


Name:			
Enrolment No:			
UPES End Semester Examination, December 2023			
Course: Company Law I		Semester : V	
Program: BA LL.B/B.COM LL.B/ BBA LL.B		Time : 03 hrs.	
Course Code: CLCC 3001		Max. Marks: 100	
Instructions: All questions are compulsory. Kindly attempt all parts of a question together.			
SECTION A (5Qx2M=10Marks)			
S. No.		Marks	CO
Q 1.	State the rule laid down in the Ashbury Railway Carriage Co. v Riche case.	2	CO1
Q 2.	Define “Nidhi companies”.	2	CO1
Q 3.	State the consequences faced by a corporate entity when it fails to adhere to its Articles of Association.	2	CO1
Q 4.	In brief define “preference shares”.	2	CO1
Q 5.	Briefly define “executive director” of a company.	2	CO1
SECTION B (4Qx5M= 20 Marks) Short answer type questions			
Q 6.	Summarize the difference between equity shares and preference shares.	5	CO2
Q 7.	Describe the differences between a one-person company (OPC) and a sole proprietorship.	5	CO2
Q 8.	Discuss the difference between “Share” and “stock”.	5	CO2
Q 9.	Discuss how the doctrine of 'Constructive Notice' affects third parties dealing with a corporation, with reference to the Memorandum of Association and Articles of Association.	5	CO2
SECTION-C (2Qx10M=20 Marks) Long answer type questions			
Q 10.	A company is an artificial juristic person. It does not have citizenship, residence, and domicile. Discuss with supporting case laws.	10	CO3
Q 11.	“The intention of the legislature is to prevent too easy an alteration of	10	CO3

	conditions contained in the memorandum of association”. Analyze the aforementioned statement with suitable case laws.		
SECTION-D (2Qx25M=50 Marks) Case study-based questions			
Q 12.	<p>A group of entrepreneurs is debating whether to form a corporate or non-corporate entity for their new business venture. They are completely new in business and are willing to take a risk for their business ideas. You are a leading start up lawyer in India. They have approached you for legal advice:</p> <p>a. Analyze both the forms in terms of legal liability and continuity of existence. (15 marks)</p> <p>b. Discuss suitable case laws that describe benefits of incorporation of a company. (10 marks)</p>	25	CO4
Q 13.	<p>(A) A corporation decides to expand its operations into a new sector not covered under its current MOA. It proceeds with the expansion without altering the MOA. A competitor files a suit claiming the corporation's expansion is illegal.</p> <p>(i) Analyze the legal validity of the competitor's claim in the above case. (15 marks)</p> <p>(ii) Discuss the possible defenses the corporation can raise, and the consequences of corporate actions taken beyond the scope of the MOA as per the Companies Act, 2013. (10 marks)</p> <p style="text-align: center;">OR</p> <p>(B) All statements in a prospectus issued by a public limited company were literally true, but it failed to disclose that the dividends stated in it as paid were not paid out of the realized profits. The statement that the company had paid dividend for a number of years was true but the fact that the company had incurred losses for all these years was not disclosed in the prospectus. An allottee of shares wanted to avoid contract on the ground that the prospectus did not disclose this fact, which in his opinion was very material.</p> <p>(i) Analyze whether the allottee will succeed in his claim? (15 marks)</p> <p>(ii) Discuss the legal consequences of non disclosure of material facts in a prospectus with suitable case on the</p>	25	CO4

	point. (10 marks)		
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