

K. J. SOMAIYA INSTITUTE OF MANAGEMENT STUDIES AND RESEARCH,
Vidyavihar, Mumbai- 400077

Program: PGDM(B) (Batch2016-18), Trimester-III
Subject: Business & Corporate Law
(End Term Examination)

Maximum Marks: 50
Duration: 3 Hours

Date: 5th April, 2017

QUESTION 1

Substantiate your answers with reasons. (Attempt all the questions.)
(15Marks)

1. A company, by a resolution, transferred its buses to a partnership consisting of persons who were also members of the company. The Income Tax Officer regarded the transaction as sale. Do you agree? Why?
2. M Ltd. contracts with Z Traders to make and deliver certain machinery to them by 30th December, 2016 for Rs. 11.50 lakhs. Due to labour strike, M Ltd. could not deliver the machinery to Z traders. Later Z traders procured the machinery from another manufacturer for Rs. 12.75 lakhs. M Ltd. justifies breach on account of supervening impossibility. Do you agree?
3. The assessee formed four private companies and transferred his investments to these companies to reduce his tax liability and these companies in turn transferred the same to him as loan. Decide if the income of company and member can be taxed as that of one person.
4. A, a minor and an undergraduate student of Mumbai University buys 10 pairs of designer shoes on credit from the dealer, B. Is B entitled to any payment in respect of the goods? Why?
5. As per the deed of settlement, the Directors were authorised to borrow money with the prior resolution of the General body meeting. For the resolution some preliminaries had to be followed. The resolution was passed without observing such preliminaries. So, the director's borrowing power was found to be ultra vires. The company contended that it was not liable for the repayment of the loan. Can the creditors recover the loan from the company?

QUESTION 2

Write short notes on the following: - (Any 5)
Marks)

(15

1. Void Contracts & Quasi Contracts
2. Related party transactions & Material related party transactions
3. Changing of Name & Shifting of Registered Office of a Company
4. Agreement & Contract
5. Holding Company and Associate Company
6. Indoor Management & Constructive notice

QUESTION 3

Explain the Concepts through the Case Studies. - (Any 2)

(20 Marks)

1. Corporate Governance
2. Illegal Agreements
3. Private Placement & Public Issue

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