REV-01
BLB/65/32/37

2025/11

SET B

BA LLB
SEVENTH SEMESTER
COMPANY LAW
BLB - 702

[USE OMR FOR OBJECTIVE PART]

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

Objective

Time: 30 min. **Marks: 20**

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

1. After a winding up order, the Tribunal generally:
   a. Dissolve the company immediately
   b. Appoints a liquidator to manage the process
   c. Continues the company business as usual
   d. Cancels all company contracts immediately

2. One of the main criticisms of the Companies Act provisions on winding up is:
   a. Too much flexibility for shareholders
   b. Delay and lengthy litigation in compulsory winding up
   c. Lack of provisions for voluntary winding up
   d. Excessive power of creditors

3. In addition to grounds for winding up, a petition must include:
   a. Copies of Company's memorandum and articles
   b. The address of the registered office
   c. Proposed liquidator's name
   d. All of the above

4. Which of the following is not a recognized type of winding up under the Companies Act, 2013?
   a. Winding up by the Tribunal
   b. Voluntary winding up
   c. Compulsory winding up by shareholders
   d. Winding up under court supervision

5. How can a person be appointed as a director of a company?
   a. Only by government notification
   b. By the board of directors or shareholders, as per Articles of Association
   c. By being a founder of the Company
   d. By public election

6. Which of the following cannot be used for payment of dividend?
   a. Current year's profit
   b. Profit from previous years
   c. Capital Reserve
   d. Free Reserve

7. The Annual General Meeting of a company must be held within ____ months from the end of the financial year-
   a. 3 months
   b. 6 months
   c. 9 months
   d. 12 months

8. The The term 'Director' defines under Section ____ of the Companies Act, 2013
   a. Section 2(34)
   b. Section 2(35)
   c. Section 2(36)
   d. Section 2(37)

9. What happens if a charge is not registered within the prescribed time?
   a. The charge becomes void against the liquidator and creditors
   b. The company ceases to exist
   c. The Registrar automatically registers it
   d. The Charge is converted into a floating charge

10. A debenture represents-
   a. Ownership in the company
   b. A loan or debt owed by the company
   c. A share in the company's profit
   d. A dividend certificate

11. Which of the following is not a type of share capital-
   a. Equity shares
   b. Preference shares
   c. Debentures
   d. Bonus shares

12. A prospectus is a document issued by a company to-
   a. Invite the public to subscribe for its shares
   b. Declare a dividend to its shareholders
   c. Appoint a new managing director
   d. Reduce its share capital

13. The doctrine of _____ does not apply to acts void ab initio-
   a. Doctrine of ultra-virus
   b. Doctrine of Constructive Notice
   c. Doctrine of Indoor Management
   d. None of them

14. Which of the following is an important stage of the formation of a company?
   a. Discovery of an idea
   b. Incorporation of the company
   c. Drafting and signing of Memorandum of Association and Article of Association and its submission to registration and submission to Registrar of Companies (ROC).
   d. Consent of the person nominated as director to act as director

15. A promoter is a person-
   a. Who has been named as such in a prospectus or is identified by the company in the annual return referred to in Section 92
   b. Who has control over the affairs of the company, directly or indirectly, whether as a shareholder, director or otherwise
   c. In accordance with whose advice, directions or instructions the Board of Directors of the company is accustomed to act
   d. All of the above

16. The term SPICe stands for-
   a. Simulation Program with Integrated Circuit Emphasis
   b. Simplified Proforma for Incorporating Company Electronically
   c. Software Process Improvement and Capability Determination
   d. None of the above

17. Which of the following classifications of companies is based on the liability of members?

a. Companies limited by guarantee
b. Dormant companies
c. Statutory companies
d. Royal chartered companies

18. The Companies Act, 2013, consists of a total-

a. 450 Sections
b. 460 Sections
c. 470 Sections
d. 480 Sections

19. Which one of the following cases is related to the concept of a separate legal entity?

a. Lee v. Lee Air Farming Case
b. Genuineness v. Land Corporation of Ireland
c. Regional Provident Fund Commissioner v. Narayani Udyog
d. V.B. Rangaraj v. V.B. Gopala Krishnan

20. The term 'Company' defines under Section ____ of the Companies Act, 2013

a. Section 2(18)
b. Section 2(19)
c. Section 2(20)
d. Section 2(21)

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Descriptive

Time : 2 hrs. 30 min. **Marks : 50**

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

1. What do you mean by the term Company? Discuss the various stages of involved in the formation of a Company. **2+8=10**

2. Elaborate the different kinds of companies recognized under the Companies Act, 2013 with relevant judicial precedents. **10**

3. What is Article of Associations? Write the features and contents of the Article of Associations. **1+9=10**

4. Answer *any two* of the following: **5+5=10**
   - **a.** Memorandum of Associations
   - **b.** Dcotrine of Constructive Notice
   - **c.** Kinds of Preference Shares
   - **d.** Similarities between Shares and Debentures

5. Explain the significance of a Prospectus in company law, outline its essential contents, and discuss the liabilities arising from false or misleading statements made in a Prospectus. **10**

6. Who are the Directors? Explain the legal procedure and eligibility criteria for the appointment of a person as a Director. Discuss different kinds of Directors. **2+2+6 =10**

7. Define the concept of winding up of a company. Discuss the various legal grounds under which a company may be wound up. **3+7=10**

8. Answer *any two* of the following: **5+5=10**
   - **a.** Kinds of Winding up of a Company
   - **b.** Declaration of Dividend
   - **c.** Kinds of Meetings
   - **d.** Consequences of Winding Up

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