

**B.A., LL.B. (Hons.) DEGREE FIFTH SEMESTER EXAMINATION, NOVEMBER 2022**

**COMPANY LAW**

Time: 3 Hours

Maximum Marks: 50

**PART A**

(Answer *ANY FIVE* questions)

(5 X 4 = 20)

- I. Write a brief note on:
- (a) Initial Public Offer
  - (b) Shelf Prospectus
  - (c) Small Company
  - (d) Government Company and Listed Company
  - (e) Pre-incorporation Contracts
  - (f) Fiction Theory of Corporate Personality
  - (g) Memorandum of Association
  - (h) Doctrine of Indoor Management

**PART B**

(Answer *ANY TWO* questions)

(2 X 6 = 12)

- II. Sanchez sold his proprietary factory to the company he created subsequently for running it, at a profit. Later, Chavez, a shareholder who obtained his shares through an IPO from the company, sues Sanchez to account the profit he made in the transaction to the company. Sanchez claims that Chavez does not have any locus standi to question the transaction between him and the company which took place before its IPO. Decide.
- III. Govind, the managing director, and the biggest shareholder of the company takes out an insurance policy on the assets of the company in his own name. On the assets being lost his claim for compensation was rejected by the insurance company. Decide.
- IV. Gauri was promised in writing by the promoters of a private company that if she becomes a shareholder, she will be issued shares of face value worth twice her investment in the company. Subsequently, the company is incorporated and Gauri makes an investment of rupees one lakh and receives shares worth rupees two lakh in face value. Still later, as resolved by its board of directors, the company calls on Gauri to pay the outstanding amount on her shares through a call. Gauri finds this to be a breach of the promise made to her. Advise Gauri *vis-à-vis* her rights and obligations.

**PART C**

(Answer *ANY TWO* questions)

(2 X 9 = 18)

- V. Critically examine the reasons for regulating the operations of companies.
- VI. Critically evaluate the law on CSR spending by Indian companies.
- VII. Critically examine the role of an independent director from the perspective of corporate governance.

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