

Total No. of Questions—16]

[Total No. of Printed Pages—6

Time Allowed—3 Hours

Maximum Marks—100

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Answers to questions are to be given only in English except in the case of candidates who have opted for Hindi medium. If a candidate who has not opted for Hindi medium, answers in Hindi, his answers in Hindi will not be valued.

Marks

PART—I

Answer **all** the questions.

1. (a) Z rent out his house situated at Mumbai to W for a rent of Rs. 10,000 per month. A sum of Rs. 5 lac, the house tax payable by Z to the Municipal Corporation being in arrears, his house is advertised for sale by the corporation. W pays the corporation, the sum due from Z to avoid legal consequences. Referring to the provisions of the Indian Contract Act, 1872 decide whether W is entitled to get the reimbursement of the said amount from Z. 5
- (b) State with reasons whether the following statements are correct or incorrect : $2 \times 1 = 2$
 - (i) Employees can relinquish their right to receive minimum bonus by an agreement with employer.
 - (ii) Ratification of agency is valid even if knowledge of the principal is materially defective.
- (c) Pick out the correct answer from the following and give reasons : $3 \times 1 = 3$
 - (i) X sells the goodwill of his retail store to Y for Rs. 5 lac and promises not to carry on the same business forever and anywhere in India. Is the agreement :
 1. valid
 2. void
 3. voidable
 4. illegal.

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(ii) A without B's authority let out B's flat to C. Afterwards B accepts rent of the flat from C. It is an agency by :

1. holding out
2. estoppel
3. ratification
4. necessity.

(iii) P, obtains a cheque drawn by M by way of gift. Here P is a :

1. holder in due course
2. holder for value
3. holder
4. None of the above.

2. (a) UMC Limited has only 7 shareholders having fully paid-up shares. On 30th April, 2009, all the shares of X (a shareholder of the company) are sold to Y (another shareholder of the company) in an auction by the order of the court. Z, (a shareholder of the company) was in USA for a business trip from January and thus he was not aware of the developments. The company continues to carry on its business thereafter. In December, 2009, the company borrowed a sum of Rs. 5 lac from the Unique Bank. Later, the company was wound up and the Assets of the company were not sufficient for the payment of its Liabilities. The Bank filed a suit against Y and Z for recovery of the said loan from them. Decide the Liabilities of Y and Z under the provisions of Companies Act, 1956. Would your answer be the same, if the said loan was taken in the month of March, 2009 ?

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(b) State with reasons whether the following statements are correct or incorrect : 2×1=2

- (i) Issue of debentures with voting rights is not permissible.
- (ii) A private company is required to hold the statutory meeting.

(c) Pick out the correct answer from the following and give reasons :

3×1=3

(i) Contracts entered into by a company after its incorporation and before it is entitled to commence business are called :

1. provisional contracts
2. pre-incorporation contracts
3. both 1 and 2
4. None of the above.

(ii) The underwriting commission on shares must not exceed :

1. 2.0 percent of the issued price of shares
2. 2.5 percent of the issued price of shares
3. 5.0 percent of the issued price of shares
4. 5.5 percent of the issued price of shares

(iii) Which one of the following required ordinary resolution ?

1. to change the name of the company
2. to alter the articles of association
3. to reduce the share capital
4. to declare dividends.

3. J accepted a bill of exchange and gave it to K for the purpose of getting it discounted and handing over the proceeds to J. K having failed to discount it returned the bill to J. J tore the bill in two pieces with the intention of cancelling it and threw the pieces in the street. K picked up the pieces and pasted the two pieces together, in such manner that the bill seemed to have been folded for safe custody, rather than cancelled. K put it into circulation and it ultimately reached L, who took it in good faith and for value. Is J liable to pay the bill under the provisions of the Negotiable Instruments Act, 1881 ?

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4. In 2009, the Electronics Corporation, a ~~Public Sector~~ establishment under the Department of Science and Technology, Government of Rajasthan starts to sell mobile sets manufactured by it, in addition to T.V. sets, so as to compete with private sector establishments of mobile sets in the market. The income from sale of mobile sets is 30 percent of the gross income of the Corporation. The employees of the Corporation went to strike for demand of Bonus. Decide, whether the demand of the employees is tenable under the provisions of the Payment of Bonus Act, 1965. Would your answer be different if the income from sale of mobile sets is only 10 percent of the gross income of the Corporation. 5
5. R, a 57 years old district judge was appointed by the Central Government as Presiding Officer of the Employee's Provident Funds Appellate Tribunal for a period of five years. After three years, he (R) resigns from his office and ceases to work with immediate effect without handing over the charge to his successor, who was not appointed by the Government till that date. Examine the validity of R's action to cease work under the provisions of the Employee's Provident Funds and Miscellaneous Provisions Act, 1952. 5
6. S is employed in Golden ice-cream factory, a seasonal establishment. The factory was in operation for four months only during the financial year 2009-10. S was not in continuous service during this period. However, he has worked only for sixty days. Referring to the provisions of the payment of Gratuity Act, 1972 decide whether S is entitled to gratuity payable under the Act. Would your answer be the same in case S works for 100 days ? 5
7. J held 100 partly paid up shares of LKM Limited. The company asked him to pay the final call money on the shares. Due to some unavoidable circumstances he was unable to pay the amount of call money to the company. At a general meeting of the shareholders, the chairman disallowed him to cast his vote on the ground that the articles do not permit a shareholder to vote if he has not paid the calls on the shares held by him. J contested the decision of the Chairman. Referring to the provisions of the Companies Act, 1956 decide whether the contention of J is valid. 5

8. The object clause of the Memorandum of Association of RST Limited authorises it to publish and sell text-books for students. The company, however, entered into an agreement with Q to supply 100 laptops of worth Rs. 5 lac for resale purposes. Subsequently, the company refused to make payment on the ground that the transaction was ultravires the company. Examine the validity of the company's refusal for payment to Q under the provisions of the Companies Act, 1956. 5
9. K, a member of MNO Limited, appoints L as his proxy to attend the general meeting of the company. Later he (K) also attends the meeting. Both K (the member) and L (the proxy) voted on a particular resolution in the meeting. K's vote was declared invalid by the chairman stating that since he has appointed the proxy and L's vote has been considered as valid. K objects to the decision of the Chairman. Decide, under the provisions of the Companies Act, 1956 whether K's objection shall be taxable. 5
10. Explain the 'MCA 21 Program' introduced by the Government of India to develop computerized environment for company law. How does it serve the interest of all the stakeholders of a company, corporate professionals and the public at large ? 5

PART—II

Answer **all** the questions.

11. (a) What is meant by Corporate Governance ? Explain the benefits of Good Corporate Governance. 5
- (b) Explain the concept of Green Accounting system. 5
12. Explain the various safeguards that should be adopted for overcoming threats faced by an accounting and finance professional. 5
13. State with reasons whether the following statements are correct or incorrect : $2\frac{1}{2} \times 2 = 5$
- (i) Corporate Social Responsibility is closely linked with the principles of sustainable development.
- (ii) A good environmental practice improves corporate performance.

PART—III

Answer **all** the questions.

14. (a) Explain the functions of interpersonal communication. 5
- (b) The statutory meeting of PQR Limited was held on 20th January, 2010 at its registered office at Kolkata. As a secretary of the company, draft the minutes of the statutory meeting of the shareholders of the company. 5
15. The Board of Directors of RSP Limited agrees with X to hire his (X's) flat at NOIDA on lease for ten years @ Rs. 20,000 per month for marketing office of the company. You are a senior executive of the Board and the board asks you to prepare the lease deed for the agreement. Draft a lease deed. 5
16. State the contents that are required for drafting an Annual Report of a Company. 5