

# SHRI GURU NANAK DEGREE COLLEGE,

## Preet Vihar, RUDRAPUR

### BCH 302: Corporate Legal Framework

#### Section A: Long Answer Questions

##### Unit I – Incorporation of a Company

1. Explain the procedure for incorporation of a company in India.
2. Define Memorandum of Association. Discuss its clauses in detail.
3. What is the Articles of Association? How does it differ from the Memorandum?
4. Discuss the Doctrine of Indoor Management with relevant case laws.
5. Explain the Principle of Constructive Notice with suitable examples.
6. Compare and contrast MOA and AOA.
7. Discuss the legal implications of the Doctrine of Indoor Management.
8. What are the steps for registration of a private limited company?
9. Differentiate between public company and private company.
10. What are the various types of companies under the Companies Act?
11. Discuss the role of ROC in company incorporation.
12. Explain the importance of the Certificate of Incorporation.
13. What are the liabilities of promoters during incorporation?

##### Unit II – Issue of Shares and Directors

1. Define prospectus. Explain its contents and importance.
2. What is a statement in lieu of prospectus? When is it issued?
3. Discuss the legal consequences of misstatements in a prospectus.
4. What are the different types of prospectus under the Companies Act?
5. Explain the procedure for issuing shares to the public.
6. What is meant by private placement and how does it differ from public issue?
7. Who are directors? Explain their qualifications and disqualifications.
8. Discuss the powers and functions of the Board of Directors.
9. Explain the legal position of directors as agents and trustees.
10. What are the provisions regarding the appointment and removal of directors?
11. Differentiate between executive and non-executive directors.
12. What are the liabilities of directors for breach of duty?
13. What is the importance of a director's report?

##### Unit III – Company Secretary and Secretarial Work

1. Define sampling. Explain its importance in research.

2. What are the various types of sampling techniques? Explain with examples.
3. Describe the steps involved in the sampling process.
4. Differentiate between probability and non-probability sampling methods.
5. What are the common sampling errors? How can they be minimized?
6. Discuss the concept of sample size and the factors affecting it.
7. What is the difference between census and sampling methods of data collection?
8. Explain the classification of data: primary and secondary data.
9. Describe the tools and methods used for primary data collection.
10. What are the advantages and limitations of secondary data?
11. Explain the importance of data accuracy and reliability in research.
12. Discuss the ethical issues involved in data collection.
13. Compare and contrast different methods of data collection used in social science research.

#### Unit IV – Secretarial Work Related to Issue and Allotment of Shares

1. Define hypothesis. What are the characteristics of a good hypothesis?
2. Explain the importance of hypothesis testing in research.
3. Discuss the steps involved in hypothesis testing.
4. Distinguish between null hypothesis and alternative hypothesis with examples.
5. What are Type I and Type II errors? How do they impact hypothesis testing?
6. Explain the applications of the t-test in research analysis.
7. What is the Z-test? When is it used? Explain with examples.
8. Describe the F-test and its applications in testing hypothesis.
9. Explain the concept of p-value and its role in hypothesis testing.
10. How do you decide the level of significance in hypothesis testing?
11. Compare parametric and non-parametric tests.
12. What are the assumptions underlying the use of t, z, and F tests?
13. Discuss the use of statistical packages in hypothesis testing.

#### Unit V – Meetings, Resolutions, and Secretarial Work

1. Define meeting. What are the essential requisites of a valid company meeting?
2. Differentiate between Statutory Meeting and Annual General Meeting.
3. Discuss the provisions relating to the conduct of Board Meetings.
4. Explain the procedure for convening an Extra-Ordinary General Meeting.
5. Describe the process of drafting a notice and agenda for a company meeting.
6. What are the different types of resolutions passed in company meetings?
7. Distinguish between Ordinary Resolution and Special Resolution with examples.
8. Write a detailed note on quorum and proxy as per the Companies Act.
9. What is the role of the company secretary in organizing and recording meetings?
10. Discuss the legal validity and importance of minutes of meetings.
11. What documents and reports are associated with company meetings?
12. Describe the responsibilities of the secretary before, during, and after a company meeting.
13. Explain the concept and content of the Director's Report and Chairman's Speech.

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- Section B: Short Answer Questions
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- Unit I – Incorporation of a Company

1. Define Memorandum of Association.
2. What is the Articles of Association?
3. Write two differences between MOA and AOA.
4. What do you mean by incorporation?
5. Define private company.
6. What is public company?
7. What is the Doctrine of Indoor Management?
8. Explain the concept of Constructive Notice.
9. Mention any two clauses of MOA.
10. Define promoter.
11. What is the role of ROC?
12. What do you mean by Certificate of Incorporation?
13. Write two characteristics of a company.

#### Unit II – Issue of Shares and Directors

1. Define prospectus.
2. What is a statement in lieu of prospectus?
3. Mention two contents of a prospectus.
4. What is shelf prospectus?
5. Define private placement.
6. Who is a director?
7. Mention two functions of a director.
8. What is the minimum number of directors in a public company?
9. Write two disqualifications for being appointed as a director.
10. What is the tenure of a director in a public company?
11. Define Board of Directors.
12. Mention two types of directors.
13. Write two liabilities of a director.

#### Unit III – Company Secretary and Secretarial Work

1. Define sampling.
2. What is the significance of sample size?
3. List two probability sampling methods.
4. Name two non-probability sampling techniques.
5. What is a sampling error?
6. Write two differences between primary and secondary data.
7. Mention two methods of primary data collection.
8. What is stratified sampling?
9. Define quota sampling.
10. What is the role of data in research?
11. State two tools of data collection.
12. What is a structured questionnaire?
13. Define secondary data.

#### Unit IV – Secretarial Work Related to Issue and Allotment of Shares

1. Define hypothesis.
2. What is a null hypothesis?
3. What is meant by an alternative hypothesis?
4. Define Type I error.
5. Define Type II error.
6. What is a t-test used for?
7. What is the purpose of hypothesis testing?
8. When do we use the Z-test?
9. What is an F-test?
10. What is a p-value?
11. Define level of significance.
12. Mention one difference between parametric and non-parametric tests.
13. What is the importance of statistical tools in research?

#### Unit V – Meetings, Resolutions, and Secretarial Work

1. What is a statutory meeting?
2. Define Annual General Meeting.
3. What is the notice period for an AGM?
4. Define Extra-Ordinary General Meeting.
5. What is the minimum number of Board Meetings to be held in a year?
6. Define quorum.
7. What is a special resolution?
8. Write two responsibilities of a company secretary during meetings.
9. What is a proxy?
10. Mention two types of company resolutions.
11. What are the contents of minutes of meeting?
12. What is an agenda?
13. Who is authorized to sign the minutes of a meeting?

#### Section C: Multiple Choice Questions (MCQs)

##### ● Unit I – Incorporation of a Company

1. Memorandum of Association is also known as:  
  
(a) Company Charter (b) Legal Note (c) Corporate Bye-laws (d) Public Record
2. Articles of Association is:  
  
(a) Internal Rules (b) Legal Letter (c) Partnership Deed (d) None
3. Doctrine of Indoor Management protects:  
  
(a) Outsiders (b) Directors (c) Auditors (d) Secretaries
4. Constructive Notice means:  
  
(a) Actual knowledge (b) Implied notice (c) Publicly presumed knowledge (d) Oral information
5. MOA contains:

(a) Borrowing limits (b) Company's internal rules (c) Fundamental objectives (d) None

6. A public company must have minimum:

(a) 2 members (b) 5 members (c) 7 members (d) 10 members

7. A private company must have minimum:

(a) 2 members (b) 3 members (c) 5 members (d) 7 members

8. AOA regulates:

(a) Internal Management (b) External Relations (c) Financial Audit (d) Registrar

9. Certificate of Incorporation is issued by:

(a) SEBI (b) RBI (c) MCA (d) ROC

10. MOA cannot be altered without approval of:

(a) Directors (b) Registrar (c) Tribunal (d) Shareholders

11. The legal effect of incorporation is:

(a) Partnership begins (b) Company becomes a person (c) Liability is unlimited (d) MOA becomes invalid

12. Number of clauses in MOA:

(a) 5 (b) 7 (c) 6 (d) 8

13. Which document defines the company's relation with outsiders?

(a) AOA (b) MOA (c) Prospectus (d) Statement in Lieu

## Unit II – Issue of Shares and Directors

1. A prospectus is issued for:

(a) Internal meetings (b) Marketing strategy (c) Invitation to public for shares (d) Audit reports

2. Misstatement in a prospectus leads to:

(a) Company promotion (b) No consequences (c) Civil and criminal liability (d) None

3. Statement in lieu of prospectus is issued by:

(a) Private company (b) Government company (c) Company not inviting public (d) Listed company

4. Shelf prospectus is valid for:

(a) 90 days (b) 1 year (c) 6 months (d) 3 years

5. Who issues the prospectus?

(a) Registrar (b) Shareholder (c) Company (d) Director General

6. The minimum number of directors in a public company is:

(a) 1 (b) 2 (c) 3 (d) 4

7. A private company must have at least:

(a) 1 director (b) 2 directors (c) 3 directors (d) 4 directors

8. Directors act as:

(a) Owners (b) Servants (c) Agents and trustees (d) Creditors

9. The Board of Directors is elected by:

(a) Employees (b) Government (c) Shareholders (d) Auditors

10. Director Identification Number (DIN) is issued by:

(a) ROC (b) SEBI (c) MCA (d) RBI

11. Which of the following is not a type of prospectus?

(a) Shelf prospectus (b) Red herring prospectus (c) Deemed prospectus (d) Blue book prospectus

12. Directors can be removed by:

(a) Employees (b) Court (c) Shareholders (d) Public

13. Who signs the prospectus?

(a) Managing Director (b) Company Secretary (c) All directors or authorized signatory (d) Promoters only

### Unit III – Company Secretary and Secretarial Work

1. Which of the following is a probability sampling method?

(a) Judgment sampling (b) Snowball sampling (c) Simple random sampling (d) Quota sampling

2. Stratified sampling involves:

(a) Dividing population into strata (b) Selecting convenience samples (c) Collecting census data (d) Only qualitative data

3. Primary data is collected:

(a) From books (b) By personal observation (c) From reports (d) From libraries

4. Secondary data is:

(a) Collected firsthand (b) Raw data (c) Already published data (d) Unstructured

5. Which of the following is a source of secondary data?

(a) Surveys (b) Interviews (c) Government publications (d) Focus group

6. Sample size depends on:

(a) Time and budget (b) Number of researchers (c) Interviewer skill (d) Literature review

7. Non-probability sampling includes:

(a) Cluster sampling (b) Simple random sampling (c) Quota sampling (d) Stratified sampling

8. Convenience sampling is based on:

(a) Random selection (b) Budget (c) Ease of access (d) Systematic plan

9. A major limitation of non-probability sampling is:

(a) Bias (b) Costly (c) Time-consuming (d) Technical

10. Which one is a data collection tool?

(a) Hypothesis (b) Interview schedule (c) Literature review (d) Report writing

11. Snowball sampling is ideal for:

(a) Known populations (b) Hidden populations (c) Government surveys (d) Academic exams

12. Which of these is a primary data collection method?

(a) Census report (b) Focus group discussion (c) Annual report (d) Journals

13. Sampling frame is:

(a) A data chart (b) A list of population elements (c) A questionnaire (d) None

#### Unit IV – Secretarial Work Related to Issue and Allotment of Shares

1. A hypothesis is:

(a) A conclusion (b) A research problem (c) A tentative assumption (d) None

2. Null hypothesis is denoted by:

(a) H1 (b) H2 (c) H0 (d) Hn

3. Type I error means:

(a) Accepting a true null hypothesis (b) Rejecting a true null hypothesis (c) Accepting a false hypothesis (d) None

4. Type II error occurs when:

(a) Null hypothesis is true and rejected (b) Null hypothesis is false and accepted (c) Both (a) and (b) (d) None

5. The t-test is used when:

(a) Sample size > 30 (b) Variance known (c) Sample size < 30 (d) Data is secondary

6. The Z-test assumes:

(a) Small sample (b) Normal distribution (c) Unknown variance (d) None

7. F-test is generally used to compare:

(a) Means (b) Variances (c) Medians (d) Correlations

8. The p-value less than 0.05 generally indicates:

(a) Hypothesis accepted (b) Hypothesis rejected (c) No conclusion (d) Test failed

9. Level of significance is generally denoted by:

(a)  $\alpha$  (alpha) (b)  $\beta$  (beta) (c)  $\delta$  (delta) (d)  $\sigma$  (sigma)

10. If  $p > 0.05$ , we usually:

(a) Reject  $H_0$  (b) Accept  $H_1$  (c) Do not reject  $H_0$  (d) None

11. In hypothesis testing, F-test is used for:

(a) Comparing means (b) Comparing ratios (c) Comparing variances (d)

Comparing scores

12. A smaller p-value indicates:

(a) Strong evidence against  $H_0$  (b) Strong support for  $H_0$  (c) Inconclusive results

(d) Randomness

13. Parametric tests are applicable when:

(a) Population is non-normal (b) Population is normal (c) Data is ordinal (d) Data is nominal

#### Unit V – Meetings, Resolutions, and Secretarial Work

1. A statutory meeting is held:

(a) Annually (b) Only once in company's lifetime (c) Monthly (d) Quarterly

2. Minimum number of AGMs to be held in a year:

(a) 0 (b) 1 (c) 2 (d) 4

3. Who can convene an Extra-Ordinary General Meeting?

(a) Shareholders (b) Board of Directors (c) ROC (d) Any employee

4. Proxy can be appointed by a shareholder to:

(a) Deliver notice (b) Attend and vote on behalf (c) Transfer shares (d) Allot shares

5. Minimum notice for AGM is:

(a) 7 days (b) 14 days (c) 21 clear days (d) 30 days

6. Who signs the minutes of Board Meeting?

(a) Secretary (b) Chairman (c) Registrar (d) Auditor

7. Special resolution is passed when:

(a) Simple majority (b) 2/3 majority (c) Unanimous (d) As per court order

8. Board meetings must be held at least:

(a) Once in a quarter (b) Twice a year (c) Once a year (d) Monthly

9. Director's Report is submitted at:



