DEPARTMENT OF BANKING AND INSURANCE

17UBI412 & COMPANY LAW

K1 Level

Unit - I

1. In ------- year, the Companies Act was established.

   a. 1916

   b. 1926

   c.1946

   d.1956

2. A company is an --------- legal person created by the process of law.

   a. artificial

   b. natural

   c. sole

   d. individual

3. A company and the members are ----------.

   a. one and the same

   b. different

   c. same

   d. only one

4. In law, promotion means -----------.

   a. registration of a business

   b. starting of production

   c. discovery of a business opportunities

d. winding up of a business

5. Promoters may select at least ----- names for the proposed public company at the time of registration.

a. four

b. five

c. six

d. seven

6. A ---------- cannot commence is business until it get certificate of commencement of business.

a. Private company

b. Public company

c. Foreign company

d. Domestic company

7. --------- are incorporated under a special charter by a monarch.

a. Chartered companies

b. Statutory companies

c. Registered companies

d. Special companies

8. A company which restricts the right of transfer of shares called --------.

a. private company

b. public company

c. foreign company

d. domestic company

9. Minimum number of members needed to start a private company is ------.

a. 1

b. 2

c. 3

d. 4

10. Minimum number of members needed to start a public company is ------.

a. 4

b. 5

c. 6

d. 7

11. Maximum limit to admit the number of members in a public company is ------ members.

a. 5000

b. 50000

c. 100000

d. no limit for

12. Minimum directors needed for a private company is --------.

a. 1

b. 2

c. 3

d. 4

13. Minimum directors needed for a public company is --------.

a. 3

b. 4

c. 5

d. 6

14. Maximum directors for a company is --------.

a. 10

b. 15

c. 20

d. 25

15. --------- members constitute quorum for a private company.

a. 2

b. 4

c. 6

d. 8

16. The overall limit for managerial remuneration for the public company is --------.

a. 10

b. 11

c. 12

d. 13

17. A company holds more than fifty per cent of the normal value of issued capital of another company then the former company is known as ------- company.

a. Indian

b. foreign

c. subsidiary

d. holding

18. --------- companies registered in India under the Indian Companies Act.

a. foreign

b. Indian

c. government

d. non-government

19. The central/ state government holds not less than 51 % of the paid up share capital in other companies then the later is called as -------- company.

a. government

b. Indian

c. foreign

d. domestic

20. ------- companies are incorporated outside India.

a. Chartered

b. Statutory

c. foreign

d. Private

Unit -II

21. Memorandum of Association is the document governs the relationship between the company and the -------.

a. outside

b. inside

c. out and in

d. overseas

22. OPC means ----------.

a. One Person Co-Operation

b. One Private Company

c. One Person Company

d. One Public Company

23. ------- clause contains the declaration of the subscribers.

a. Capital

b. Object

c. Liability

d. Association

24. MOA of a company limited by shares adopt ---------.

a. Table A

b. Table B

c. Table C

d. Table D

25. MOA of a company limited by guarantee and having share capital adopt ------.

a. Table B

b. Table C

c. Table D

d. Table E

26. MOA of an unlimited company and having share capital adopt --------.

a. Table B

b. Table C

c. Table D

d. Table E

27. Alteration in the Memorandum of Association of a company requires ----------- resolution.

a. ordinary

b. special

c. normal

d. extra

28. A company may change its name by passing special resolution with the approval of the ------ government in writing.

a. central

b. state

c. both a and b

d. union

29. The change in the name of the company shall be reported to the register with ----- days from the date of change.

a. 5

b. 10

c. 15

d. 30

30. The notice of change of registered office from one place to another place in the same city/town/village is given to the registrar within ------ days after the date of change to the registrar.

a. 10

b. 11

c. 13

d. 15

31. A change in a company's registered office from one state to another may be effected by passing --------- resolution.

a. an ordinary

b. board of directors

c. a special resolution

d. a special resolution and confirmation from the company law board

32. Ultra virus means -----------.

a. within the powers

b. within the authority

c. outside the authority

d. beyond the powers

33. The rules and regulations for the internal management of a company are contained in its -----.

a. prospectus .

b. annual report .

c. memorandum of association .

d. articles of association

34. The articles of association can be altered by_____________.

a. a resolution of the board of directors

b. an ordinary resolution in general meeting

c. a special resolution in general meeting

d. obtaining permission from the company law board

35. The model form of articles for a company limited by shares is ---------.

a. Table F

b. Table G

c. Table H

d. Table I

36. The model form of articles for an unlimited company and having share capital is ---------.

a. Table G

b. Table H

c. Table I

d. Table J

37. Lien on shares is discussed in the document called -------.

a. Memorandum of Association

b. Articles of Association

c. Doctrine of Indoor Management

d. Doctrine of Ultra virus

38. ---------- deals with transfer of shares in a public company.

a. Memorandum of Association

b. Ultra Virus

c. Doctrine of Indoor Management

d. **Articles of Association**

39. Anything done against the provision of articles known as --------.

a. Intra-Virus

b. Ultra Virus

c. Extra Virus

d. Special Virus

40. Every person dealing with the company should presume to have read and understood MOA and AOA is called --------.

a. Doctrine of Indoor Management

b. Doctrine of Ultra virus

c. Doctrine of Constructive Notice

d. Doctrine of Intra virus

Unit -III

41. ------ is an invitation of the company to subscribe the shares or debentures of the company.

a. Prospectus

b. Memorandum

c. Articles

d. both b and c

42. If the public company mobilize its share capital from the private sources then it file a statement called -------.

a. prospectus

b. statement in lieu of prospectus

c. alternative prospectus

d. statement of affairs

43. The document issued by the issuing houses to offer shares to public for sale is called ----- prospectus.

a. red-hearing

b. normal

c. deemed

d. private

44. A ------ prospectus that does not have complete particulars on the price or quantum of the securities offered.

a. red-hearing

b. normal

c. deemed

d. private

45. A shareholder purchased shares in the open market and the company's prospectus contained some misstatements then the shareholder -------.

a. can rescind the contract only but cannot claim damages.

b. can claim damages only but cannot rescind the contract.

c. has no remedy against the company.

d. has remedy against the directors responsible for the issue of the prospectus .

46. A --------- means a person who owns the shares of the company.

a. proxy

b. debenture trustee

c. debenture holder

d. shareholder

47. -------- is the real owner of the company.

a. Equity share holder

b. Preference share holder

c. Debenture holder

d. Creditor

48. A company has to receive at least ----- per cent of the minimum subscription.

a. 60

b. 90

c. 120

d.140

49. As per SEBI, application money should be refunded from the end of --------- day if the minimum subscription is not reached.

a. 60th

b. 70th

c. 80th

d. 90th

50. The liability of a shareholder in a company limited by shares is ------------.

a. unlimited

b. limited by guarantee

c. limited to the unpaid value of shares subscribed by him

d. none of the above

51. Rights shares means the shares which are ---------.

a. issued to the directors of the company

b. first offered to the debenture holders

c. first offered to the existing shareholders

d. issued by a newly formed company

52. ---------- types of preference shares are available.

A. 8

B. 7

C. 6

D. 5

53. Shares can be issued -----------.

a. at par

b. at discount

c. at premium

d. at par/discount/premium

.

54. ------------- shares are additional shares given to the current shareholders without any additional cost, based upon the number of shares they owns.

a. Right

b. Bonus

c. Extra

d. Additional

55. The preference shares which do not carry the right to receive the arrears of dividends are called ----- preference shares.

a. cumulative

b. non- cumulative

c. participating

d. non-participating

56. The preference shares which are converted into equity shares at later date is known as ----- preference shares.

a. convertible

b. non-convertible

c. redeemable

d. irredeemable

57. The share capital raised by a company cannot be returned during the life time of the company called as --------- preference shares.

a. redeemable

b. irredeemable

c. cumulative

d. non- cumulative

58. The debenture holders of a company are the company's --------.

a. owners.

b. creditors

c. customers.

d. all of these

59. --------- debentures are not recorded in a register of the company.

a. Registered

b. Bearer

c. Unsecured

d. Redeemable

60. ------------ debentures are secured by a charge on the assets of the company.

a. Bearer

b. Mortgage

c. Redeemable

d. Irredeemable

Unit - IV

61. The company is acts through a human agency called ----------.

a. shareholders

b. denture holder

c. secretaries

d. directors

62. If a company wants to increase the number of directors to more than 15 then it has to pass ----- resolution in the annual general meeting.

a. ordinary

b. extra-ordinary

c. special

d. normal

63. If no provision is made in the articles for the appointment of the first directors then the ---- to the memorandum are the first directors of the company.

a. shareholders

b. manager

c. subscriber

d. managing director

64. The director should give his consent to hold office and it is filed with the registrar within ---- days of his appointment.

a. 15

b. 30

c. 40

d. 45

65. In every subsequent Annual General Meeting, ------- of directors who are liable to retire by rotation from the office.

a. one-third

b. two-third

c. one-fourth

d. two-fourth

66. If the director is absent for more than three months in India then ------- director will be appointed.

a. additional

b. independent

c. first

d. alternate

67. If the directors are appointed by creditors or debenture holder then it is called appointment of directors by ----------.

a. shareholder

b. board

c. third parties

d. banker

68. The maximum number of public companies in which a person can be appointed as director shall not exceed -------.

a.5

b. 10

c. 15

d. 20

69. DIN denotes --------.

a. Director Identification Number

b. Director Independent Number

c. Director Invalid Number

d. Director Invisible Number

70. The total managerial remuneration payable by a public company to its directors, including managing director, manager and whole-time director is -------- per cent.

a. 9

b. 10

c. 11

d. 12

71. If the notice to meeting is absent to the directors meeting then the officer is punishable with fine of Rupees --------.

a. 10000

b. 15000

c. 20000

d.25000

72. The quorum for a meeting of the board of directors of a company is ------- of its total strength or two directors whichever is higher.

a. one-third

b. one-fourth

c. one-fifth

d. one-sixth

73. The public company limited by shares should conduct ------- meeting after one month but within six month of obtaining the certificate of commencement of business.

a. statutory

b. board

c. annual general

d. extra-ordinary

74. The statutory report shall be issued to every member at least ------- days before the date of statutory meeting.

a. 11

b. 17

c.19

d.21

75. A company may hold its first annual general meeting within a period of ------ months from the date of closing of the first financial year of the company.

a. 3

b. 4

c.5

d.6

76. The notice to the annual general meeting should be given to the shareholder at least ------ days before.

a. 15

b. 17

c. 19

d. 21

77. Declaration of dividend is take place in ------- meeting.

a. board

b. statutory

c. annual general

d. extra-ordinary

78. If the company fails to convey AGM, every officer of the company who is in default shall be punishable with fine which may extend to ---------- rupees.

a. 50000

b. 100000

c. 200000

d. 300000

79. -------- meetings are called at the times of emergencies and special occasions.

a. Board

b. Statutory

c. Annual General

d. Extra-ordinary

80. The requistionists who represent not less than ----- of the total voting rights of all the members may themselves convene a meeting.

a. one-third

b. two-third

c. one-tenth

d. two-tenth

Unit -V

81. The last stage of the company is --------.

a. promotion

b. winding up

c. registration

d. issuing prospectus

82. --------- is appointed to collect the company's assets and pay the debts it's and finally distribute the surplus among shareholders.

a. Liquidator

b. Trustee

c. Executor

d. Shareholder

83. ---------- is not eligible to file a petition for winding up of the company.

a. Company

b. Creditors

c. Registrar

d. Third party

84. A contributory is a -------.

a. creditor

b. shareholder

c. debenture holder

d. convertible debenture holder

85. The tribunal may appoint a ------- liquidator at any time after the presentation of a winding up petition and before the making of a winding up order.

a. provisional

b. official

c. temporary

d. interim

86. If a winding up order is the being made in respect of a company, the tribunal shall appoint an --------liquidator

a. member

b. official

c. provisional

d. creditor

87. The -------- committee is being formed to assist and monitor the progress of liquidation proceedings.

a. member

b. creditor

c. winding up

d. shareholder

88. The liquidator has to submit a --------- report to the tribunal within sixty days from the date of order.

a. interim

b. auxiliary

c. main

d. preliminary

89. The liquidator should present his receipts and payments at least ----- a year as liquidator.

a. once

b. twice

c. thrice

d. half

90. -------- includes the list of present members of the company whose name appear in the registrar of members at the time of winding up.

a. List A

b. List B

c. List C

d. List D

91. -------- includes the list of past members of the company whose name is ceased to be member within one year preceding the commencement of winding up.

a. List A

b. List B

c. List C

d. List D

92. The voluntary winding up is made by passing -------- resolution.

a. an ordinary

b. a special

c. both a and b

d. normal

93. A Members' Voluntary winding up is a formal process for closing down ------ company in a cost-effective way.

a. an efficient

b. a inefficient

c. an insolvent

d. a solvent

94.The company should give a notice of appointment of the liquidator to the registrar within -----days from the date of appointment in case of members' voluntary winding up.

a. 5

b. 10

c. 15

d. 20

95. ----- is a statement submitted by the company to the official liquidator within 21 days from the appointment of provisional liquidator.

a. Statement of profit and loss

b. Statement of balance sheet

c. Statement of affairs

d. Statement of trial balance

96. The tribunal may appoint an -------- committee to advice the liquidator of the company.

a. suggestion

b. optional

c. advisory

d. review

97. ------- is a preferential payment when compared to other debts.

a. Workman dues

b. secured creditors

c. banker

d. unsecured creditors

98. When there is a deadlock in the management of the company and the company may go for winding up by --------.

a. tribunal

b. creditor

c. member

d. court

99. ------- should arrange for a board meeting to consider and approve the draft of declaration of insolvency in the member's voluntary winding up.

a. Member

b. Director

c. Liquidator

d. Secretary

100. In ------ winding up, the company may appoint a new liquidator in the place of previous liquidator in the event of death, resignation etc., of the previous liquidator.

a. voluntary

b. compulsory

c. creditors

d. third party

K2 Level

Unit – I

1. Define company law.

Section 2(20) of the Companies Act, 2013, definescompany, "a company incorporated under this Act or any previous company law."

2. What is separate legal entity?

Company is an artificial person and it is separate and distinct from its members.

3. What is chartered company?

Chartered companies are incorporated under a special Charter by a monarch. eg. East India Company and Bank of England

4. List out examples for statutory company.

Reserve Bank of India, State Bank of India, Unit Trust of India

5. Define private company?

Section 2(68) of Companies Act, 2013 defines private companies are those companies whose articles of association restrict the transferability of shares and prevent the public at large from subscribing to them.

6. What is public company?

According to Sec. 2(71) of Indian companies Act, 2013, "Public Company" means a company which is not a private company and has a minimum paid-up share capital of five lakh rupees or such higher paid-up capital, as may be prescribed. A company which is a subsidiary of a company, not being a private company, shall be deemed as public company.

7. What is meant by unlimited company?

Unlimited companies means, a company not having any limit on the liability of its members. It may or may not have a share capital.8. What is the minimum number of members to start a private company?

The minimum number of members to start a private company is 2.

9. What is the minimum number of members to start a public company?

The minimum number of members to start a private company is 7.

10. Expand OPC.

One Person Company

11. What is promotion?

This is the first stage in the formation of a company. It begins with a person or a group of persons having thought of or conceived a possible future business opportunity and then taking an initiative to give it a practical shape by way of forming a company. Such a person or a group of persons who proceed to form a company are known as promoters of the company.

12. Who are promoters?

Promoters not only conceive a business opportunity but also analyze its prospects and bring together the men, materials, machinery, managerial abilities and financial resources that are necessary for the formation and existence of the company.

13. Bring out any two fiduciary duties of promoters.

The two fiduciary duties imposed on a promoter are: (1) not to make any secret profit out of the promotion of the company. (2) to disclose to the company any interest which he has in a transaction entered into by it.

14. What are preliminary contracts?

The company can’t enter into a contract before it comes into existence, and it comes into existence only after its registration. The promoters are entering into the contract before the registration of the company. This is called preliminary contract or pre-incorporation contracts.

15. What is incorporation?

Incorporation or registration is the second stage in the formation of a company. It is the registration that brings a company into existence. A company is properly constituted only when it is duly registered under the Act and a Certificate of Incorporation has been obtained from the Registrar of Companies.

16. What is meant by prospectus?

A document invites deposits from the public or invites offers from the public to buy shares and debentures of the company.

17. What is meant by commencement of business?

After completing the sale of the required number of shares, the certificate is sent to the registrar along with the letter from the bank stating that all the money is received. The registrar then scrutinizes the documents. If all the legal formalities are done then the registrar issues a certificate known as ‘certificate of commencement of business’. This is the conclusive evidence for the commencement of business for the public company.

18. What are provisional contract?

The contracts/agreements entered by the public company after its incorporation but before the certificate commencement of commencement of business is issued to the company are called as provisional contracts.

19. What are the stages involved in forming a private company?

i) Promotion and ii) Registration are the two stages involved in forming the private company.

20. What are the stages involved in forming a public company?

i) Promotion and ii) Registration iii) Capital subscription and iv) Obtaining certificate of business are applicable to form a public company.

Unit – II

21. What is Memorandum of Association?

Memorandum is the fundamental document that governs the relationship between the company and the outside.

22. Point out any two purposes of forming MOA.

- It gives protection to shareholders who learn from it the purposes to which their money can be applied.
- It gives protection to persons who deal with the company and who can infer from it the extent of the company's power.

23. Who will adopt Table C memorandum?

Table C memorandum is applicable to a company limited by guarantee and having share capital.

24. Who are eligible to adopt Table E memorandum?

The unlimited company and having share capital will adopt Table E memorandum.

25. What is undesirable name in name clause?

A name which is identical with or which closely resembles the name of another company so as to deceive or mislead the prospective customer of one, trading with the other is called undesirable name.

26. What is capital clause?

The clause is in the company's memorandum of association stating the amount of share capital with which the company proposes to be registered and the division of it into shares of fixed amount.

27. What is association clause?

This clause states that the persons subscribing their signatures at the end of the Memorandum are desirous of forming themselves into an association in pursuance of the Memorandum.

28. What is registered office clause?

A registered office is the official address of an incorporated company, association or any other legal entity.

29. What is Doctrine of ultra virus?

Ultra' means beyond and 'Virus' means powers. Thus, the expression ultra virus means an act beyond the powers. Here the expression ultra virus is used to indicate an act of the company, which is beyond the powers conferred on the company by the objects clause of its memorandum.

30. What is an ultra virus tort?

A company cannot be liable for any tort committed by its officers in connection with the business outside its scope of objectives. If officers have performed a tort which is intra-vires, the company will be held liable.

31. What is constructive notice?

All persons dealing with a company are deemed or construed to have knowledge of the company's articles of association and memorandum of association. This is called constructive notice.

32. What is Doctrine of indoor management?

Doctrine of indoor management is an exception to rule of constructive notice. According to this doctrine, persons dealing with company are entitled to presume that internal requirements prescribed in the memorandum and articles have been properly observed.

33. What is Articles of Association?

TheArticles of Association or AOA is the legal document as the constitution of the company. It is comprised of rules and regulations that govern the company's internal affairs.

34. What is the model form of articles for company limited by shares?

Table F is the model form of articles for company limited by shares.

35. Who will adopt Table G?

Company limited by guarantee and having share capital will adopt Table G.

36. Who will follow Table I form of articles?

The unlimited company and having share capital can adopt Table I.

37. Who will adopt Form J articles?

The unlimited company and not having share capital may adopt Table J.

38. State any two contents in AOA.

i) Allotment of shares and ii) Transfer of shares

39. What is ordinary resolution?

An ordinary resolution is refers to a resolution, passed by the members of the company by a bare majority.

40. What is special resolution?

A special resolution, on the other hand, is the resolution, that is affirmed by the members of the company by three-fourth majority.

Unit – III

41. What is prospectus?

A prospectus is a legal document issued by companies that are offering securities for sale.

42. What is meant by deemed prospectus?

Sec.25(1) where a company allots/agrees to allot any shares or debentures to issue house with a view to offer them as sale to public, then any document by which offer is made is deemed to be a prospectus issued by the company..

43. What is red-herring prospectus?

"Red-herring prospectus" means a prospectus that does not have complete particulars on the price of the securities offered and quantum of securities offered.

44. State any two contents in prospectus.

i) Opening and closing date of the issue ii) Names and addresses of the underwriters, underwritten amount and underwriting commission

45. What is statement in lieu of prospectus?

The statement in lieu of prospectus is a document filed with the Registrar of the Companies (ROC) when the company has not issued prospectus to the public for inviting them to subscribe for shares.

46. What is share capital?

Share capital refers to the amount of capital raised, or to be raised, by way of issue of shares by the company.

47. What is authorised share capital?

Authorized share capital refers to the total capital that a company is authorized to accept from investors by issuing shares. In simple terms, a company cannot raise capital more than its authorized capital.

48. What is subscribed share capital?

The part of issued share capital for which subscription has been received is known as subscribed share capital.

49. What is called up share capital?

The part of subscribed share capital which has been asked for payment represents called up share capital.

50. What is paid up share capital?

It represents that part of called up share capital which has been paid by investors.

Paid up capital = Called up capital – Call in arrears.

51. What is meant by stock?

The stock is a mere collection of the shares of a member of a company in a lump sum. When the shares of a member are converted into one fund is known as stock. A public company limited by shares can convert its fully paid-up shares into stock.

52. List any three types of preference shares.

i) Cumulative preference shares ii) non- cumulative preference shares iii) Participating preference shares

53. What is equity share?

Equity shareholders are paid on the basis of earnings of the company and do not get a fixed dividend. They are referred to as ‘residual owners’. Equity shares are the vital source for raising long-term capital. The holders of Equity shares are members of the company and have voting rights.

54. What is preference share?

Preference shares are the shares which promise the holder a fixed dividend, whose payment takes priority over that of ordinary share dividends. Capital raised by the issue of preference shares is called preference share capital.

55. What is cumulative preference share?

The preference shares that have the right to collect unpaid dividends in the future years, in case the same is not paid during a year are known as cumulative preference shares.

56. What is meant by participating preference share?

Preference shares which have a right to participate in the extra surplus of company shares which after dividend at a certain rate has been paid on equity shares are called participating preference shares.

57. What is non-convertible preference share?

Non-convertible shares are such that cannot be converted into equity shares. intervals say six months or one year.

58. What are the ways to issue shares?

- Issuing at par
- Issuing at premium
- Issuing at discount

59. What is rights issue?

A rights issue is a way by which a listed company can raise additional capital. However, instead of going to the public, the company gives its existing shareholders the right to subscribe to newly issued shares in proportion to their existing holdings.

60. What is bonus issue?

Bonus shares are additional shares given to the current shareholders without any additional cost, based upon the number of shares that a shareholder owns. These are company's accumulated earnings which are not given out in the form of dividends, but are converted into free shares.

Unit – IV

61. Define – Director.

A company is a legal entity and does not have any physical existence. It can act only through natural persons to run its affairs. ... It includes any person who occupies the position of a director is known as director whether or not designated as director.

62. What is board?

The directors of the company are collectively known as Board of Directors or Board.

63. What is the minimum and maximum director in a private company?

The minimum and maximum director in a private company is 2 and unlimited respectively.

64. What is the minimum and maximum director in a public company?

The minimum and maximum director in a public company is 3 and 15.

65. Who are the first directors of the company?

The articles neither contain the names of the directors nor any provision for appointing them, the subscribers of the memorandum who are individuals shall be deemed to be the first directors of the company.

66. Who are rotational directors?

At every subsequent annual general 2/3 of directs in total strength should retire every year. They are called rotational directors.

67. What is DIN?

DIN represents Director Identification Number.

68. What is the limit for directors in getting managerial remuneration?

The overall limit for directors in getting managerial remuneration is 11%.

69. List any two powers of directors.

- to make calls,
- to issue debentures,
- to borrow moneys by other means,
- to invest the funds of the company

70. Who is whole-time director?

A whole-time director is a director in the whole-time employment of the company. In other words, a director who devotes his whole time to the affairs of a company is called a whole-time director of the company.

71. What is company meeting?

A company meeting may also be defined as an assembly of people for lawful purpose or the coming together of at least a quorum of members in order to transact either the ordinary or special business of the company.

72. What is meant by statutory meeting?

A statutory meeting is the first meeting of the shareholders of a public limited company which is held only once in the life-time of the company. The meeting is held to provide an opportunity to the members for discussing all matters relating to the formation of the company. (Sec. 165)

73. What is board meeting?

The meeting of the directors is required for framing the general business policy and over-all supervision of management. Matters regarding the policies of the company are discussed at this meeting. These meetings are held periodically like once in fortnight or once in a month.

74. What is annual general meeting?

Sec. 96 of the Companies Act, 2013 states that every year company shall, in each calendar year hold an annual general meeting, provided that not more than 15 months shall elapse between two annual general meetings.

75. What is extra ordinary general meeting?

All general meetings of a company other than annual general meetings and statutory meetings are called extraordinary general meetings.

76. What is meant by statutory report?

The board of directors of a company shall, at least 21 days before the day on which the statutory meeting is held, forward a report, which is called as "the statutory report" to every member of the company. It is prepared and issued to the share holders by the board before convening the statutory meeting.

77. What is quorum for a board meeting?

The quorum for a board meeting is one-third of its total strength.

78. What is ordinary business?

The ordinary*businesses* are to be compulsorily dealt in every Annual General Meeting of a *Company*, and therefore these are called as '*Ordinary Business*'. The *Ordinary Businesses* as prescribed in the Section 102(2) of the Companies Act, 1956.

79. What is special business?

All business shall be deemed special that is transacted at an extraordinary general meeting is called special business.

80. Who can convene extra ordinary general meeting?

- The board of directors
- The board of directors on the requisition of members
- The requisitionists themselves
- The Tribunal

Unit - V

81. What is winding up?

Winding up of a company represents the last stage in its life. It is the process to bring about the dissolution or to an end of the company's existence.

82. What is the other name of winding up?

Liquidation is the other name of winding up.

83. List the modes of winding up?

- Winding up by the Tribunal
- Voluntary winding up

84. Write any two process involved in winding up?

- Taking out the management of a company's affairs from directors' hands
- Appointment of a liquidator
- Realisation of assets

85. Who is contributory?

"Contributory" means a person liable to contribute towards the assets of the company in the event of its being wound up.

86. What is dissolution?

After the winding up process is complete then NCLT may pass the order of dissolution of the company that is the company seizes to be in state of existence and its name shall be struck off from the register of Registrar of Companies and shall be published in the Official Gazette.

87. What is loss of substratum?

Loss of substratum where a company was formed for a particular purpose or activity which was either abandoned, came to an end, or was otherwise impossible to pursue Is called loss of substratum.

88. List any two contents of petition for winding up by tribunal.

- Name of the company with the date of its incorporation
- Address of the registered office
- Amount of paid-up share capital

89. Who are eligible to appointed as official liquidator?

- Chartered accountants
- Advocates
- Company secretaries
- Cost accountants

90. Who is provisional liquidation?

After receiving the winding up petition and before passing the winding up order, the Tribunal may appoint the official liquidator as provisional liquidator for the time being.

91. Who are all in winding up committee?

- Official liquidator attached to the Tribunal
- Nominee of the secured creditors
- A professional nominated by the Tribunal

92. List any two duties of liquidator in winding up process through Tribunal.

- To make an application for constitution of a winding up committee
- To conduct the proceedings in winding up

93. Who are eligible to file a petition for winding up?

- The company
- The creditors

- Any contributory or contributories
- The registrar
- Any person authorised by the central government U/S 243

94. List the powers of Tribunal on hearing petition.
    - Dismiss the petition, with or without coasts
    - Appoint a provisional liquidator of the company till the making of a winding up order
95. How the voluntary windings up takes place?
    - By passing an ordinary resolution
    - By passing a special resolution
96. List any two procedure followed in compulsory winding up.
    - Submission of petition to the Tribunal
    - Filling a copy of petition with the registrar
    - Commencement of winding up
97. Bring out two procedures in voluntary winding up.
    - Appointment of company liquidator
    - Power to fill vacancy in the office of liquidator
98. Who are called List A contributories?

    List A contributories includes the present members of the company whose names appear in the registrar of members at the time of winding up.
99. Who are called List B contributories?

    This list includes the past members of the company i.e the members who ceased to be members within one year preceding the commencement of winding up of the company. They are liable to contribute only when List A contributories fail to pay.
100. What is meant by declaration of solvency?

    This procedure is applicable only when the company prefers voluntary winding up. The directors have to make a declaration of solvency and the related procedure will be carried out.

K3 Level

Unit – I

1. Bring out the special privileges of a private company.
2. How can you classify the companies according to the mode of incorporation?
3. Classify the companies on the basis of liability of the members?
4. Write a short note on i) holding company ii) subsidiary company.
5. Write a short note on promotion.
6. Discuss - Incorporation.
7. Explain the legal position of promoters.
8. Describe the remuneration of promoters.
9. List the various duties of promoters.
10. Explain the difference between pre-incorporation and provisional contracts.

Unit – II

11. Bring out the contents of memorandum of association.
12. List the various forms of memorandum.
13. Explain about registered office clause.
14. Explain the procedures followed by the company when it changes objects clause.
15. Write a note on ultra virus torts.
16. List out the purpose of drafting articles.
17. Explain ordinary resolution.
18. Explain special resolution.
19. Explain the subscribers to AOA.
20. Explain the difference between MOA and AOA.

Unit – III

21. Explain the rules regarding issue of prospectus.
22. Describe the statement in lieu of prospectus.
23. Explain the different types of prospectus.
24. Write a short note on misstatement in prospectus.
25. Elucidate different types of share capital.
26. Describe the features of shares.
27. Bring out the difference between shares and stock.

28. Portray the voting rights of preference share holders.
29. Write a note on rights issue.
30. Discuss the procedures related with issue of bonus shares.

Unit - IV

31. Explain the qualification of directors in a company.
32. Write a note on number of directorship in a private as well as a public company.
33. Describe the procedures related to re-appointment of directors.
34. Bring out the procedures related to removal of directors.
35. How will you calculate remuneration for the directors of a company?
36. Explain the duties of directors.
37. List the powers of directors.
38. Write a short note on board meetings.
39. List the contents of a statutory report.
40. Write a note on meetings of debenture holders.

Unit – V

41. Explain the difference between winding up and dissolution.
42. Portray about winding up of a company by Tribunal.
43. Describe the procedure related with filing petition for winding up.
44. Discuss the procedures followed in compulsory winding up.
45. Explain the consequences of voluntary winding up.
46. List out the effects of voluntary winding up.
47. Explain the powers and duties of liquidator in voluntary winding up.
48. List out the duties of secretary in respect of members voluntary winding up.
49. Explain the difference between members voluntary winding up and creditors voluntary winding up.
50. Describe the nature and extent of the liability of a contributory.

K4 and K5 Level

Unit – I

1. Explain the Characteristics of a company.
2. Discuss the classification of companies.
3. Explain the difference between a private and a public company.
4. Portray the stages involved in forming a private company.
5. Elucidate the stages involved in forming a public company.

Unit – II

6. Explain the different clauses in memorandum of association.
7. Explain the provisions for alteration of various clauses in memorandum.
8. Discuss – Effect of ultra virus transaction.
9. Explain the difference between MOA and AOA.
10. Explain the contents of Articles of Association.

Unit – III

11. List out the contents of prospectus.
12. Explain the remedies for misstatements in prospectus.
13. Elucidate the kinds of shares.
14. Describe various kinds of preference shares.
15. Explain the types of debentures.

Unit – IV

16. Explain the legal position of directors.
17. Explain the mode of appointment of directors.
18. Explain the liabilities of directors.
19. Discuss – Annual General Meeting.
20. Explain the eligibility of the persons to conduct Extra ordinary General Meeting.

Unit - V

21. Explain the duties of liquidator when appointed through Tribunal.
22. Portray the powers of official liquidator.
23. Explain about the general powers of Tribunal.

24. Elucidate the procedures for member’s voluntary winding up.

25.Explain in detail about the creditor’s voluntary winding up.

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