

TOPIC : FULL COURSE

Division A is compulsory

In **Division B**, Question No. 1 is compulsory

DIVISION – A (30 MARKS)

MULTIPLE CHOICE QUESTIONS :

Case study : 1

Sudeep and Ankit are very good friend since long. They decided to run a service unit which will provide “Financial and Investment Consultancy Services”. For this purpose they formed a limited liability partnership under the name M/s Etharkkum Advisors LLP on 17th April 2020. For this purpose, they prepared a Limited Liability Partnership Deed of which one of the clauses provides that a new partner may be admitted in the LLP with capital contribution which may be in kind or cash. Further new partner is also required to deposit the agreed amount of capital contribution within six months from the date of his admission.

After some time, office of the firm was destroyed due to an earthquake and the LLP was in urgent need of an office premises and some funds for some renovation work.

It is also informed that M/s Etharkkum Advisors LLP approached Manoj on 1st January 2023 to join the firm as third partner. Manoj was out of India for the period from 1st September 2021 to 23rd December 2022. He agreed to join the LLP and also agreed to contribute his office premises at Sanjay Place, Palwal and funds of Rs. 5,00,000 as Capital Contribution in the firm. Manoj joined the firm on 25th January 2023 as limited liability partner. The above said office premises was purchased by Manoj five years ago for Rs. 25,00,000 but the fair market value of this office on 25th January 2023 was Rs. 32,25,000 and on 1st January 2023 was Rs. 30,00,000. Manoj has provided his office to the firm with effect from his admission and promised to deposit the agreed amount of Rs. 5,00,000 within six months as provided in the partnership deed. Before Manoj could deposit the amount with the firm, it was dissolved. Manoj denied to deposit the amount of Rs. 5,00,000 with the contention that he is liable only upto the amount contributed in the firm on the date of dissolution. A creditor of the firm sued Manoj to deposit the said amount so that the firm may pay off his liability.

On the basis of above facts and by applying applicable provisions of the Limited Liability Partnership Act, 2008 and the applicable Rules therein, choose the correct answer (one out of four) of the following Multiple Choice Questions given herein under: -

1. Whether Manoj could be considered as resident or not as per the Limited Liability Act, 2008?
 - (a) Manoj could not be considered resident in India as he was not in India for 182 days in preceding one year
 - (b) Manoj could not be considered resident in India as he was not in India for 120 days in preceding one year i.e. only for 33 days from 24th December 2022 to 25th January 2023
 - (c) Manoj could not be considered as he was not in India for 182 days during the financial year
 - (d) Manoj will be considered as resident in India as he was in India for 120 days during the financial year (2021- 2022)
2. What would be the worth of Capital Contribution by Manoj?
 - (a) Rs.25,00,000
 - (b) Rs. 32,25,000
 - (c) Rs. 37,25,000
 - (d) Rs. 35,00,000
3. Whether Manoj will be liable to contribute Rs. 5,00,000 after dissolution of the firm?
 - (a) Yes, because a partner is personally liable for the deficiency arising at the time of dissolution of LLP.
 - (b) No, because a partner is never personally liable for the deficiency arose at the time of dissolution of LLP.
 - (c) Yes, the partner is under obligation to contribute money also to LLP as per the agreement.
 - (d) No, because a partner is personally liable only upto the amount contributed to the LLP on the date of dissolution of LLP.

(6 MARKS)

1. Finload Limited wants to raise funds for its upcoming project. Accordingly, it has issued private placement offer letters for issuing equity shares to 57 persons, of which six are qualified institutional buyers and remaining are individuals.
Choose the correct statement as per the provisions of the Companies Act, 2013:
 - (a) Finload Limited Company is a public limited company hence it can not issue shares through private placement.
 - (b) Since, Finload Limited has made an offer or invitation to more than the prescribed number of persons, it shall be deemed to be an offer to the public and accordingly, it shall be governed by the provisions relating to prospectus.
 - (c) Finload Limited has made an offer or invitation to less than the prescribed number of persons as qualified institutional buyers are not counted to calculate the prescribed limit.
 - (d) Finload Limited cannot issue shares to qualified institutional buyers, as under private placement shares cannot be issued to qualified institutional buyers.

(2 MARKS)

2. Company X, a leading automobile manufacturer, has invested in Company Y, a start-up specializing in electric vehicle technology. Company X holds a 25% stake in Company Y and actively participates in its strategic decisions. Based on the provisions of the Companies Act 2013 regarding associate companies, which of the following statements is correct? **(2 MARKS)**
- (a) Company X's investment in Company Y does not qualify as an associate company because Company X does not have control of at least 50% of the total voting power.
 - (b) Company Y qualifies as an associate company of Company X since Company X holds a 25% stake in Company Y and actively participates in its strategic decisions.
 - (c) Company Y cannot be considered an associate company of Company X because it is a start-up and does not meet the minimum criteria for significant influence.
 - (d) Company X's investment in Company Y falls under the category of joint venture and does not qualify as an associate company according to the Companies Act 2013.
3. Priyank and Priyanka, got reserved a name and thereafter a private Limited company was formed using the reserved name on 1st June, 2018. Later on, a registered proprietor of a trade mark noted that the name of this private limited company was identical to the trade mark he had earlier got registered under the Trade Marks Act, 1999. Advise as to latest by which date, the proprietor of the registered trade mark can move an application to the Central Government against this anomaly. **(2 MARKS)**
- (a) Latest by 30th November, 2018, the registered proprietor of trade mark should move an application to the Central Government for rectification of this anomaly.
 - (b) Latest by 30th May, 2019, the registered proprietor of trade mark should move an application to the Central Government for rectification of this anomaly.
 - (c) Latest by 30th May, 2020, the registered proprietor of trade mark should move an application to the Central Government for rectification of this anomaly.
 - (d) Latest by 30th May, 2021, the registered proprietor of trade mark should move an application to the Central Government for rectification of this anomaly.
4. Criminal liability under section 34 for misstatement in prospectus may be avoided if : **(2 MARKS)**
- (1) the consent to become director was withdrawn
 - (2) prospectus was issued without his knowledge
 - (3) misstatement was immaterial
 - (4) had reasonable ground to believe in truthfulness
 - (5) It was based on statement of expert
- (a) 3 & 4
 - (b) 1; 2 ; 3; 4 & 5
 - (c) 1; 2 & 5

(d) 3 ; 4 & 5

5. ABC Limited has its shares listed on a recognized stock exchange in India. During the current financial year ending on 31st March 2021, the securities and exchange board of India (SEBI) has found some irregularities in the filings made by the company. Accordingly, SEBI proposes to make an application to the Tribunal for reopening of the books of accounts of the Company. You, as an expert, are called upon by SEBI to advise with which last financial year for reopening of books of accounts an application can be made?

(2 MARKS)

(a) 2016-2017

(b) 2014-2015

(c) 2011-2012

(d) 2012-2013

6. Fin Limited is accepting deposits of various tenures from its members from time to time. The current Register of Deposits, maintained at its registered office is complete. State the minimum period for which it should mandatorily be preserved in good order.

(2 MARKS)

(a) Four years from the financial year in which the latest entry is made in the Register.

(b) Six years from the financial year in which the latest entry is made in the Register.

(c) Eight years from the financial year in which the latest entry is made in the Register.

(d) Ten years from the latest date of entry.

7. Eztech Machines Limited owns a plot of land which was mortgaged to Urbane Commercial Bank Limited for raising term loan of Rs. 2 crore. The mortgage was duly registered with the Central Registry. First loan instalment of Rs. 50 lacs was released immediately after sanction of term loan with the condition that subsequent three instalments of Rs. 50 lacs shall be released as soon as the earlier released instalment is utilized satisfactorily. Is it necessary either for the company or the bank to register the charge on plot with the concerned Registrar of Companies (ROC) when the mortgage is registered with the Central Registry ?

(2 MARKS)

(a) It is not necessary either for the bank or the company to register the charge on plot of land with the concerned Registrar of Companies (ROC) when the mortgage is registered with the Central Registry.

(b) It is necessary to get the charge on plot on land registered with the concerned Registrar of Companies (ROC) irrespective of the fact that mortgage is registered with the Central Registry.

(c) The charge on plot needs to be registered with the concerned Registrar of Companies (ROC) only when the actual liability of the company with the Bank exceeds Rs. 1 crore.

(d) The charge on plot needs to be registered with the concerned Registrar of Companies (ROC) only when the term loan sanctioned by the bank to the company exceeds Rs. 2 Crores.

8. Swiss Commodities Private Limited was incorporated in 2015. Company was not running its business properly due to unexpected ups and downs. It could not hold its first

annual general meeting in the year 2016. The company is planning to apply for extension of time for holding the AGM from the Registrar of Companies. On which grounds company can get an extension ? **(2 MARK)**

- (a) They will not get any extension
- (b) It Company proves that their financial statements are confiscated.
- (c) If they prove that directors have fell below numbers.
- (d) If they prove that members are not available

9. Fin Limited is accepting deposits of various tenures from its members from time to time. The current Register of Deposits, maintained at its registered office is complete. State the minimum period for which it should mandatorily be preserved in good order.

(2 MARKS)

- (a) Four years from the financial year in which the latest entry is made in the Register.
- (b) Six years from the financial year in which the latest entry is made in the Register.
- (c) Eight years from the financial year in which the latest entry is made in the Register
- (d) Ten years from the latest date of entry.

10. For the purpose of LLP, Resident in India means :

(2 MARKS)

- (a) Person who has stayed in India for a period of not less than 182 days during the current year.
- (b) Person who has stayed in India for a period of not less than 120 days during the immediately preceding one year.
- (c) Person who has stayed in India for a period of not less than 181 days during the immediately preceding one year.
- (d) Person who has stayed in India for a period of not less than 120 days during the financial year.

11. What among the following could be considered in the term 'Immovable Property' as defined under section 3(26) of the General Clauses Act, 1897 ? **(2 MARKS)**

- (i) The soil for making bricks
- (ii) Right to catch fish
- (iii) Right to drain water
- (iv) Doors and Windows of the house

- (a) Only (i) and (iv)
- (b) Only (i), (ii) and (iv)
- (c) Only (i) and (ii)
- (d) Only (ii), (iii) and (iv)

12. _____ means that when two or more words that are susceptible of analogous meaning, are coupled together they are understood to be used in their cognate sense. **(2 MARKS)**

- (a) Noscitur a Sociis

- (b) Contemporanea Expositio
- (c) Prima facie
- (d) Absoluta sentential expositore non indigent

DIVISION B: DESCRIPTIVE QUESTIONS

Question No.1 is compulsory.

Attempt any Four questions out of the remaining Five questions.

QUESTION : 1(A)

Krish Limited created a charge on its assets on 2nd February, 2021. However, the company did not register the charge with the Registrar of companies till 15th March, 2021.

- (a) What procedure should the company follow to get the charge registered?
- (b) Suppose the company realises its mistake of not registering the charge on 27th May, 2021 (instead of 15th March, 2021), can it still register the charge?

Advise with reference to the relevant provisions of the Companies Act, 2013.

(5 MARKS)

QUESTION : 1(B)

Advise as per the provisions of the Companies Act, 2013, with regard to appointment of auditor:

- (i) Mr. Shepra is a practising Chartered Accountant. He holds shares in X Limited. The nominal value of these shares is Rs. 50,000. Whether X Limited can appoint Mr. Shepra as auditor?
- (ii) Mr. Showik, a practising Chartered Accountant has business relationship with Primus Hotels Limited. The hotel used to provide services to Mr. Showik frequently, on the same price as charged from other customers. Whether Primus Hotels Limited can appoint Mr. Showik as its auditor?

(5 MARKS)

QUESTION : 1(C)

Ronnie Coleman Ltd., a foreign company failed to deliver some documents to the Registrar of Companies as required under Section 380 of the Companies Act, 2013. State the provisions of penalty prescribed under the Act, which can be levied on Ronnie Coleman Ltd. for its failure to deliver the documents.

(4 MARKS)

QUESTION : 2(A)

Amar, a director of Gokul Electricals Ltd. gave in writing to the company that the notice for any general meeting and of the Board of Directors' meeting be sent to him only by registered post at his residential address at Kanpur for which he deposited sufficient money. The company sent notice to him by ordinary mail under certificate of posting. Amar did not receive this notice and could not attend the meeting and contended that the

notice was improper.

Decide, as per the provisions of the Companies Act, 2013:

- (i) Whether the contention of Amar is valid.
- (ii) Will your answer be the same if Amar remains in U.S.A. for one month during which the notice of the meeting was served and the meeting was held?

(5 MARKS)

QUESTION : 2(B)

Adil is a student of CA Intermediate. His friend (who is also in CA Intermediate) has approached him to explain to him the provisions of the Companies Act, 2013, on the following:

- (i) Inspection of books of account and other books and papers of the company.
- (ii) Period of preservation of books of accounts

(5 MARKS)

QUESTION: 2(C)

Kapila Limited issued equity shares of Rs. 1,00,000 (10,000 shares of Rs. 10 each) on 01.04.2021 which have been fully subscribed, whereby Kusha Limited holds 4000 shares and Prem Limited holds 2000 shares in Kapila Limited. Kapila Limited is also holding 20% equity shares of Red Limited before the date of issue of equity shares stated above. Red Limited controls the composition of Board of Directors of Kusha Limited and Prem Limited from 01.08.2021. Examine with relevant provisions of the Companies Act, 2013:

- (i) Whether Kapila Limited is a subsidiary of Red Limited?
- (ii) Whether Kapila Limited can hold shares of Red Limited?

(4 MARKS)

QUESTION : 3(A)

Paritosh and friends got registered a company in the name of Taxmann advisory Private Limited. Taxmann is a registered trademark. After 5 years when the owner of trademark came to know about the same, it filed an application with relevant authority. Can the company be compelled to change its name by the owner of trademark? Can the owner of registered trademark request the company and then company changes its name at its discretion?

(5 MARKS)

QUESTION : 3(B)

“The offer of buy – back of its own shares by a company shall not be made within a period of six months from the date of the closure of the preceding offer of buy – back, if any and cooling period to make further issue of same kind of shares including allotment of further shares shall be a period of one year from the completion of buy back subject to certain exceptions”. Examine the validity of this statement by explaining the provisions of the Companies Act, 2013 in this regard.

(5 MARKS)

QUESTION : 3(C)

Ayush and Vipul are good friends and pursuing CA course. While doing group studies for the paper of “Corporate and Other Law”, they are confused about the provisions of section

3 of the Companies Act 2013. Section 3 provides “A company may be formed for any lawful purpose by.....” Both Ayush and Vipul are in difficulty about the meaning of word “may”. Whether it should be taken as mandatory or directory?

(4 MARKS)

QUESTION : 4(A)

Sai along with his six friends desires to incorporate a Section 8 Company under the Companies Act, 2013. He is seeking your advice in the following matters :

- (i) What is the minimum paid-up capital requirement in case of a Section 8 Company ?
- (ii) Whether a firm can be member of the Section 8 Company ?
- (iii) Whether the Section 8 Company can pay dividend to its members ?

Advise, Sai with reference to the provisions of Companies Act, 2013

(5 MARKS)

QUESTION : 4(B)

‘Printex Computer’ is a Singapore based company having several business units all over the world. It has a unit for manufacturing compute printers with its headquarters in Pune. It has a Branch in Dubai which is controlled by the Headquarters in Pune. What would be the residential status under the FEMA, 1999 of printer units in Pune and that of Dubai branch ?

(5 MARKS)

QUESTION : 4(C)

Radha Limited has entered into a contract with Gopal Limited. You are invited to read and interpret the document of contract. What rules of interpretation of deeds and documents would you apply while doing so?

(4 MARKS)

QUESTION : 5(A)

Mr. Abhi is a Chartered Accountant and MBA by profession, has been appointed as an Executive Director on the Board of XYZ Limited. His job profile includes advising the Board of Directors of the company on various compliance matters, strategies, business plans, and risk matters relating to the company. Keeping in view of above position whether Mr. Abhi can be classified as the Promoter of XYZ Limited? Please examine the same under the provisions of the Companies Act, 2013.

(5 MARKS)

QUESTION : 5(B)

Swati Limited is intending to issue its securities on private placement basis. Explain to the directors of the company, the provisions of the Companies Act, 2013, on the following matters:

- (i) Meaning of Private Placement
- (ii) ‘Time Limit for Allotment of Securities’ and ‘repayment of application money in case of default in allotment.’

(5 MARKS)

QUESTION : 5(C)

Mr. T. Raghava has secured admission in a reputed and recognized university in Germany, for the study of higher and technical education, outside India. After arrival in Germany, he

has gone ill and wants medical treatment facility in a reputed German hospital. He desires to apply to the Government of India for availing the additional remittance beyond the limit approved for foreign currency exchange facility. He has already enjoyed the permitted facility of foreign exchange for studies abroad, for the said financial year. Decide the following as to the facts given in the question as per the provisions of the Foreign Exchange Management Act, 1999.

(4 MARKS)

QUESTION : 6(A)

Pristine Limited, a listed public company, conducted its Annual General Meeting on 31st August, 2020. However, 10 days have passed since 31st August, 2020, but it has still not filed report on Annual General Meeting. The Accountant of the company has approached you to advise them whether Pristine Limited is required to file report on Annual General Meeting?

(5 MARKS)

QUESTION : 6(B)

Mr. Prateek (an individual) has started a Limited Liability Partnership firm along with Brown Limited and Picture Limited. As per the provisions of the Limited Liability Partnership Act, 2008, advise Limited Liability Partnership firm, about who can be the designated partners of the firm.

(5 MARKS)

QUESTION : 6(C)

University of Oxford is one of the leading institutes of UK. In the month of May 2024, they are planning a cultural event in UK. The University has invited Ms. Kanika Tripathi and her group, an Indian artist to perform in the event.

Ms. Kanika Tripathi needs to withdrawal foreign exchange of USD 75,000 for the purpose of visit to UK for performing at cultural event of University of Oxford in UK. Advise whether she can withdraw Foreign Exchange and if so, under what conditions?

(4 MARKS)