

**BACHELOR OF COMMERCE**  
**Third Semester**  
**Corporate Law**  
**(BCM - 12)**

**Duration: 3Hrs.**

**Full Marks: 70**

**(PART-B: Descriptive)**

**Duration: 2 hrs. 40 mins.**

**Marks: 50**

**Answer the following questions (any five):**

**2×5=10**

- (a) Define 'Prospectus'.
- (b) What is debenture?
- (c) What do you mean by forfeiture of shares?
- (d) What is an annual return?
- (e) Who can be appointed as director?
- (f) What are fiduciary duties of a director?
- (g) Who can call an Extra-ordinary General Meeting?

**2. Answer the following questions (any five):**

**3×5=15**

- (a) What are the contents of articles of association?
- (b) Explain the 'doctrine of indoor management'.
- (c) Distinguish between a fixed charge and a floating charge.
- (d) Distinguish between a member and a shareholder.
- (e) Discuss the disqualifications of directors.
- (f) What are statutory provisions regarding disclosure of directors of their interest in contracts?
- (g) Can the director of a company postpone the holding of its annual general meeting beyond the statutory time limit on the ground that the annual accounts are not ready?

**3. Answer the following questions (any five):**

**5 × 5 = 25**

- (a) Describe the procedure for the incorporation of a company.
- (b) State the procedure for reduction of share capital.
- (c) Distinguish between a share certificate and a share warrant.
- (d) Briefly state the statutory rights of a member of a company.
- (e) What are the different kinds of meetings of the shareholders of company? When and how are these meetings held?
- (f) State how the managing director of a public limited company is appointed and what his duties are?
- (g) What do you understand by a quorum? Must a quorum be present throughout a meeting? What is the procedure if a quorum is never formed?

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*(The figures in the margin indicate full marks for the questions)*

**Duration: 20 minutes**

**Marks – 20**

**PART A- Objective Type**

Choose (✓) the correct response in each of the multiple choice questions:

**1×20=20**

1. The Reserve Bank of India is an example of a
  - (a) Registered company
  - (b) Statutory company
  - (c) Chartered company
  - (d) None of these
2. When a company is registered and a certificate of incorporation is issued by the Registrar
  - (a) It requires a perpetual succession
  - (b) Its property becomes the property of the shareholders
  - (c) Any liability of the company is the liability of the individual shareholders
  - (d) Pre-incorporation contract become binding on the company
3. Debenture-holders of a company are its
  - (a) Creditors
  - (b) Owners
  - (c) Customers
  - (d) Members
4. Share capital of a company means
  - (a) Equity Share Capital
  - (b) Preference Share Capital
  - (c) Equity and Preference Share Capital
  - (d) Equity Share Capital, Preference Share Capital and Debentures
5. Shares surrendered by a member can be accepted by a only when
  - (a) The Shares are fully paid up
  - (b) The shares are partly paid up and liable to be forfeited
  - (c) The shares are partly paid up and not liable to be forfeited
  - (d) None of these
6. A transfer of shares to be valid must be registered with the
  - (a) Government
  - (b) Court
  - (c) Company
  - (d) Registrar

7. A company may close its register of members in a year not exceeding  
(a) 30 days (b) 45 days (c) 60 days (d) 90 days
8. An index of members must be maintained by a company when its membership exceeds  
(a) 20 (b) 50 (c) 75 (d) 100
9. An annual return is to be filed with the Registrar by  
(a) A public company limited by guarantee only (b) A private company only  
(c) A Public company limited by shares only (d) Every company
10. If the Articles conflict with the Memorandum  
(a) The Articles shall prevail (b) The Memorandum shall prevail  
(c) The directors will resolve the conflict (d) The court will resolve the conflict
11. Alteration of capital of a company must be authorized by  
(a) The Articles and a resolution of the Board of directors  
(b) The Articles and a resolution passed in the general meeting of shareholders  
(c) A resolution passed in the general meeting of shareholders and with the previous approval of the Central Government  
(d) None of these
12. Membership of a person in a company comes to an end when  
(a) The shares are forfeited for non-payment of calls  
(b) The share certificate is lost  
(c) The share certificate is converted into shares warrant  
(d) He becomes insolvent
13. Who among the following persons cannot be appointed as director of any company?  
(a) An un-discharged insolvent  
(b) A person found by competent court to be of unsound mind  
(c) A person who has been convicted by a court of an offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of the expiry of the sentence  
(d) All of these
14. The Board of Directors cannot appoint  
(a) Additional directors  
(b) Casual director  
(c) Alternate director  
(d) Nominee director
15. Who among the following is not a competent authority to remove a director from his office?  
(a) Shareholders  
(b) Managing Director  
(c) Central Government  
(d) NCLT (Tribunal)

16. Which of the following powers cannot be exercised without the consent of shareholder in general meeting?
- (a) The power to make calls on shareholders
  - (b) The power to make loans
  - (c) The power to buy back its shares
  - (d) The power to borrow money exceeding the aggregate of the paid-up capital of the company and its free reserves
17. Which of the following duties is not a general duty of directors of a company?
- (a) Duty of good faith
  - (b) Duty of care
  - (c) Duty to attend Board meetings
  - (d) Duty not to delegate
18. The statutory meeting is required to be held by
- (a) All companies
  - (b) Only private companies
  - (c) Only public companies
  - (d) Only government companies
19. The first annual general meeting of a company should be held within
- (a) 15 months of its incorporation
  - (b) 18 months of its incorporation
  - (c) 6 months of the close of the financial year
  - (d) 9 months of the close of the financial year
20. The proper authority for convening a general meeting of a company is the
- (a) Board of Directors
  - (b) Managing director
  - (c) Chairman of the Board of Directors
  - (d) Shareholders

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