

**BA / BSc / BCOM DEGREE END SEMESTER EXAMINATION - NOVEMBER 2024****UGP (HONS.) SEMESTER - 1: DISCIPLINE SPECIFIC COURSE (COMMERCE)****COURSE: 24UCOMDSC101: CORPORATE REGULATIONS AND COMPLIANCE***(For Regular 2024 Admission)*

Time: 1.30 Hours

Max. Marks: 50

**PART A*****Answer any ten questions. Each question carries one marks***

1. Which clause of the Memorandum of Association defines the scope of activities a company can undertake?
  - A. Name clause
  - B. Object clause
  - C. Liability clause
  - D. Capital clause
  
2. A company defined its objects as “to keep steamboats for the purpose of a ferry” . However, it later engaged in using the boats for excursion trips, an activity beyond its objects as stated in the Memorandum of Association. Which legal principle best applies?
  - A. Doctrine of Intra Vires
  - B. Doctrine of Constructive Notice
  - C. Doctrine of Ultra Vires
  - D. Doctrine of Indoor Management
  
3. Which of the following statements are INCORRECT about Nidhi Companies?
  - A. Nidhi Companies can accept deposits from and lend to members only
  - B. Nidhi Companies are allowed to engage in chit funds
  - C. Nidhi Companies must have atleast 200 members within a year of incorporation
  - D. Nidhi Companies must have “Nidhi Limited” as the last word of its name.
  
4. On 24<sup>th</sup> March, the Registrar of Companies issued a certificate of incorporation, but it was dated 29<sup>th</sup> March instead of 24<sup>th</sup> March. From which date the company will legally come into existence?
  - A. 24<sup>th</sup> March
  - B. 29<sup>th</sup> March
  - C. Either of A or B
  - D. None of the above

5. Given below are two statements. Choose the right option
- Statement 1: An invitation to subscribe to securities sent and distributed only among the members of certain companies forms to be a prospectus.
- Statement 2: When shares are offered to the public at large, the company must prepare a prospectus.
- A. Statement 1 is true but Statement 2 is false
  - B. Statement 1 is false but Statement 1 is true
  - C. Both Statement 1 and Statement 2 are true
  - D. Both Statement 1 and Statement 2 are false
6. The register of members is the \_\_\_\_\_ evidence of correctness of contents contained therein.
- A. Void ab initio
  - B. Prima facie
  - C. Ultra vires
  - D. Indirect
7. Companies Act, 2013 provides the provision to vote through electronic means. Choose the right agency/agencies that provide e-voting platform
- A. NSDL and CDSL
  - B. Only NSDL
  - C. Akshaya Centre
  - D. Ministry of Corporate Affairs
8. Under the Companies Act, 2013, what is the minimum number of directors required for a public company?
- A. 3
  - B. 2
  - C. 15
  - D. 7
9. An official liquidator is appointed by the
- A. NCLT
  - B. SEBI
  - C. Court
  - D. Registrar of Companies

10. The primary responsibility of a liquidator includes:
- A. Realisation of company's assets
  - B. Distribution of assets among creditors
  - C. Investigation of company affairs.
  - D. All of the above
11. Annual General Meetings are held with the objective of:
- A. Presentation of financial statements
  - B. Appointment of auditor
  - C. Dividend declaration
  - D. All of the above
12. Such shares which are issued by a company to its directors or employees at a discount or for a consideration other than cash for working extraordinarily hard and achieving desired output are honoured with:
- A. Sweat Equity Shares
  - B. Preference Shares
  - C. Equity Shares
  - D. Ordinary Shares

(1 x 10 = 10)

#### **PART B**

***Answer any five questions. Each question carries two marks***

13. Amit and his associates registered a company called FinTech Advisory Private Limited, with "FinTech" being a registered trademark. FinTech is a registered trademark. After 5 years when the owner of trademark came to know about the same, it filed an application with relevant authority. Discuss the legal provisions in this regard.
14. A and his associates promoted a company and incurred certain expenses with respect to stamp duty and fees for the formation of the company. They are expecting remuneration but there has been no discussion between the company and the promoters regarding this matter. In your opinion, can A and his associates claim remuneration? State your reasons.
15. Enumerate the key differences between equity and preference shares.
16. Write a short note on Independent Director.
17. Enumerate the circumstances in which the company may be wound up voluntarily.
18. Describe the term quorum. What are the quorum requirements for a general meeting?
19. Write a note on National Company Law Tribunal.

(2 x 5 = 10)

**PART C**

***Answer any four questions. Each question carries five marks***

20. Define resolution. Differentiate between ordinary and special resolution.
21. Gamma wants to start a non-profit earning association SportsPro Foundation for the promotion of sports. Identify the type of company and write a short note relating to its registration as provided in Companies Act, 2013.
22. Who is a member of a company? Explain the various modes of acquiring membership of a company.
23. The Directors of Tech India Ltd. desires to alter capital clause of Memorandum of Association of their company. Advise them, under the provisions of the Companies Act, 2013 about the ways in which the said clause may be altered.
24. Write a short note on the appointment of official liquidator.
25. The whole law of corporation is based on the principle of corporate personality. However, under few circumstances, this privilege of a company being a separate legal entity independent and different from its members are ignored. Elaborate any five circumstances.

(5 x 4 = 20)

**PART D**

***Answer any one question. It carries ten marks***

26. The role of Doctrine of Indoor management is opposed to that of the role of 'Constructive notice'. Comment on this statement with reference to the Companies Act, 2013.
27. Elaborate the different kinds of meetings of the shareholders of a company.

(10 x 1 = 10)