



CA Inter – Corporate and Other Law

Test 1 - Preliminary and Incorporation of Companies

Total marks - 30

Time - 60 mins

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Question 1:

Mr. Raja along with his family members is running successfully a trading business. He is capable of developing his ideas and participating in the market place. To achieve this, Mr. Raja formed a single person economic entity in the form of One Person Company with his brother Mr. King as its nominee. On 4th May 2020, Mr. King withdrew his consent as Nominee of the One Person Company. Can he do so under the provisions of the Companies Act, 2013? Examine whether the following individuals are eligible for being nominated as Nominee of the One Person Co. as on 5th May 2020 under the above said Act.

- (i) Mr. Shyam, son of Mr. Raja who is 15 years old as on 5th May 2020.
- (ii) Ms. Devaki an Indian Citizen, sister of Mr. Raja stays in Dubai and India. She stayed in India during the period from 2nd January 2019 to 16th August 2019. Thereafter she left for Dubai and stayed there.
- (iii) Mr. Ashok, an Indian Citizen residing in India who is presently a member of a 'One Person Company'.

[5 marks]

Question 2:

The Articles of Association of a Company may contain provisions for entrenchment under Section 5 of the Companies Act, 2013. What is meant by entrenchment provisions in this context? Also state the relevant provision of the said Act dealing with entrenchment provisions.

[4 marks]

Question 3:

Examine the validity of the following different decisions/proposals regarding change of office by A Ltd. under the provisions of the Companies Act, 2013:

- (i) The Registered office is shifted from Thane (Local Limit of Thane District) to Dadar (Local limit of Mumbai District), both places falling within the jurisdiction of the Registrar of Mumbai, by passing a special resolution but without obtaining the approval of the Regional Director.
- (ii) The Registered office is situated in Mumbai, Maharashtra (within the jurisdiction of the Registrar, Mumbai, Maharashtra State) whereas the Corporate Office is situated in Pune, Maharashtra State (within the jurisdiction of the Registrar, Pune). A Ltd. proposes to shift its corporate office from Pune to Mumbai under the authority of a Board resolution.
- (iii) The registered office situated in certain place of a city is proposed to be shifted to another place within the local limits of the same city under the authority of Board Resolution.

[5 marks]

Question 4:

Mr. Bindra is holding 950 equity shares of Bio safe Herbals, a section 8 company. Bio safe Herbals is planning to declare dividend in the Annual General Meeting for the Financial Year ended 31-03-2020. Examine whether the act of the company is in accordance with the provisions of the Companies Act, 2013.

[4 marks]



Multiple Choice Questions

1. Green Ltd. is incorporated on 3rd January, 2022. As per the Companies Act, 2013, what will be the financial year for the company:
- (a) 31st March, 2022
 - (b) 31st December, 2022
 - (c) 31st March, 2023
 - (d) 30th September, 2023

[2 marks]

2. N Limited having 153 members was incorporated with the main objects of manufacture of ceramic goods, glazed, unglazed floor and wall tiles, etc. and to carry on trading in such products. After 3 years of business, it wants to diversify its business by entering into the field of manufacturing electronic goods for which it is required to alter its objects clause. Advise:
- (a) The company can alter its MOA by passing an OR and obtaining the confirmation of the RD.
 - (b) The company can alter its MOA by passing an SR at the shareholders meeting.
 - (c) The company can alter its MOA in relation to the objects clause by passing an SR at the shareholders meeting and obtaining the confirmation of the RD.
 - (d) The co. can alter its MOA in relation to the objects clause by passing an SR at the shareholders meeting and simultaneously publishing the contents of the SR in two newspapers (one in English and the other one in vernacular language) circulating in that area.

[2 marks]

3. Mr. Dev wants to incorporate a Private Limited company, he wants to keep his company's name Growskillz Edutech Pvt Ltd. Now Mr. Dev has a query that for how many days he can reserve this name so that this name is not taken by anyone else-
- (a) 20 days from date of approval
 - (b) 7 days from date of approval
 - (c) 60 days from date of approval
 - (d) 90 days from date of approval

[2 marks]

4. "Associate company", in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company. Here, the words 'significant influence' means:
- (a) Control of at least 10% of total voting power
 - (b) Control of at least 15% of total voting power
 - (c) Control of at least 20% of total voting power
 - (d) Control of at least 25% of total voting power

[2 marks]

5. Which among the following company is not required to include Cash Flow Statement in its Financial Statements:
- (a) Private Limited company
 - (b) Small Company
 - (c) Company registered under Section 8
 - (d) Producer Company

[2 marks]

6. Financial statement in relation to a company do not include:
- (a) Cash Flow Statement
 - (b) Funds Flow Statement
 - (c) Statement of changes in Equity
 - (d) Explanatory note annexed to financial statement

[2 marks]