

LLM
FIRST SEMESTER
COMPANU LAW
LLM 1.4 CCL [SPECIAL REPEAT]
[USE OMR SHEET FOR OBJECTIVE PART]

2025/09

**SET
A**

Duration: 3 hrs.

Full Marks: 70

(Objective)

Time: 30 min.

Marks: 20

1X20=20

Choose the correct answer from the following:

1. Which of the following is not a characteristic of a company?
 - a. Perpetual succession
 - b. Limited liability
 - c. Separate legal entity
 - d. Unlimited liability
2. The doctrine of lifting the corporate veil allows courts to:
 - a. Enforce directors' duties
 - b. Ignore separate legal entity of the company
 - c. Restrict transfer of shares
 - d. Protect promoters from liability
3. The Memorandum of Association primarily defines:
 - a. Internal rules of the company
 - b. The scope and objectives of the company
 - c. Rights of directors
 - d. Procedure of winding up
4. The Articles of Association deal with:
 - a. Fundamental objectives of the company
 - b. External relations of the company
 - c. Internal management and regulations of the company
 - d. Liability of shareholders
5. The doctrine of indoor management protects:
 - a. Outsiders dealing with the company
 - b. Directors from personal liability
 - c. Shareholders from transfer restrictions
 - d. Liquidators during winding up
6. Liability for misstatements in a prospectus primarily falls on:
 - a. Shareholders
 - b. Directors, promoters and experts
 - c. Debenture holders
 - d. NCLT
7. Promoters of a company are mainly responsible for:
 - a. Drafting employment contracts
 - b. Formation and incorporation of the company
 - c. Managing shareholders' meetings
 - d. Liquidating company assets
8. Share certificates act as:
 - a. Negotiable instruments
 - b. Evidence of title to shares
 - c. Transfer deed
 - d. Prospectus substitute

9. Which of the following is a restriction on transfer of shares in a private company?
 - a. Free transferability
 - b. Approval of directors
 - c. Court order mandatory
 - d. Compulsory buyback
10. Which of the following is not a right of shareholders?
 - a. Right to vote
 - b. Right to dividends
 - c. Right to alter Memorandum unilaterally
 - d. Right to inspect statutory registers
11. Share capital can be reduced under Companies Act, 2013 with:
 - a. Court approval
 - b. Approval of NCLT and shareholders
 - c. Approval of directors only
 - d. Approval of auditors
12. The minimum number of directors in a public company is:
 - a. One
 - b. Two
 - c. Three
 - d. Seven
13. The duty of directors to act in good faith for the benefit of the company is contained in:
 - a. Section 166 of the Companies Act, 2013
 - b. Section 21 of the Partnership Act, 1932
 - c. Section 11 of LLP Act, 2008
 - d. Section 44 of Companies Act, 1956
14. An independent director is required in:
 - a. Every private company
 - b. One person company
 - c. Listed public companies
 - d. Small companies
15. An extraordinary general meeting (EGM) can be called by:
 - a. Board of directors
 - b. Shareholders holding prescribed percentage
 - c. NCLT on requisition
 - d. All of the above
16. Winding up of companies under Companies Act, 2013 may be done by:
 - a. Tribunal or voluntary process
 - b. Registrar of Companies only
 - c. Creditors alone
 - d. Shareholders only
17. NCLT was established under the recommendation of:
 - a. Sachar Committee
 - b. Justice Eradi Committee
 - c. Naresh Chandra Committee
 - d. Narasimham Committee
18. The liquidator during winding up is not empowered to:
 - a. Carry on business of the company for beneficial winding up
 - b. Realize company's assets
 - c. Distribute dividends
 - d. Alter Articles of Association
19. CSR provisions under Companies Act, 2013 apply to companies having:
 - a. Net worth of ₹500 crore or more
 - b. Turnover of ₹1000 crore or more
 - c. Net profit of ₹5 crore or more
 - d. Any of the above

20. Appeals against the orders of NCLT lie to:
- a. Supreme Court directly
 - b. NCLAT
 - c. High Court
 - d. Registrar of Companies
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(Descriptive)

Time : 2 hrs. 30 min.

Marks : 50

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

1. Define a company and explain its essential characteristics. Discuss the circumstances under which courts may lift the corporate veil with suitable case laws 5+5=10
2. Explain the distinction between Memorandum of Association and Articles of Association. How do these documents regulate the functioning of a company? 5+5=10
3. Discuss the doctrine of indoor management and constructive notice. How do the exceptions to these doctrines protect companies? Illustrate with case laws. 10
4. Explain the role and responsibilities of promoters in the formation of a company. What liabilities do they incur in case of misstatements in the prospectus? 7+3=10
5. Discuss the rights and liabilities of shareholders under the Companies Act, 2013. How do restrictions on transfer of shares affect shareholder autonomy? 10
6. Examine the qualifications, appointment, powers and duties of directors under the Companies Act, 2013. How do independent directors contribute to corporate governance? 10

7. What are the different modes of winding up of a company under the Companies Act, 2013? Discuss the role and powers of the liquidator in the winding up process. 4+6=10
8. Critically analyse the provisions relating to Corporate Social Responsibility (CSR) under the Companies Act, 2013. How do NCLT and NCLAT ensure compliance with these provisions? 10

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