

**GUJARAT NATIONAL LAW UNIVERSITY
GANDHINAGAR**

Course: Corporate Law I
Semester-V (Batch: 2018-23)

End Semester Online Examination: December 2020

Date: 13th December, 2020

Max. Marks: 50

Duration: 8 hours

Instructions:

- The respective marks for each question are indicated in-line.
- Indicate correct question numbers in front of the answer.
- No questions or clarification can be sought during the exam period, answer as it is, giving reason, if any.

- | | Marks |
|---|-------|
| Q.1 "Certificate of incorporation is no longer conclusive evidence in India, it can be challenged now in case of companies registered in India". Critically examine the validity of the statement with the help of relevant provisions and decided cases. | (10) |
| Q.2 Mr. X entered into a contract with a director of a company AB and issued cheque under the contract in the name of the director. The director was not an authorized person under the Articles of the company. Mr. X had not seen the Articles. The director misappropriated the cheque. Can Mr. X sue the company to make it legally liable? Answer with the help of appropriate legal provisions and suitable judicial precedent. | (10) |
| Q.3 A company issued a prospectus advertising that the company has a great "potential turnover" of a million bags of cement in a year. It is discovered later that while the company did have the installed capacity of one million bags, it had never produced more than six lakh bags of cement in a year. Buyers of the shares seek remedy against the misleading statement. Will they succeed? | (10) |
| Q.4 While the offer of new shares being issued by a public limited company is to be made only to the existing shareholders, yet these shares can also be offered to outsiders'. Elucidate the statement in the light of the provisions of the Companies Act, 2013. | (10) |
| Q.5 Draft a Memorandum of Association and Article of Association (10 clauses) for a proposed public company limited by shares with an authorized share capital of 100 Crore rupees willing to operate as a cement manufacturing company and to have the registered office at Jaipur. | (10) |
