

(GI-5+7, GI-6, GI-8, GI-9, SI-2+4, SI-3 & VI-2)

DATE: 19.08.2019

MAXIMUM MARKS: 100

TIMING: 3¼ Hours

PAPER : LAW

Answer to questions are to be given only in English except in the case of candidates who have opted for Hindi Medium. If a candidate who has not opted for Hindi Medium. His/her answer in Hindi will not be valued.

Question No. 1 & 2 is compulsory.

Candidates are also required to answer any Four questions from the remaining Five Questions.

Question 1:

- (1) Which of the following isn't a kind of company?
(a) Company Limited by Guarantee
(b) Company Limited by Shares
(c) Unlimited Company
(d) Personal Liability Company
(1 Mark)
- (2) Security under company Act, 2013 is defined in:
(a) FEMA Act
(b) RBI Act
(c) SCRA Act
(d) None of these
(1 Mark)
- (3) Jatin is desirous of forming a 'One Person Company (OPC)' for which he wants to nominate his wife Jasmin who in the event of his death shall become the member of OPC. However, he is not aware of as to which document should contain the name of the nominee. Advise him in the matter.
(a) Name of the nominee should be mentioned in the Articles of Association after the names of the directors.
(b) Name of the nominee should be mentioned in the Memorandum of Association
(c) Either Articles of Association or Memorandum of Association may contain the name of the nominee.
(d) There is no need to mention the name of the nominee in either Articles of Association or Memorandum of Association; a simple consent letter obtained from the nominee and kept in the records is sufficient.
(1 Mark)
- (4) _____ is the charter of a company.
(a) Memorandum
(b) Articles
(c) Both (a) and (b)
(d) None of the above
(1 Mark)
- (5) The payment of Underwriting Commission authorized by
(a) MOA
(b) AOA
(c) SR
(d) OR
(1 Mark)

- (6) Extra Limited is a growing Company and requires additional funds for expansion from time to time. They are following the same process for making an offer to public and then issue those shares. This is very time and energy consuming for them. Kindly advise them if there is any way out.
- (a) During first offer they shall file prospectus with a validity on one year, so subsequent offer issued during the period of validity of that prospectus, no further prospectus is required;
 - (b) During first offer they shall file prospectus with a validity on two years, so subsequent offer issued during the period of validity of that prospectus, no further prospectus is required;
 - (c) During first offer they shall file shelf prospectus with a validity on one year, so subsequent offer issued during the period of validity of that prospectus, no further prospectus is required;
 - (d) During first offer they shall file shelf prospectus with a validity on two years, so subsequent offer issued during the period of validity of that prospectus, no further prospectus is required;
- (1 Mark)**
- (7) Debentures certificate is to be issued within_____months of allotment
- (a) 2 months
 - (b) 3 months
 - (c) 6 months
 - (d) 9 months
- (1 Mark)**
- (8) After buy back of shares debt equity Ratio should not exceed
- (a) 4 : 1
 - (b) 3 : 1
 - (c) 1 : 2
 - (d) 2 : 1
- (1 Mark)**
- (9) Equity shares_____converted into equity share capital carrying differential voting rights
- (a) Can be
 - (b) Cannot be
 - (c) Can be but partly
 - (d) None of these
- (1 Mark)**
- (10) Angel Infrastructures Pvt. Ltd. with a paid up capital of Rs. 45 Lacs and annual turnover of Rs.175 Lacs, is a wholly owned subsidiary of Almighty Infrastructure Development Ltd. a listed company. Can Angel Infrastructures be called a small company?
- (a) Yes. The paid up capital and annual turnover of Angel Infrastructure Pvt. Ltd. is not exceeding the limit as specified under the definition of Small company.
 - (b) No. Because Angel Infrastructure Pvt. Ltd. is a wholly owned subsidiary company.
 - (c) No. Because Angel Infrastructure Pvt. Ltd. is not a subsidiary of a listed company.
 - (d) No. Because the paid up capital is Rs. 45 lacs less than prescribed limit of Rs. 50 Lacs but its turnover is exceeding Rs. 100 Lacs.
- (1 Mark)**

- (11) An Eligible Company (Govt. Co.) can raise deposit up to _____ of Paid Up Capital & Free Reserves & Securities Premium.
- (a) 10%
 - (b) 25%
 - (c) 35%
 - (d) 100%
- (1 Mark)**
- (12) Registration of charge is not required to be done if charge is created
- (a) In India
 - (b) Outside India
 - (c) Both (a)&(b)
 - (d) None of these
- (1 Mark)**
- (13) An Index of securities is not necessary to be maintained if the number of security holders are less than _____
- (a) 20
 - (b) 50
 - (c) 100
 - (d) 200
- (1 Mark)**
- (14) The register of company can be closed for any period not exceeding in the aggregate _____ days in the years
- (a) 15
 - (b) 30
 - (c) 45
 - (d) 60
- (1 Mark)**
- (15) The gap between 2 AGM's shouldn't exceed _____
- (a) 12 months
 - (b) 15 months
 - (c) 6 months
 - (d) 9 months
- (1 Mark)**
- (16) Reason of casual vacancy of auditor post can be due to
- (a) Death
 - (b) Disqualification
 - (c) Resignation by auditor
 - (d) All the above
- (1 Mark)**
- (17) Which party's Liability under guarantee is Co-extensive with the liability of principal debtor?
- (a) Creditor
 - (b) Third Party
 - (c) Guarantor
 - (d) Debtor
- (1 Mark)**

- (18) Right of premature termination of bailment is available for bail or under
(a) Gratuitous Bailment
(b) Non-gratuitous Bailment
(c) Both (a) & (b)
(d) Neither (a) nor (b)
(1 Mark)
- (19) A person who untruly represents himself to be authorized agent of another & thereby induced third party to deal with him :
(a) Implied Agent
(b) Universal Agent
(c) Pretended Agent
(d) General Agent
(1 Mark)
- (20) Order instrument can be negotiated by
(a) Endorsement only
(b) Delivery only
(c) Endorsement and delivery
(d) Either (a) or (b)
(1 Mark)
- (21) Liability of a maker of a promissory note is
(a) Secondary
(b) Vicarious
(c) Primary
(d) Strict
(1 Mark)
- (22) Which of the following negotiable instrument can be crossed?
(a) Cheque
(b) BOE
(c) Promissory note
(d) Hundi
(1 Mark)
- (23) In the case of Bill of Exchange drawee is the _____.
(a) Maker
(b) Acceptor
(c) Payee
(d) None of the above
(1 Mark)
- (24) According to the General Clauses Act, 1897 _____ is a Movable Property.
(a) Trees
(b) Buildings
(c) Timber
(d) Rights of way to access
(1 Mark)

- (25) Which of the following shall be included in the expression – “Writing”
(a) Printing
(b) Lithography
(c) Photography
(d) All of the above
(1 Mark)
- (26) According to Sec 9, it shall be sufficient, for the purpose of _____ the first in series of days to use the word “from” and for the purpose of _____ the last in a series of days, to use the word “to”.
(a) Include, exclude
(b) Exclude, include
(c) Include, include
(d) Exclude, exclude
(1 Mark)
- (27) Which is Internal Aid?
(a) Foreign Decision
(b) Preamble
(c) Previous Law
(d) None
(1 Mark)
- (28) Which is External Aid?
(a) Foreign Decision
(b) Marginal Note
(c) Both
(d) None
(1 Mark)
- (29) Literal construction means:
(a) Grammatical construction
(b) Depth meaning
(c) Either (a) or (b)
(d) None
(1 Mark)
- (30) A written document by which some legal rights are created in favour of some person
(a) Endorsement
(b) Instrument
(c) Promissory note
(d) Negotiation
(1 Mark)

Question 2:

- (a) The paid-up share capital of Saras Private Limited is Rs. 1 crore, consisting of 8 lacs Equity Shares of Rs. 10 each, fully paid-up and 2 lacs Cumulative Preference Shares of Rs.10 each, fully paid-up. Jeevan (JVN) Private Limited and Sudhir Private Limited are holding 3 lacs Equity Shares and 50,000 Equity Shares respectively in Saras Private Limited. Jeevan Private Limited and Sudhir Private Limited are the subsidiaries of Piyush Private Limited. With reference to the provisions of the Companies Act, 2013 examine whether Saras Private Limited is a subsidiary of Piyush Private Limited? Would your answer be different if Piyush Private Limited has 8 out of 9 Directors on the Board of Saras Private Limited?
(5 Marks)

- (b) MNO Private Limited, a subsidiary of PQR Limited, decides to give a loan of Rs. 4,00,000 to the HR (Human Resource) Manager, who is not a Key Managerial Personnel (KMP) of MNO Private Limited, drawing salary of Rs. 30,000 per month, to buy 500 partly paid-up Equity Shares of Rs. 1000 each in MNO Private Limited. Examine the validity of company's decision under the provisions of the Companies Act, 2013.

(5 Marks)

- (c) Sunil delivered his car to Mahesh for repairs. Mahesh completed the work, but did not return the car to Sunil within reasonable time, though Sunil repeatedly reminded Mahesh for the return of the car. In the meantime a big fire occurred in the neighborhood and the car was destroyed. Decide whether Mahesh can be held liable under the provisions of the Indian Contract Act, 1872.

(4 Marks)

Question 3:

- (a) Examine the different aspects of the voting rights of a member.

(5 Marks)

- (b) ABC Ltd. has following balances in their Balance Sheet as on 31st March, 2018:

		Rs.
(1)	Equity shares capital (3.00 lakhs equity shares of Rs. 10 each)	30.00 lacs
(2)	Free reserves	5.00 lacs
(3)	Securities Premium Account	3.00 lacs
(4)	Capital redemption reserve account	4.00 lacs
(5)	Revaluation Reserve	3.00 lacs

Directors of the company seeks your advice in following cases:

- (i) Whether company can give bonus shares in the ratio of 1:3?
 (ii) What if company decide to give bonus shares in the ratio of 1:2?

(5 Marks)

- (c) Sunil borrowed a sum of Rs. 3 lakh from Rajendra. Sunil appointed Rajendra as his agent to sell his land and authorized him to appropriate the amount of loan out of the sale proceeds. Afterwards, Sunil revoked the agency. Decide under the provisions of the Indian Contract Act, 1872 whether the revocation of the said agency by Sunil is lawful?

(4 Marks)

Question 4:

- (a) Referring to the provisions of the Companies Act, 2013, examine the validity of the following:

ABC Limited having a net worth of 120 crore rupees wants to accept deposit from its members. They have approached you to advise them regarding that if they fall within the category of eligible company, what special care has to be taken while accepting such deposit from members.

(5 Marks)

- (b) Is registration of a charge compulsory? If not, what are the effects of non-registration?

(5 Marks)

- (c) J, a shareholder of a Company purchased for his personal use certain goods from a Mall (Departmental Store) on credit. He sent a cheque drawn on the Company's account to the Mall (Departmental Store) towards the full payment of the bills. The cheque was dishonoured by the Company's Bank. J, the shareholder of the company was neither a Director nor a person in-charge of the company. Examining the provisions of the Negotiable Instruments Act, 1881 state whether J has committed an offence under Section 138 of the Act and decide whether he (J) can be held liable for the payment, for the goods purchased from the Mall (Departmental Store).
- (4 Marks)**

Question 5:

- (a) Due to heavy rains and floods Chennai Handloom Limited was unable to convene annual general meeting upto 30th September, 2017. The company has not filed the annual financial statements, or the annual return as the directors of the company are of the view that since the annual general meeting did not take place, the period of 60 days for filing of annual return is not applicable and thus, there is no contravention of Section 92 of the Companies Act, 2013. Discuss whether the contention of directors is correct.
- (5 Marks)**
- (b) Examine the validity of the following with reference to the relevant provisions of the Companies Act, 2013:
- (i) The Board of Directors of Shrey Ltd. called an extraordinary general meeting upon the requisition of members. However, the meeting was adjourned on the ground that the quorum was not present at the meeting. Advise the company.
- (ii) Mr. Bheem is holding 500 shares (of ZYZ Limited) of total worth Rs. 5000 only. Advise, whether he has the right to inspect the Register of Members?
- (5 Marks)**
- (c) X draws a bill on Y for Rs. 10,000 payable to his order. Y accepts the bill but subsequently dishonours it by non-payment. X sues Y on the bill. Y proves that it was accepted for value as of Rs. 8,000 and as accommodation to X for Rs. 2,000. How much can X recover from Y ? Decide with reference to the provisions of the Negotiable Instruments Act, 1881.
- (4 Marks)**

Question 6:

- (a) Karan was holding 5000 equity shares of Rs. 100 each of M/s. Future Ltd. A final call of Rs. 10 per share was not paid by Karan. M/s. Future Ltd. declared dividend of 10%. Examine with reference to relevant provisions of the Companies Act, 2013, the amount of dividend Karan should receive.
- (5 Marks)**
- (b) Tirupati Limited, a listed company has made the following profits, the profits reflect eligible profits under the relevant section of the Companies Act, 2013.

Financial year	Amount (Rs. In crores)
2012-13	20
2013-14	40
2014-15	30
2015-16	70
2016-17	50

- (i) Calculate the amount that the company has to spend towards CSR for the financial year 2017-18.
- (ii) State the composition of the CSR committee unlisted company and a private company.

(5 Marks)

- (c)** PQR Limited is an unlisted Public company having paid up share capital of Rs. 80 crores during the preceding financial year 2014-15. The turnover of the company was Rs. 110 crores for the same period. Referring to the provisions of the Companies Act, 2013, answer the following:

- (i) Is it mandatory for the above company to appoint an internal auditor for the financial year 2015-16?
- (ii) What are the qualifications of the Internal Auditor?

(4 Marks)

Question 7:

- (a)** Mr. V draws a cheque of Rs. 11,000 and gives to Mr. B by way of gift. State with reason whether -

- (1) Mr.B is a holder in due course as per the negotiable Instrument Act, 1881?
- (2) Mr.B is entitled to receive the amount of Rs. 11,000 from the bank?

(5 Marks)

- (b)** What do you understand by the term 'Good Faith'. Explain as per the provisions of the General Clauses Act, 1897.

(5 Marks)

- (c)** Give five examples each of Internal and External aids.

(4 Marks)
