

Date : 01/09/2019

Foundation Nov.2019

Test Paper : BUSINESS LAW

Marks : 40

1. Explain True & False.
 1. 'Patel & Co.' is a company in the eyes of the law.
 2. A company has its own distinct entity.
 3. The creditors of a company can sue its members for the debts of the company.
 4. A company being an artificial person cannot own property and cannot sue or be sued.
 5. A private company need not have its own Articles.
 6. A company limited by guarantee cannot have share capital.
 7. A company that does not hold more than 50% of total share capital of another company, may still be a holding company of that another one. **(7 Marks)**
2. Can a company be formed without the word "Limited" or "Private Limited" added to it? If so, how **(5 Marks)**
3. What is a company Explain clearly the concept of "perpetual-succession" and "common-seal" in relation to a company incorporated under the Companies Act, 2013. **(5 Marks)**
4. What do you understand by "separate legal entity of the company?" State the circumstances where under the separate legal entity of the company can be ignored and liability can be imposed on the persons regulating the affairs of the company? **(6 Marks)**
5. ABC Pvt. Ltd., is a Private Company having five members only. All the members of the company were going by car to Mumbai in relation to some business. An accident took place and all of them died. Answer with reasons, under the Companies Act, 2013 whether existence of the company has also come to the end **(6 Marks)**
6. F, an assessee, was a wealthy man earning huge income by way of dividend and interest. He formed three Private Companies and agreed with each to hold a block of investment as an agent for them. The dividend and interest income received by the companies was handed back to F as a pretended loan. This way, F divided his income into three parts in a bid to reduce his tax liability. Decide, for what purpose the three companies were established? Whether the legal personality of all the three companies may be disregarded. **(6 Marks)**
7. A company is legal person but not a citizen. Comment. **(5 Marks)**

All The Best