REV-01
BCMR/01/06

2025/11

**SET A**

# BACHELOR OF COMMERCE [HONS WITH RESEARCH]
## SEVENTH SEMESTER
## CORPORATE LAW
## BCMR – 703
## [USE OMR SHEET FOR OBJECTIVE PART]

**Duration: 3 hrs.** **Full Marks: 70**

**Objective**

**Time: 30 mins.** **Marks: 20**

***Choose the correct answer from the following:*** ***1×20=20***

1. The Salomon v. Salomon & Co. Ltd. case primarily established the principle of:
   a. Ultra vires acts
   b. Corporate personality
   c. Restriction on dividend payments
   d. Doctrine of indoor management

2. Which of the following characteristics distinguishes a company from a partnership?
   a. Absence of perpetual succession
   b. Unlimited liability of members
   c. Non-transferability of interests
   d. Separate legal entity

3. The process of "lifting the corporate veil" refers to:
   a. Increasing the transparency of a company's financial statements.
   b. Changing a private company into a public company.
   c. Holding shareholders personally liable by ignoring the company's separate identity.
   d. Altering the Memorandum of Association.

4. 'Small Company' under the Companies Act, 2013, is defined based on all of the following criteria except:
   a. Paid-up share capital.
   b. It is a private company.
   c. Turnover.
   d. The nature of its business activities.

5. The person who undertakes to form a company is known as the:
   a. Director
   b. Promoter
   c. Auditor
   d. Shareholder

6. The Memorandum of Association (MOA) contains:
   a. Internal rules of management
   b. Rules for conducting general meetings
   c. External affairs and objectives of the company
   d. Details of director remuneration

7. A Red Herring Prospectus is issued:
   a. Before the public issue to provide preliminary information
   b. After the issue is fully subscribed
   c. When debentures are being redeemed
   d. When dividends are declared

8. A company can alter its Articles of Association (AOA) by passing:
   a. An Ordinary Resolution
   b. A Unanimous Resolution
   c. A Board Resolution
   d. A Special Resolution

9. The total capital mentioned in the company's Memorandum of Association is called:
   a. Called-up capital
   b. Paid-up capital
   c. Authorized capital
   d. Subscribed capital

10. Preference shares carry:
   a. Only voting rights
   b. Rights identical to equity shareholders
   c. No rights in winding up
   d. Right to fixed dividends and priority in repayment

11. A debenture represents:
   a. Ownership in a company
   b. A statement of dividend rights
   c. A loan or debt acknowledged by the company
   d. Authorization for share issue

12. The process of converting physical share certificates into electronic form is called:
   a. Dematerialization
   b. Transmission
   c. Reconciliation
   d. Endorsement

13. Under the Companies Act, dividend can be paid only out of:
   a. Share premium
   b. Capital reserve
   c. Accumulated profits or current year profits
   d. Loan funds

14. The board of directors must hold meetings at least:
   a. Once a year
   b. Four times a year
   c. Once every five years
   d. Only when requested by shareholders

15. Key Managerial Personnel (KMP) include:
   a. Managing Director, Company Secretary, and CFO
   b. Shareholders and auditors
   c. Creditors and debenture holders
   d. External consultants

16. An Annual General Meeting (AGM) must be held:
   a. Within 6 months from the close of the financial year
   b. Every month
   c. Only for public companies
   d. At the discretion of directors

17. Corporate Social Responsibility (CSR) is mandatory for companies meeting certain criteria under the Companies Act, 2013, and requires spending at least:
   a. 1% of borrowings
   b. 10% of annual turnover
   c. 5% of share capital
   d. 2% of average net profits of the last three years

18. Which of the following is not a mode of winding up a company
    a. Voluntary winding up
    b. Compulsory winding up
    c. Insolvency resolution
    d. Merger by acquisition

19. Under which circumstance can the tribunal order compulsory winding up of a company?
    a. When the company has a surplus profit
    b. When the company declares dividends
    c. When the company is unable to pay its debts
    d. When the company changes its registered office

20. What is the purpose of the Investor Education and Protection Fund?
    a. To finance company registrations
    b. To protect creditors during winding up
    c. To utilize unclaimed dividends and shares for investor protection
    d. To regulate stock market activities

-- --- --

## (Descriptive)

**Time : 2 Hr. 30 Mins.** **Marks : 50**

[ Answer question no.1 & any four (4) from the rest ]

1. Outline the primary objectives and fundamental features of the Companies Act, 2013. 3+7=10

2. Explain the steps in forming a company under the Companies Act, 2013. 10

3. What are the statutory provisions, procedural requirements, and necessary approvals for the reduction of share capital under the Companies Act, 2013? 4+3+3=10

4. a) What are the various types of directors under the Companies Act, 2013? 4+3+3=10
   b) How are the duties and liabilities of directors defined under the Act?

5. a) Elaborate on the legal framework for winding up under the Companies Act, 2013. 6+4=10
   b) Highlighting the distinction between compulsory and voluntary winding up.

6. a) Discuss the statutory requirements for holding an Annual General Meeting. 5+5=10
   b) Distinguish between Board Meeting and Shareholders' Meeting.

7. Name the different types of share capital that a company can issue. Explain the procedure of issuing share capital by a company under the Companies Act, 2013. 3+7=10

8. Write short notes on *(any four)*: 2.5×4=10
   a) Doctrine of ultra vires
   b) Private Company Vs Public Company
   c) National Company Law Tribunal
   d) Transfer and transmission of shares
   e) CSR Committee
   f) Audit Committee

= = *** = =