

(GI-8)

DATE: 08.02.2023

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.

DIVISION - A**Question 1:**

- (1) A company shall execute a deposit trust deed at least _____ days before issuing the circular or circular in the form of advertisement.
(a) 7
(b) 14
(c) 21
(d) 28
(1 Mark)
- (2) Auditor can hold security in company upto Rs. _____
(a) Rs. 1,00,000
(b) Rs. 5,00,000
(c) Cannot hold even a single security
(d) Rs. 10,000
(1 Mark)
- (3) Amount to be transferred to reserves out of profits before any declaration of dividend is _____
(a) 5%
(b) 7.5%
(c) 10%
(d) at the discretion of the company
(1 Mark)
- (4) If the goods of the bailor gets mixed up with the like goods of the bailee by the bailee, the cost of separation will have to be borne by-
(a) Bailor
(b) Bailee
(c) The third party
(d) Bailor & bailee in proportion of their share of goods
(1 Mark)
- (5) According to the General Clauses Act, 1897 Official Gazette shall mean
(a) The Gazette of India
(b) The Gazette of a State
(c) (a) and (b)
(d) (a) or (b)
(1 Mark)

- (6) If a company changes its name; which of the following is most accurate:
- (a) It is not allowed to use old name in any way
 - (b) New name should not be identical with old name
 - (c) Old name should be painted/printed for next 1 years along with new name
 - (d) Old name should be painted/printed for next 2 years along with new name
- (1 Mark)**
- (7) 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
- (1 Mark)**
- (8) The auditors of a company can be removed by the
- (a) Board of directors of the company
 - (b) Audit committee
 - (c) Company in general meeting by ordinary resolution and previous approval of CG
 - (d) Company in general meeting by special resolution and previous approval of CG
- (1 Mark)**
- (9) A contracts with B for a fixed price to construct a house for B within a stipulated time. B would supply the necessary material to be used in the construction. C guarantees A's performance of the contract. B does not supply the material as per the agreement. As per the provisions of the Indian Contract Act, 1872:
- (a) C is liable to A
 - (b) C is liable to B
 - (c) C is liable to A for the cost material not supplied
 - (d) C is discharged from his liability
- (1 Mark)**
- (10) According _____ rule of interpretation meaning of a word should be known from its accompanying or associating words?
- (a) Mischief rule
 - (b) Golden rule
 - (c) Noscitur a sociis
 - (d) Primary rule
- (1 Mark)**
- (11) The General Clauses Act is one of the oldest Acts, came into force on :
- (a) 01st April, 1897
 - (b) 11th March, 1897
 - (c) 11th March, 1887
 - (d) 01st April, 1868
- (1 Mark)**

- (12) Utres magis valeat quam pare at is also known as _____?
- (a) Rule of harmonious construction
 - (b) Rule of reasonable construction
 - (c) Rule of ejusdem generis
 - (d) All of above

(1 Mark)

- (13) Cyplish Games and Toys Limited was sanctioned a term loan of Rs. 60.00 lacs by Zawnn Industrial Bank Limited on 21st November, 2018. As a security, the company offered its office premises situated at Bandra, Mumbai and an instrument of charge was executed. However, the company failed to get the charge registered with the concerned Registrar within the first as well as second statutory period available as per law. This was adversely commented by the internal auditors of the bank and therefore, after a strict advisory received from Shahji, the senior manager of the bank, the company was prompted to take steps for registration of charge. Name the specific type of fees which the company is now required to pay for registration of charge.
- (a) Special Fees
 - (b) Ad-valorem Fees
 - (c) A Late Registration Fees
 - (d) Ad-valorem Duty

(2 Marks)

- (14) Sumitra Healthcare and Hospitality Limited had issued 9% non-convertible debentures which matured four years back. However, 1000 such debentures of Rs. 100 each are still remaining unclaimed and unpaid even after the maturity. State the period after which the company needs to transfer them to Investor Education and Protection Fund (IEPF) if they remain unclaimed and unpaid.
- (a) After the expiry of five years from the maturity date
 - (b) After the expiry of six years from the maturity date
 - (c) After the expiry of seven years from the maturity date
 - (d) After the expiry of eight years from the maturity date

(2 Marks)

- (15) All the 40 members of Taxila Traders Limited have valid voting rights. Due to some urgency, its directors are desirous of convening Annual General Meeting (AGM) at a shorter notice than statutorily required. Is it possible for them to do so?
- (a) Taxila Traders Limited cannot convene AGM at shorter notice than statutorily required.
 - (b) Taxila Traders Limited can convene AGM at shorter notice than statutorily required, if consent in writing or by electronic mode is accorded by all the forty members who are entitled to vote at the AGM.
 - (c) Taxila Traders Limited can convene AGM at shorter notice than statutorily required if consent in writing or by electronic mode is accorded by at least 38 members who are entitled to vote at the AGM.
 - (d) Taxila Traders Limited can convene AGM at shorter notice than statutorily required if consent in writing or by electronic mode is accorded by at least 36 members who are entitled to vote at the AGM.

(2 Marks)

- (16) Which rule says that if there is a conflict between two provision of the act then we should interpret so that effect must be given to all of them -
- (a) Rule of literal construction
 - (b) Mischief rule or heydon rule
 - (c) Rule of reasonable construction
 - (d) Rule of harmonious construction
- (2 Marks)**
- (17) A negotiable instrument drawn in favor of a minor is
- (a) Void
 - (b) Void but enforceable
 - (c) Valid
 - (d) None of the above
- (2 Mark)**
- (18) If a charge is created on or after 02-11-2018 but the registration is not made within the original period of 30 days and also not made within next 30 days after the expiry of original 30 days, then the Registrar is empowered to allow such registration to be made within a further period of _____
- (a) 30 days
 - (b) 45 days
 - (c) 60 days
 - (d) 90 days
- (2 Marks)**
- (19) Provisions of CSR are applicable to:
- (a) Companies with net worth of 500 cr or more
 - (b) Companies with turnover of 1000 cr or more
 - (c) Companies with net profit of 5 cr or more in any financial year
 - (d) All of the above
- (2 Marks)**
- (20) Rule of ejusdem generis is applicable when _____?
- (a) Specific word follows general words
 - (b) General words follows specific word
 - (c) Either A or B
 - (d) Both A & B
- (2 Marks)**
- (21) A company can re-open/ recast its book of accounts on an application to Tribunal made by:
- (a) Registrar
 - (b) Member
 - (c) Board of Directors
 - (d) Income –tax authorities
- (2 Marks)**

DIVISION - B**Question 2:**

- (a) Explain how the auditor will be appointed in the following cases:
- (i) A Government Company.
 - (ii) The Auditor of the company (other than government company) has resigned on 31st December, 2016, while the Financial year of the company ends on 31st March, 2017.
- (6 Marks)**
- (b) Explain the importance of "Preamble" and "Proviso" being internal aids to interpretation.
- (7 Marks)**
- (c) What do you understand by the term 'Good Faith'. Explain it as per the provisions of the General Clauses Act, 1897. Mr. X purchased a watch from Mr. Y carelessly without proper enquiry. Whether the purchase made could said to be made in good faith.
- (6 Marks)**

Question 3:

- (a) Shri Laxmi Electricals Ltd. (s) is a company in which Hanuman Power Suppliers Limited (H) is holding 60% of its paid up share capital. One of the shareholder of H made a charitable trust and donated his 10% shares in H and Rs. 50 crores to the trust. He appoint S as the trustee. All the assets of the trust are held in the name of S. Can a subsidiary hold shares in its holding company in this way?
- (6 Marks)**
- (b) A hires a carriage of B and agrees to pay Rs. 500 as hire charges. The carriage is unsafe, though B is unaware of it. A is injured and claims compensation for injuries suffered by him. B refuses to pay. Discuss the liability of B.
- (4 Marks)**
- (c) Explain the provisions relating to deposit trustee under Companies Act 2013.
- (7 Marks)**

Question 4:

- (a) Mr. Raja along with his family members is running successfully a trading business. He is capable of developing his ideas and participating in the market place. To achieve this, Mr. Raja formed a single person economic entity in the form of One Person Company with his brother Mr. King as its nominee. On 4th May 2020, Mr. King withdrew his consent as Nominee of the One Person Company. Can he do so under the provisions of the Companies Act, 2013?
- Examine whether the following individuals are eligible for being nominated as Nominee of the One Person Company as on 5th May 2020 under the above said Act.
- (i) Mr. Shyam, son of Mr. Raja who is 15 years old as on 5th May 2020.
 - (ii) Ms. Devaki an Indian Citizen, sister of Mr. Raja stays in Dubai and India. She stayed in India during the period from 2nd January 2019 to 16th August 2019. Thereafter she left for Dubai and stayed there.
 - (iii) Mr. Ashok, an Indian Citizen residing in India who is presently a member of a 'One Person Company'.
- (6 Marks)**

(b) Define Grammatical Interpretation. What are the exceptions to grammatical interpretation?

(6 Marks)

(c) Define the term "charge" and also explain what is the punishment for default with respect to registration of charge as per the provisions of the Companies Act, 2013.

(5 Marks)

Question 5:

(a) Parag Constructions Limited is a leading infrastructure company. One of the directors of the company Mr. Parag has been signing all construction contracts on behalf of company for many years. All the parties who ever deal with the company know Mr. Parag very well. Company has got a very important construction contract from a renowned software company. Parag constructions will do construction for this site in partnership with a local contractor Firoz bhai. Mr. Parag signed partnership deed with Firoz bhai on behalf of company because he has an implied authority. Later in a dispute company denied to accept liability as a partner. Can the company deny its liability as a partner?

(5 Marks)

(b) (i) What is the effect of proviso? Does it qualify the main provisions of an Enactment?

(ii) Does an explanation added to a section widen the ambit of a section?

(6 Marks)

(c) One-fourth of the subscribed capital of AMC Limited was held by the Government of Rajasthan. Mr. Neeraj, a Chartered Accountant, was appointed as an auditor of the Company at the Annual General Meeting held on 30 April 2018 by an ordinary resolution. Mr. Sanjay, a shareholder of the Company, objects to the manner of appointment of Mr. Neeraj on the ground of violation of the Companies Act 2013. Decide whether the objection of Mr. Sanjay is tenable? Also examine the consequences of the above appointment under the said Act.

(6 Marks)

Question 6:

(a) Mars India Ltd. owed to Sunil Rs. 1,000. On becoming this debt payable, the company offered Sunil 10 shares of Rs. 100 each in full settlement of the debt. The said shares were fully paid and were allotted to Sunil. Examine the validity of this allotment in the light of the provisions of the Companies Act, 2013

(6 Marks)

(b) Mr. S Venkatesh drew a cheque in favor of M who was sixteen years old. M settled his rental due by endorsing the cheque in favor of Mrs. A the owner of the house in which he stayed. The cheque was dishonored when Mrs. A presented it for payment on grounds of inadequacy of funds. Advise Mrs. A how she can proceed to collect her dues.

(5 Marks)

(c) Define the following terms with reference to the General Clauses Act, 1897:

(i) Affidavit

(ii) Good Faith

(6 Marks)

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