REV-01
LLM/01/05

2025/01

SET A

LLM
FIRST SEMESTER
COMPANY LAW
LLM – 1.4 CCL

[USE OMR SHEET 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. What does the term "corporate personality" mean?
   - a. Rights and liabilities of directors
   - b. Independent legal entity of a company
   - c. Rules for corporate meetings
   - d. Role of the company's shareholders

2. What is the purpose of lifting the corporate veil?
   - a. To analyze a company's shares
   - b. To identify the company's financial health
   - c. To determine the individuals behind corporate actions
   - d. To review articles of association

3. Which document contains the objectives and scope of a company?
   - a. Articles of Association
   - b. Memorandum of Association
   - c. Share certificate
   - d. Company prospectus

4. The Doctrine of Indoor Management protects:
   - a. Shareholders from fraud
   - b. Third parties acting in good faith with the company
   - c. Directors from liability
   - d. Promoters during incorporation

5. Which of the following is not a type of prospectus?
   - a. Red-herring prospectus
   - b. Shelf prospectus
   - c. Statutory prospectus
   - d. Memorandum prospectus

6. What is the primary role of a company promoter?
   - a. Drafting shareholder agreements
   - b. Incorporating the company
   - c. Dissolving the company
   - d. Allocating shares

7. Share capital can be:
   - a. Issued only as equity shares
   - b. Altered and reduced
   - c. Fixed and immutable
   - d. Subject to change without approval

8. Which principle applies to the transfer of shares?
   - a. Absolute freedom of transfer
   - b. Restrictions imposed by Articles of Association
   - c. No restrictions allowed
   - d. Transfer only allowed after shareholder approval

9. The rights of shareholders include:
   a. Altering company policies
   b. Voting in general meetings
   c. Managing day-to-day operations
   d. Approving employee salaries

10. Who is responsible for calling annual general meetings in a company?
   a. Directors
   b. Promoters
   c. Liquidators
   d. Shareholders

11. Which of these is not a type of director?
   a. Executive director
   b. Shadow director
   c. Lead shareholder
   d. Nominee director

12. Dividends are decided by:
   a. Shareholders
   b. Board of Directors
   c. Auditors
   d. Promoters

13. Winding up of a company is governed by:
   a. The Indian Penal Code
   b. The Companies Act, 2013
   c. Consumer Protection Act
   d. Limited Liability Partnership Act

14. Who oversees the process of company liquidation?
   a. Board of Directors
   b. Shareholders
   c. Liquidators
   d. Auditors

15. NCLT stands for:
   a. National Corporate Liability Tribunal
   b. National Company Law Tribunal
   c. New Corporate Legal Terms
   d. National Council for Legal Trustees

16. What is the role of NCLAT?
   a. To draft corporate policies
   b. To adjudicate appeals from NCLT decisions
   c. To oversee annual meetings
   d. To manage corporate audits

17. CSR under the Companies Act, 2013 refers to:
   a. Customer Service Rules
   b. Corporate Social Responsibility
   c. Company Statutory Regulations
   d. Corporate Sector Rules

18. Which of the following legislation governs LLPs in India?
   a. The Companies Act, 1956
   b. The Limited Liability Partnership Act, 2008
   c. The Companies Act, 2013
   d. The Indian Partnership Act, 1932

19. The rights and duties of liquidators are defined under:
   a. Memorandum of Association
   b. Articles of Association
   c. The Companies Act, 2013
   d. Partnership Act, 1932

20. Memorandum of Association and Articles of Association are:
   a. Optional documents for companies
   b. Governing documents of a company
   c. Only applicable during liquidation
   d. Defined under CSR guidelines

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Descriptive

Time : 2 hrs. 30 min. Marks : 50

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

1. Define corporate personality with the help of case laws. Explain the circumstances under which the corporate veil can be lifted. 5+5=10
2. Analyze the differences between the Memorandum of Association and the Articles of Association. 10
3. Explain the Doctrine of Indoor Management and its exceptions with relevant case laws. 10
4. Evaluate the rights, duties, and responsibilities of company promoters. 10
5. Examine the process of share transfer and the restrictions imposed by law. 10
6. Outline the procedure for winding up a company as per the Companies Act, 2013. 10
7. Discuss the powers and functions of the National Company Law Tribunal (NCLT). 10
8. Elaborate on the concept of Corporate Social Responsibility (CSR) under the Companies Act, 2013, with examples. 10

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