

(GI-11, GI-12+15, GI-13+14, SI-5)

DATE: 19.06.2020

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. A public company sent private placement offer letter to 200 persons of its choice in March 20XX and allotted shares to them in April 20XX. Can it send private placement offer letter to 200 new people in May 20XX?
 - (a) Yes
 - (b) No
 - (c) Yes with the permission of ROC
 - (d) Yes with the permission of NCLT

(1 Mark)
2. A shelf prospectus filed with the ROC shall remain valid for a period of:
 - (a) one year from the date of registration
 - (b) one year from the date of closing of first issue
 - (c) one year from the date of opening of first issue
 - (d) Ninety days from the date on which a copy was delivered to ROC

(1 Mark)
3. A reserve account that shall not be used by the company for any purpose other than repayment of deposits is called:
 - (a) debenture redemption reserve
 - (b) deposit repayment reserve
 - (c) capital redemption reserve
 - (d) for reserve

(1 Mark)
4. On receipt of intimation of satisfaction of charge, the registrar issue a notice to the holder calling upon him to show cause within such time not exceeding _____ days as to why payment or satisfaction in full should not be recorded as intimated to the Registrar:
 - (a) 14
 - (b) 21
 - (c) 30
 - (d) 300

(1 Mark)
5. Register of members, debenture holders, other security holders or copies of return may also be kept at any other place in India in which more than _____ of the total number of members entered in the register of members reside, if approved by a special resolution passed at a general meeting of the company and the Registrar has been given a copy of the proposed special resolution in advance.
 - (a) one-half
 - (b) one-eight
 - (c) one-tenth
 - (d) one-third

(1 Mark)

6. Which of the following amount is not credited to IEPF Account
(a) Unpaid dividend account of company
(b) Matured deposit with company
(c) Profit on sale of asset
(d) Matured debentures with companies. **(1 Mark)**
7. After the expiry of _____ the amount of unpaid dividend account should be transferred to Investor Education and Protection Fund
(a) 3 years
(b) 5 years
(c) 7 years
(d) 10 years **(1 Mark)**
8. One Person Company shall file a copy of the duly adopted financial statements to the Registrar in:
(a) 30 days of the date of meeting in which it was adopted
(b) 90 days of the date of meeting in which it was adopted
(c) 90 days from the closure of the financial statement
(d) 180 days from the closure of the financial statement **(1 Mark)**
9. For appointing an auditor other than the retiring auditor,
(a) Special notice is required.
(b) Ordinary notice is required.
(c) Neither ordinary nor special notice is required
(d) Approval of Central Government is required. **(1 Mark)**
10. Which of the following is a prohibited service to be rendered by the auditor of the Company
(a) Design and implementation of any financial information system
(b) Making report to the members of the company on the accounts examined by him
(c) Compliance with the auditing standards
(d) Reporting of fraud against the company by officers or employees to the Central Government **(1 Mark)**
11. Pick the odd one out of the following aids to interpretation—
(a) Preamble
(b) Marginal Notes
(c) Proviso
(d) Usage **(1 Mark)**
12. An aid that expresses the scope, object and purpose of the Act—
(a) Title of the Act
(b) Heading of the Chapter
(c) Preamble
(d) Definitional sections **(1 Mark)**
13. The General Clauses Act, 1897 intends to:
(a) Provide general definitions.
(b) Applicable to all Central Acts and Regulations.
(c) Applicable where there is no definition, unless there is anything repugnant in the subject or context.
(d) All of the above. **(1 Mark)**

14. As per a Rule of an Educational Institution, every student may come on weekends for extra classes but every student shall appear on a weekly test conducted in the institute, which means:
- (a) Attending extra classes on weekend is optional but appearing in weekly test is compulsory
 - (b) Attending weekend classes is compulsory but appearing in weekly test is optional
 - (c) Attending weekend classes and appearing in weekly test, both are compulsory for students
 - (d) Attending weekend classes and appearing in weekly test, both are optional for students.
- (1 Mark)**
15. Where an act of parliament does not expressly specify any particular day as to the day of coming into operation of such Act, then it shall come into operation on the day on which
- (a) It receives the assent of the President
 - (b) It receives the assent of the Governor General
 - (c) It is notified in the official gazette
 - (d) None of these
- (1 Mark)**
16. Parties to a negotiable instrument can be discharged from liability by—
- (a) Cancellation
 - (b) Payment
 - (c) Release
 - (d) All of the above
- (1 Mark)**
17. A negotiable instrument that is payable to order can be transferred by:
- (a) Simple delivery
 - (b) Endorsement and delivery
 - (c) Endorsement
 - (d) Registered post
- (1 Mark)**
18. A negotiable instrument drawn in favor of a minor is :
- (a) Void
 - (b) Void but enforceable
 - (c) Valid
 - (d) None of the above
- (1 Mark)**
19. Substituted Agent is agent of the_:
- (a) Agent
 - (b) Principal
 - (c) Sub-agent
 - (d) Third party
- (1 Mark)**
20. A is residing in Delhi and has a house in Mumbai. A appoints B by a power of attorney to take care of his house. State the nature of agency created between A and B:
- (a) Implied agency
 - (b) Agency by ratification
 - (c) Agency by necessity
 - (d) Express agency
- (1 Mark)**

21. A bailee has
(a) a right of particular lien over the goods bailed
(b) a right of generation
(c) a right of both particular and general lien
(d) no lien at all over the goods bailed.
(1 Mark)
22. S and P go into a shop. S says to the shopkeeper, C, "Let P have the goods, and if he does not pay you, I will." This is a
(a) Contract of Guarantee
(b) Contract of Indemnity
(c) Wagering agreement
(d) Quasi-contract
(1 Mark)
23. XYZ Co; is having 15% share capital held by X Company and 50% held by central Government and 10% held by State Government and 25% held by other people then that company will be_____
(a) Government Company
(b) Private Company
(c) Public Company
(d) None of these
(2 Marks)
24. Forms of (1) Articles of guarantee company having a share capital (2) Articles of a guarantee company not having a share capital (3) Memorandum of an unlimited company with share capital (4) Memorandum of a company limited by shares; are respectively given in:
(a) Table G; H; E & B
(b) Table G; H; E & A
(c) Table G; H; D & A
(d) Table G; H; B & A
(2 Marks)
25. If a company have authorized share capital of Rs. 6,00,000; paid up share capital of Rs. 5,00,000; and a loan from government of Rs. 2,00,000. Government ordered the company to convert its loan into shares. In this case; such order has the effect of increasing -
(a) the subscribed share capital of the company
(b) the paid up share capital of the company
(c) the authorised share capital of the company
(d) all of the above
(2 Marks)
26. A company bought back 10% of its equity shares in March 2020; it wants to buy back further 10% equity shares in April; 2020.
(a) it can; subject to fulfilment of other conditions; because maximum buyback in a financial year can be 25%
(b) It can't; because there must be time gap of 12 months between two buybacks
(c) It can; but it will have to pass special resolution in place of board resolution
(d) It can't; because other conditions might not have fulfilled
(2 Marks)

Question 2:

- (a) Anushka security equipments limited is a manufacturer of CCTV cameras. It has raised Rs. 100 crores through public issue of its equity shares for starting one more unit of CCTV camera manufacturing. It has utilized 10 crores rupees and then it realized that its existing business has no potential for expansion because government has reduced customs duty on import of CCTV camera hence imported cameras from china are cheaper than its own manufacturing. Now it wants to utilize remaining amount in mobile app development business by adding a new object in its memorandum of association.
Does the Companies Act allow such change of object. If not then what advise will you give to company. If yes, then give steps to be followed.

(5 Marks)

- (b) After receiving 80% of the minimum subscription as stated in the prospectus, a company allotted 100 equity shares in favour of 'X'. The company deposited the said amount in the bank but withdrew 50% of the amount, before finalisation of the allotment, for the purchase of certain assets. X refuses to accept the allotment of shares on the ground that the allotment is violative of the provisions of the Companies Act, 2013. Comment.

(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) The Companies Act, 2013 has prescribed an additional duty on the Board of Directors to include in the Board's Report a 'Directors' Responsibility Statement'. Explain briefly the details to be furnished in the said statement.

(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)
