (5)
10. X Limited issues a notice for holding its Annual General Meeting on 5th November 2014. The notice was posted to the members on 14th October 2014. Members alleged that X Limited has not complied with the provisions of law relating to the period of notice and hence the meeting is not valid. a. State the provisions of law relating to the period of notice for an Annual General Meeting and estimate the validity of the meeting by relying on the law. b. Explain whether this notice period can be reduced and the procedure therein. (5)
11. The doctrine of ultra vires is an illusory protection to the shareholders and a pitfall for third parties. Analyse. (5)
12. i. Assess the methods of reconstruction of a company under Section 230 of the Companies Act 2013. ii. Summarize the role of Central government for amalgamation in public interest. (5)

OR

Justify that a promoter stands in a fiduciary relation towards the company through case laws. (5)
