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PRESIDENCY UNIVERSITY BENGALURU

 **SET A**

SCHOOL OF LAW

**END TERM EXAMINATION – MAY / JUNE 2024**

**Semester :** Semester II - 2023

**Course Code :** BBL2012

**Course Name :** Corporate Law and Practices

**Program :** BBA LLBHonors

**Date :** June 21, 2024

**Time :** 09.30am to 12.30pm

**Max Marks :** 100

**Weightage :** 50%

**Instructions:**

1. *Read all questions carefully and answer accordingly.*
2. *Question paper consists of 3 parts.*
3. *Scientific and non-programmable calculator are permitted.*
4. *Do not write any information on the question paper other than Roll Number.*

**PART A**

**ANSWER ANY FOUR QUESTIONS 4Q X 5M = 20 MARKS**

* 1. Companies limited by guarantee are often used for non-profit purposes. How does this structure support the objectives of non-profit organizations, and what challenges might they face in terms of governance and sustainability?

(CO1) [Knowledge]

* 1. Misstatements in a prospectus can lead to severe consequences. Describe various legal frameworks that address these misstatements, and what are the broader implications for corporate accountability and investor trust?

(CO2) [Knowledge]

* 1. The Company Secretary ensures compliance with statutory requirements. Describe their role in maintaining corporate integrity and governance standards.

(CO3) [Knowledge]

* 1. The redemption of preference shares affects both shareholders and the company. How does the redemption process impact a company’s cash flow and financial strategy, and what are the implications for preference shareholders?

(CO4) [Knowledge]

* 1. The minutes of general meetings serve as an official record of discussions and decisions. Enumerate how can the accuracy and transparency of meeting minutes supports in resolving future disputes?

(CO5) [Knowledge]

* 1. The dematerialization of shares has revolutionized share trading. Discuss the ways in which the demat system improved market efficiency and security.

(CO4) [Knowledge]

**PART B**

**ANSWER ANY FOUR QUESTIONS 4Q X 10M = 40 MARKS**

* 1. You are appointed as a financial consultant to a group of investors who are considering investing in a publicly traded company. Your investors are keen on understanding the characteristics and objectives of a public company before making an investment decision.

Describe the characteristics of a public company compared to a private company.

(CO1) [Application]

* 1. You are an aspiring entrepreneur with a brilliant idea for a tech startup. After conducting thorough market research, you're convinced that there's a demand for your product, and you're ready to take the plunge into entrepreneurship. However, before diving headfirst into launching your venture, you understand the importance of the incorporation stage.

In your role as the founder of the tech startup, outline the process and significance of the incorporation stage. Provide a detailed explanation of what it entails, including the essential contents that need to be addressed.

(CO2) [Application]

* 1. Debentures are crucial for corporate financing. Explain different types of debentures that affect a company’s capital structure.

(CO4) [Application]

* 1. Annual General Meetings (AGMs) and Extraordinary General Meetings (EGMs) serve distinct purposes. Explain how these meetings complement each other in ensuring comprehensive shareholder engagement?

(CO5) [Application]

* 1. The introduction of the Director Identification Number (DIN) aims to enhance transparency and accountability. Discuss the effectiveness of DIN system in tracking director activities and preventing fraudulent practices within corporations.

(CO3) [Application]

* 1. Explain the essential features of a company in modern economic systems? Discuss the potential advantages and challenges inherent in these features.

(CO1) [Application]

**PART C**

**ANSWER ANY TWO QUESTIONS 2Q X 20M = 40 MARKS**

* 1. Examine various types of companies in detail.

(CO1) [Analysis]

* 1. The Memorandum of Association and Articles of Association are critical constitutional documents. Describe their respective roles and the process for their alteration reflect the dynamic needs and governance structure of a company.

(CO2) [Analysis]

* 1. The processes of share allotment and forfeiture are crucial for maintaining equity and fairness among shareholders. How do these processes ensure the integrity of capital allocation, and what are the potential pitfalls?

(CO4) [Analysis]