



# K.R. MANGALAM UNIVERSITY

## THE COMPLETE WORLD OF EDUCATION

Roll No.....

**End Semester Examination, December 2024**

Program – B.Com., B. Com. (H) Research, B.Com (H) ACCA/ 1<sup>st</sup> and 3<sup>rd</sup> Semester  
**COMPANY LAW (MCBM101)**

Time: 2.5 hrs.

Max Marks: 50

Note: *All Questions are compulsory. Marks are indicated against each question.*

### **PART-A**

Q.1 *Attempt any five questions.*

**5\*2=10**

- (a). (i) Under which of the following circumstances does the Court permit the lifting of the corporate veil?
- (a) Where the company has abused its corporate personality for an unjust and inadequate purpose.
  - (b) Where the veil has been used for evasion of taxes.
  - (c) Where the corporate veil conflicts with public policy.
  - (d) Avoidance of welfare legislation by the company.
  - (e) All
- [CO-1] [L-4] 1
- (ii) State whether the following statement is “true” or “false”-  
“A Subsidiary company can be a member of the holding company also.”
- (a) True
  - (b) False
- [CO-1] [L-4] 1
- (b). ABC Ltd. issued a notice on 1<sup>st</sup> August, 2015 to hold its Annual General Meeting (AGM). Check the validity of the notice if it was sent by post, by referring to the provisions of the Companies Act, 2013. [CO-1] [L-5] 2
- (c). If a company is incorporated in the month of December, how many meetings it will require to conduct in the year of its incorporation? [CO-1] [L-1] 2
- (d) Define term “Key Managerial Personnel” provided under Companies Act, 2013. [CO-1] [L-4] 2
- (e). State whether the following statement is “true” or “false”- The powers of directors are co-extensive with those of the company itself. (a). True (b). False [CO-1] [L-5] 2
- (f). The articles of a company provided for taking of a poll at a general meeting of the company if the same is demanded by at least five shareholders. At a general meeting, the chairperson, in breach of the articles, declined to take a poll. One of the shareholders brought an action on behalf of himself and other shareholders, against the directors and the company seeking a declaration that decisions taken at the meeting were invalid and prayed also for an injunction to restrain implementation of such all decisions. Is the shareholder competent to file a suit? [CO-1] [L-5] 2

**P.T.O.**

(g). Analyze the mandatory disclosures pertaining to ‘the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013’ that are required to be made by the Company as per Secretarial Standards-4 (SS-4). [CO-1] [L-4] 2

### **PART-B**

*There will be four questions each covering one specific Course Outcome from the complete syllabus. There shall be an internal choice in each of the questions covering the same (set) of COs and BL. Questions carrying 10 marks can be further sub divided as per the paper setter choice. 4\*10=40*

**Q.2** (a). Company being an artificial person never faces a natural death. Therefore, a company incorporated under the Companies Act, 2013 never dies except when it is wound-up as per law. Comment. [CO-2][L-5] 5

(b). Members of a company incorporated under the Companies Act, 2013 are the agents of the Company. So, Company is legally bound by their actions. Examine the validity of statement. [CO-2][L-3] 5

### **OR**

(a). Mr. Shaw is a wealthy person earning a large dividend and interest income from a company. He formed four private companies which agreed with him to hold a block of his income. Firstly, the income received was credited in the accounts of the company and then, the company handed over back the said amount to his four companies as pretended loan. In this way, he divided his income into four parts in a bid to reduce his tax liability. Examine the legality of purpose for which he formed these four companies. [CO-2] [L-3] 5

(b). A company has issued a prospectus to the public stating that the company has paid dividend regularly but the prospectus is silent as to the point whether the source of profit was trading profit or the capital profit. The fact is that the company has incurred losses for all the previous five years but the dividend is paid out of secret capital reserve. Y, a shareholder, claims that the prospectus is false. Discuss whether Y’s contention is correct. [CO-2] [L-5] 5

**Q.3** (a). What is the position of a Director in a Company? Discuss the powers and duties of Director of any Company. [CO-3] [L-4] 5

(b). X and Y each held half of the issued capital of the company. The articles provided ‘the directors may, at any time, in their absolute and uncontrolled discretion refuse to register any transfer of shares.’ X died and his executor applied to have his shares registered in his name. Y, who is also a director, refuse to register consequent to his power as per Articles. Can the tribunal provide any relief to X’s executor? [CO-3] [L-4] 5

### **OR**

Who is a debenture trustee? Why is it compulsory to appoint a trustee in connection with the issuance of debenture? Analyze the duties of a debenture trustee. [CO-3] [L-4] 10

**Q.4** Critically examine any two of the followings-

- (i) Annual General Meeting
- (ii) Extraordinary General Meeting
- (iii) Variation of member’s rights
- (iv) Buy-back of Shares

[CO-4] [L-3] 10

### **OR**

Define the term Dividend. State briefly the provisions related to declaration of dividend under the Companies Act, 2013. [CO- 4] [L-3] 10

**Q.5** A company is a democratic institution in which the majority have a right to control the company. Comment by referring to the rule laid down in *Foss v. Harbottle*. [CO-5] [L-5] 10

**OR**

What is compulsory winding-up? Name the parties that are entitled to make a petition for winding-up by tribunal.

[CO- 5] [L-2] **10**