

# Business Laws

## Practice Test- 01

### Sampurna Fastrack September 2025

1. Total Marks – 50
2. Time Allowed – 90 Min.

Date: 13/07/2025

#### All Question are Compulsory

1. What do you mean by the term Capital? Describe its classification in the domain of Company Law. **(5 Marks)**
2. ABC Limited was registered as a public company. There were 245 members in the company. Their details are as follows:
 

Directors and their relatives	190
Employees	15
Ex-employees	
(shares were allotted when they were employees)	20
Others	20
(Including 10 joint holders holding shares jointly in the name of father and son)	

The Board of directors of the company propose to convert it into a private company. Advice whether reduction in the number of members is necessary for conversion. **(6 Marks)**
3. Narendra Motors Limited is a government company. Shah Auto Private Limited is a private company having share capital of ten crores in the form of ten lacs shares of Rs. 100 each. Narendra Motors Limited is holding five lacs five thousand shares in Shah Auto Private Limited. Shah Auto Private Limited claimed the status of Government Company. Advise as legal advisor, whether Shah Auto Private Limited is government company under the provisions of Companies Act, 2013? **(6 Marks)**
4. There are cases where company law disregards the principle of corporate personality or the principle that the company is a legal entity distinct from its shareholders or members. Elucidate **(6 Marks)**
5. What are the significant points of Section 8 Company which are not applicable for other companies? Briefly explain with reference to provisions of the Companies Act, 2013. **(5 Marks)**
6. Write a short note on The Ministry of Finance. **(3 Marks)**
7. The Articles of Association of XYZ Ltd. provides that Board of Directors has authority to issue bonds provided such issue is authorized by the shareholders by a necessary resolution in the general meeting of the company. The company was in dire need of funds and therefore, it issued the bonds to Mr. X without passing any such resolution in general meeting. Can Mr. X recover the money from the company? Decide referring the relevant provisions of the Companies Act, 2013. **(5 Marks)**
8. Can a non-profit organization be registered as a company under the Companies Act, 2013? If so, what procedure does it have to adopt? **(6 Marks)**
9. Examine the following whether they are correct or incorrect along with reasons:
  - (a) A company being an artificial person cannot own property and cannot sue or be sued.
  - (b) A private limited company must have a minimum of two members, while a public limited company must have at least seven members.**(4 Marks)**
10. Write a detailed note on Reserve Bank of India (RBI). **(4 Marks)**

