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**PRESIDENCY UNIVERSITY
BENGALURU**

SCHOOL OF LAW

TEST 1

Winter Semester: 2021 - 22

Course Code: Law 119

Course Name: Company Law II

Program & Sem: B.A.LLB/B.COM.LLB/BBA.LLB 6TH Semester

Date: 26th April 2022

Time: 1:30 PM to 2:30 PM

Max Marks: 30

Weightage: 15%

Instructions:

Read all the questions carefully and answer accordingly.

Part A [Memory Recall Questions]

Answer all the Questions. Each question carries ONE mark.

(5Qx 2M= 10M)

1. A person is permitted to hold office as director (including any alternate directorship) in maximum twenty companies of which maximum number of public companies in which he can be appointed as director shall not exceed ----- (C.O.No.1)[Knowledge]

(A) Five (B) Eight (C) Ten (D) Twelve

2. Under the Companies Act, 2013 which one of the following powers can be exercised by the Board of Directors? (C.O.No.2) [Knowledge]

(A) Power to sell the company's undertakings. (B) Power to make call on shares.
(C) Power to borrow money in excess of the paid up capital. (D) Power to reappoint an auditor.

3. A public company must have at least----- directors whereas a private company must have at least -----directors. (C.O.No.1) [Comprehension]

(A). 3;2 (B). 2;3 (C). 2;5 (D). 8;10

4. Unless the Articles provide otherwise, at least how many of the total numbers of directors of a public company shall be rotational directors? (C.O.No.3) [Knowledge]

(A). One –third (B). One –fourth (C). Two- third (D). None of these

5. What is the minimum number of Independent Directors required in a Listed Public Company as per Sec 149(4)? (C.O.No.2) [Knowledge]

(A). Minimum 2 Independent Directors (B). Min 1/3rd of total Directors

(C). Min 1 Independent Director (D). Min 2/3rd of total Directors

Part B [Thought Provoking Questions]

Answer both the Questions. Each question carries FIVE marks.

(2Qx05M=10M)

6. Who can be appointed as a director of a company? Also, Elaborate any two modes of appointing Directors of a Company.

Mr. Pawan together with one of his relatives holds 3% of the total voting power of XYZ Ltd. The Board of Directors of this XYZ company appointed him as an independent director. Discuss the validity of this appointment. (C.O.No.4) [Application]

7. Discuss the liabilities of directors towards the company and to outsiders for their acts.

MTPC, a Government Company seeks to increase the maximum number of directors. Which resolution is required to be passed? (C.O.No.5) [Application]

Part C [Problem Solving Questions]

Answer the Question. The question carries TEN marks.

(1Qx10M=10M)

8. (a) "The rule of equity which insists on those, who by case of a fiduciary position make a profit, being liable to account for that profit in no way depends on fraud or absence of bonafides." Examine the statement with reference to the relationship of director with his company.

(b). The board of directors of Picasso Mines Ltd. Co. was approached by Mr. Albert who wishes to sell a venture to the company. The proposal was rejected by the company after consideration by the board. Later on Mr. James who was director of the company has purchased the venture. After few years Mr. James resold the venture to a company and earned huge profit. Discuss whether Mr. James is liable to account for it? (C.O.No.5)[Application]

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**PRESIDENCY UNIVERSITY
BENGALURU**

SCHOOL OF LAW

TEST 2

Date: 1st June 2022

Time: 01.30 PM- 02.30 PM

Max Marks: 30

Weightage: 15%

Winter Semester: 2021 - 22

Course Code: Law 119

Course Name: Company Law II

Program & Sem: B.A.LLB/B.COM.LLB/BBA.LLB 6TH Semester

Instructions:

Read all the questions carefully.

Part A [Memory Recall Questions]

Answer all the Questions. Each question carries TWO mark. (10Qx 2M= 20M)

Q.NO. 1. _____ is a decision on the proposal. [02 Mark] (C.O.No.2) [K]

(A). Quorum (B). Proxy (C). Motion (D). Resolution

Q.NO.2. _____ refers to the instrument by which a person is appointed to act for another at a meeting of the company. [02 Mark] (C.O.No.1) [C]

(A). Proxy (B). Quorum (C). Motion (D). None of the above

Q.NO.3. A special resolution is passed by [02 Mark] (C.O.No.3) [K]

(A). Simple majority. (B). 2/3 majority. (C). 3/4 majority. (D). None of these.

Q.NO.4 _____ is the minimum number of members that should be present at the meeting as per the Articles of the company before any business can be validly transacted. [02 Mark] (C.O.No.2) [A]

(A). Minutes (B). Quorum (C). Register (D). Proxies

Q.NO. 5. _____ is called for dealing with some urgent special business which cannot be postponed till the next annual general meeting. [02 Mark] (C.O.No.3) [K]

(A). Extra ordinary general meeting (B). Ordinary general meeting

(C). Class meeting (D). None of the above

Q.NO.6. The quorum for a meeting of the board of directors shall be _____ of its total strength or 2 directors, whichever is higher. [02 Mark] (C.O.No.4) [K]

(A). 3 (B). 1/2 (C). 1/4 (D). 1/3

Q.NO.7. Statutory meeting of the company is held [02 Mark] (C.O.No.1) [A]

(A). Every year. (B). After every two years.

(C). Once in the life time of the company. (D). Every year at te discretion of the Board of Directors.

Q.NO.8. An AGM be called by giving ____days' notice [02 Mark] (C.O.No.1) [K]

(A). 45 (B). 21 (C). 25 (D). 31

Q.NO.9. The time gap between two AGM's shall not exceed [02 Mark](C.O.No.2)
[C]

(A). 18 months (B). 15 months (C). 16 months (D). None of these

Q.NO.10. Every AGM must be held within _____ from the date of closing of the first financial year [02 Mark] (C.O.No.3) [A]

(A). 4 months (B). 6 months (C). 9 months (D). None of these

Part B [Thought Provoking Question]

Answer the following Question. The question carries FIVE marks.(1Qx05M=5M)

Q.NO.11. "The will of Majority must prevail" is the principle of Company Management. Are there any Exceptions to this rule? [05 Marks] (C.O.No.4) [A]

Part C [Problem Solving Question]

Answer the following Question. The question carries FIVE marks (1Qx5M=5M)

Q.NO. 12. Explain the procedure relating to holding of Annual General Meeting of the Company with regard to the following: [5 Marks] (C.O.No.5) [A]

- (i) Period within which the First and the subsequent Annual General Meetings must be held. (2 Marks)
- (ii) Business which may be transacted at an Annual General Meeting. (2 Marks)
- (iii) M/s Low Esteem Infotech Ltd. was incorporated on 1.4.2003. No General Meeting of the company has been held so far. Decide the power of Registrar with regard to granting extension of time for the First Annual General Meeting.

(1Marks)



Even Semester: 2021 - 22

Date: 30th June 2022

Course Code: LAW119

Time: 01.00 PM to 04.00 PM

Course Name: COMPANY LAW-II

Max Marks: 100

Program & Sem: BA.LLB/BBA.LLB/BCOM.LLB (Hons.) VI Sem

Weightage: 50%

Instructions:

(i) Read the all questions carefully and answer accordingly.

Part A [Memory Recall Questions]**Answer all the Questions. Each question carries TWO marks.****(10Qx 2M=10M)**

1) Under the companies Act, which one of the following powers can be exercised by the Board of Directors? (C.O.No.1) [K]

- (A) Power to sell the company's undertakings.
- (B) Power to make call.
- (C) Power to borrow money in excess of the paid up capital.
- (D) Power to reappoint an auditor.

2) The Board of Directors can exercise the power to appoint directors in the case of.

- I. Additional Directors.
- II. Filling up the Casual vacancy.
- III. Alternate Directors.

(C.O.No.1) [K]

- (A) Statement I only is correct
- (B) Statements I and III only are correct
- (C) Statements II and III only are correct
- (D) Statements I, II and III are correct

3) Which of the following is not a preferential creditor: (C.O.No.1) [K]

- (A) All sum due to employee from a provident fund, pension fund, gratuity fund or any other fund maintain for welfare of employee.
- (B) Compensation under workmen's compensation act.
- (C) Amount due under employees' state insurance act for 12 months previous to the winding up
- (D) Amount due to employee under amalgamation or reconstruction

4) The first directors of a public company are appointed by the:

(C.O.No.1) [K]

- (A) Public.
- (B) Shareholders.
- (C) Promoters.
- (D) Government.

5) Who shall be the Convener of the Selection Committee for the appointment of members of NCLT and NCLAT? (C.O.No.4) [C]

- (A) Chief Justice of High Court
- (B) Chief Justice of India
- (C) Secretary, the Ministry of Corporate Affairs

(D) Secretary, the Ministry of Law and Justice

6) The chairperson of National Company Law Appellate Tribunal shall be a person:
(C.O.No.4) [C]

- I. who is or has been a Judge of the Supreme Court.
- II. who is or has been a Chief Justice of the High Court.
- III. who is or has been a Judge of a High Court for 5 years.

Choose the correct one:

- (A) Only 1
- (B) 1 or 2
- (C) 1 or 3
- (D) 1 or 2 or 3

7. Mr. Ram was appointed as the member of the National Company Law Tribunal. He (at the age of 63 years) has now resigned from his office by giving a notice to the Central Government, by stating that he will stop acting as a member to NCLT with immediate effect. The Central Government tells him that you have to continue until a person duly appointed as your successor enters upon the office. Is the contention of Central Government correct?

(C.O.No.4) [A]

- (A) No, he can be told to hold office for maximum upto 2 months.
- (B) No, he can be told to hold office for maximum upto 3 months.
- (C) No, he can be told to hold office for maximum upto 6 months.
- (D) Yes, the contention of Central Government is correct.

8. All proceedings before the Tribunal or the Appellate Tribunal shall be deemed to be _____, and the Tribunal and the Appellate Tribunal shall be deemed to be _____ for the purposes of Chapter XXVI of the Code of Criminal Procedure, 1973.

(C.O.No.4) [A]

- (A) Judicial proceedings; civil court
- (B) non-Judicial proceedings; civil court
- (C) Judicial proceedings; criminal court
- (D) non-Judicial proceedings; criminal court

9. National Company Law Appellate Tribunal is Constituted for hearing appeals against:

(C.O.No.4) [C]

- I. the order of the Tribunal
- II. the orders of the National Financial Reporting Authority under Companies Act, 2013
- III. any direction, decision or order referred to in Sec. 53N of Competition Act, 2002 in accordance with the provisions of that Act.

Choose the correct one:

- (A) Only 1
- (B) 1 and 2
- (C) 1 and 3
- (D) 1, 2 and 3

10. The President, the Chairperson or any Member of NCLT or NCLAT may, by notice in writing under his hand addressed to _____, resign from his office. (C.O.No.4) [C]

- (A) Chief Justice of Supreme Court
- (B) Chief Justice of India
- (C) Secretary, the Ministry of Corporate Affairs
- (D) Central Government

Part B [Thought Provoking Questions]

Answer all the Questions. Each question carries TEN marks.

(5Qx10M=50M)

11. Harish and Waheda are married to each other under Special Marriage Act, 1954. In the year 2000 they incorporated a private limited company in which they are the only directors and shareholders having equal voting rights. In the year 2015 differences arise between them due to marital discord and haven't spoken to each other since 2015 and the company ceased to operate its business in the field of its activities for past 18 months. Waheda (one of the shareholders) filed a winding up petition. Decide.
(C.O.No.4) [A]

12. "A director of a company stands in a fiduciary relationship towards the company and shall observe utmost good faith towards the company in any transaction with it or on behalf of it." Critically examine the above statement and mention the other duties of directors with decided cases.
(C.O.No.1) [C]

13. "The essence of the matter seems to be that the conduct complained of should at the lowest involve a visible departure from the standards of fair dealing and a violation of the conditions of fair play." Explain the meaning of Oppression in the light of above observations and other decided cases. Discuss the conditions of relief for oppression under the Companies Act, 2013.
(C.O.No.3) [C]

14. "There must be an unfair abuse of powers and impairment of confidence in the probity with which the company's affairs are being conducted as distinguished from mere resentment on the part of the minority at being uprooted on some issue of domestic policy." Discuss this statement and point out the conditions for seeking relief under the Companies' Act, 2013.
(C.O.No.3) [A]

15. M/s ABC is a big sized public company managed by a Board of Directors consisting of 12 Directors including one Managing Director and two Joint Directors. Four directors are represent the financial institutions, which together hold more than 50% of the equity capital of the company. The Board of Directors took certain decisions which are opposed by the directors representing the financial institutions as they felt that the decisions were not in the interests of the company. The financial institutions, therefore, sought to remove the Directors under section 169 of the Companies Act and served a requisition under section 100 of the Companies Act for extraordinary general meeting. The financial institutions refused to give any reasons for the removal of the directors. The company refused to convene the meeting on various grounds including that the requisition is not accompanied by a proper explanatory statement. Discuss.
(C.O.No.2) [K]

Part C [Problem Solving Questions]

Answer both the Questions. Each question carries fifteen marks.

(2Qx15M=30M)

16. A company was formed with the main object of manufacturing coffee from dates under a German Patent to be acquired by the company. However, the company failed to acquire German Patent but started manufacturing coffee from dates under a Swedish patent which the company acquired: A petition for winding up of the company has been filed by a contributor. How would you decide? Also discuss the grounds for compulsory winding up of a company with reference to statutory provisions and the case law.
(C.O.No.4) [A]

17. Alliance Limited issued a notice for holding of its Annual General Meeting on 7th November, 2013. The notice was posted to the members on 16-10-2013. Some members of the company allege

that the company had not complied with the provisions of the Companies Act with regard to the period of notice and as such the meeting was not validly called. Decide:

i) Whether the meeting has been validly called?

ii) If there is a shortfall in the number of days by which the notice falls short of the statutory requirement, state and explain by how many days does the notice fall short of the statutory requirement?

iii) Can the shortfall, if any, be condoned?

(C.O.No.3) [A]