

Reg. No. : .....

Name : .....

**Eighth Semester B.A. LL.B/B.Com LL.B/B.B.A. LL.B. (Five Year Integrated)  
Degree Examination, July 2024**

**Paper III – COMPANY LAW**

**(2011-2019 Admission)**

Time : 3 Hours

Max. Marks : 80

SECTION – A

I. Answer any **five** questions in not exceeding **50** words each. Each question carries **2** marks.

1. Capital.
2. Winding up.
3. Public company.
4. Rule in Foss v. Harbottle.
5. Preferential payments.
6. Reserve fund.
7. Share warrant.

**(5 × 2 = 10 Marks)**

P.T.O.

SECTION – B

II. Answer any **four** questions in not exceeding **120** words each. Each question carries **4** marks.

1. Describe the criminal liability of corporations.
2. Explain the provisions related to qualifications, appointment and removal of auditors.
3. Identify the effect of misstatement in prospectus.
4. Examine the provisions in the Companies Act related to statutory general meeting and statutory report.
5. Trace the importance of the doctrine of lifting of the corporate veil.

(4 × 4 = 16 Marks)

SECTION – C

III. Answer any **four** questions. Each question carries **6** marks.

1. A, B and C are the only members of a company. holding all its shares. Their shares get transferred to X, Y and Z, who therefore became new members and managers of the company. Identify whether the company will remain the same entity in spite of the total change in membership.
2. A person incorporated a company of which he was the Managing Director. In that capacity he appointed himself as a pilot of the company. While on the business of the company he was lost in a flying accident. Identify whether his widow can claim compensation from the company.

3. A company entered into an agreement with 'X', who acted on behalf of a proposed syndicate. Under the agreement, the company was to give the syndicate a lease of coal mining rights. The syndicate was then registered and struck a seam of coal and claimed a lease which the company refused. Decide whether an action by the syndicate for specific performance of the agreement or in the alternative, for damages can be held to be maintainable.
4. X was a shareholder in a company. The company's articles required him to inform the directors of his intention to transfer his shares in the company and which provided that the directors will take the said shares equally between them at a fair value. In accordance with this provision, X so notified the directors, who contended that they were not bound to take and pay for X's shares. Decide whether the directors' contentions are valid.
5. The directors of a company issued a prospectus inviting subscriptions for debentures and stating that the objects of the issue of debentures were to complete alterations in the buildings of the company, to purchase horses and vans and to develop the trade of the company. The real object of the loan, however, was to enable the directors to pay off pressing liabilities. Relying upon the statement, Mr. X advanced money. The company became insolvent and X sues the directors for fraud. Decide their liability.

(4 × 6 = 24 Marks)

SECTION - D

IV. Answer any **three** questions. **Each** question carries **10** marks.

1. Explain the provisions related to powers, duties and appointment of directors.
2. Examine the significance of Memorandum of Association and Objects clauses.
3. Identify the duties and liabilities of promoters.
4. Describe the provisions regarding compromises, arrangement and reconstruction.

(3 × 10 = 30 Marks)