

**B.A., LL.B. (Hons.) DEGREE FIFTH SEMESTER EXAMINATION,  
NOVEMBER 2019**

**Time: 3 Hours**

**Maximum Marks: 50**

**COMPANY LAW**

**PART A**

**I. Answer any five questions.**

- (a) Explain fiction theory of corporate personality. Examine its current relevance.
- (b) Who is a promoter? Explain his duties towards the company and other stakeholders of the company.
- (c) What is a prospectus? Examine the need for fixing accountability to the issuers of a prospectus.
- (d) What is a share? Distinguish between equity and preference shares.
- (e) Who is a director? What is the role of independent directors in a company?
- (f) What is meant by dematerialisation of shares? Explain the objectives for mandating dematerialisation of shares of publicly traded companies.
- (g) What are dormant companies? Why should dormant companies be allowed to continue on the register of companies?

(4 X 5 = 20)

**PART B**

(Answer any TWO Questions)

- II. The shareholders of a company did not elect Emil when he stood for election as a director. After his defeat, the board of directors exercising its power under the articles of association of the company, nominates him as an alternate director. Is Emil entitled to function in this capacity? Advice.
- III. An unlisted public company wants to raise money from the public by selling its shares. It does not want to list itself on any stock exchange for this purpose. Advise the company as to the relevant legal position.
- IV. The managing director and most of the board members are not on good terms with the present auditor of a listed public company since he raises all kinds of audit objections to all their innovative proposals for expanding the company. They want to remove the auditor before the expiry of his term and appoint another auditor. Is it legal to do so? Advice.

(6 X 2 = 12)

**PART C**

(Answer any TWO Questions)

- V. Explain the concept of limited liability and explain its limitations in the light of its incorporation under the Companies Act, 2013.
- VI. What is corporate social responsibility? Explain the statutory framework envisaged to ensure that companies spend a certain percentage of their profits on CSR activities.
- VII. Explain the changes brought to the Companies Act, 2013 in consequence to the enactment of the Insolvency and Bankruptcy Code, 2016 in the context of corporate insolvency.

(9 X 2 = 18)

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