

INSTITUTE OF COST AND MANAGEMENT ACCOUNTANTS OF PAKISTAN



Fall 2012 (February 2013) Examinations

Wednesday, the 20th February 2013

CORPORATE LAWS AND SECRETARIAL PRACTICES – (LA-403)

SEMESTER – 4

Time Allowed – 2 Hours 45 Minutes

Maximum Marks – 90

Roll No.

- (i) Attempt ALL questions.
- (ii) Answers must be neat, relevant and brief.
- (iii) In marking the question paper, the examiners take into account clarity of exposition, logic of arguments, effective presentation and language where appropriate.
- (iv) Read the instructions printed on the top cover of answer script CAREFULLY before attempting the paper.
- (v) DO NOT write your Name, Reg. No. or Roll No. anywhere inside the answer script.
- (vi) Question No.1 – “Multiple Choice Question” printed separately, is an integral part of this question paper.
- (vii) **Question Paper must be returned to invigilator before leaving the examination hall.**

Marks

- Q. 2 (a)** List down the particulars of subscribers required to be given in the memorandum of association of a company limited by shares. What additional particulars required to be specified by a person other than a natural person? **06**
- (b)** XYZ Group is planning to shift the registered offices of three (3) of its companies – (i) ‘A’ Limited from Lahore to Islamabad, (ii) ‘B’ Limited from Hyderabad to Karachi and (iii) ‘C’ Limited from Peshawar to Multan. They are interested to know whether it would be necessary to seek confirmation of the Commission at any stage of the process of this shifting. What is the provision of law in this regard? Whether confirmation of the Commission would be required or not in the given situations? Discuss. **05**
- (c)** A public limited company is in process of changing its name and has completed the required process till passing of special resolution in the meeting of shareholders. Briefly mention the steps involved to complete rest of the process. List down the documents required to be submitted with application to the registrar for seeking approval of the Commission for the change of name. **08**
- Q.3 (a)** The court can declare the proceedings of a general meeting or part thereof as invalid in some circumstances. Describe the voting power needed by a member to move a petition in this regard, the nature of grounds and the time available for the purpose thereof. **04**
- (b)** **(i)** What would be the status of a contract made by a company before the date at which it becomes entitled to commence its business? **02**
- (ii)** Section 4 of the Companies Ordinance, 1984 provides that the Ordinance does not apply to certain corporations. Specify them. **03**
- (iii)** What alternatives are available for presiding a general meeting when chairman of the board of directors is unwilling to act as chairman due to his personal reasons? **03**
- (c)** The general meeting of a non-listed public limited company is scheduled to take place at its registered office at 10:30 a.m. At that time two of its members are present personally who represent 7% and 8% respectively of the total voting power on their own account plus proxies.

PTO

	Marks
(i) Discuss the requirement of the Companies Ordinance, 1984 with regard to minimum quorum in the given situation.	03
(ii) Whether the quorum requirement would have been different in case it was a private limited company?	02
(iii) State your opinion whether the Articles of Association of a company can prescribe a larger number of quorum than the one given in the Companies Ordinance, 1984.	01
(iv) Discuss the requirement of Companies Ordinance, 1984 for holding of a general meeting where due quorum is not present at the appointed time.	03
Q. 4 (a) Discuss the following in terms of Single Member Companies Rules, 2003:	
(i) 'Nominee Director' and 'Alternate Nominee Director'.	04
(ii) Actions that a nominee director is required to take upon death of the single member.	05
(iii) Can the sole director become the company secretary?	01
(b) Discuss the following in terms of Code of Corporate Governance:	
(i) Audit Committee frequently discusses the issues relating to accounts and audit in its meetings. Who else are required to attend such meetings?	02
(ii) Audit Committee is also required to hold two exclusive meetings at least once a year. Identify with whom those meetings are held and who are excluded to attend the meetings.	02
(iii) After the recent changes in the Code of Corporate Governance, one more committee of the board of directors is to be constituted in addition to the Audit Committee. Name the other committee.	01
(c) The Companies (Issue of Capital) Rules, 1996 impose four (4) conditions for a company to issue shares for consideration other than cash. Describe those conditions.	05
Q. 5 (a) The Non-Banking Finance Companies (Establishment & Regulation) Rules, 2003 specifies the qualification and experience requirements for the positions of internal auditor in non-banking finance companies. Describe the following in this regard:	
(i) The qualification(s) applicable to internal auditors.	02
(ii) The extent of experience required.	01
(iii) To whom the internal audit functions can be outsourced?	02

- (b) The Religious Board plays an important role in Modaraba business. Describe its composition, requirements for its members, appointing authority, tenure and filling of the casual vacancies as per section 6 of the Modaraba Companies and Modaraba Rules, 1981.

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- Q. 6** (a) (i) The general meeting of a company was scheduled on 31st August 2012 but had to be adjourned because due quorum was not present. A resolution was passed in the adjourned meeting that was subsequently held. Specify the relevant provision under the Companies Ordinance, 1984 regarding the date on which resolution would be treated as passed.

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- (ii) Discuss the term 'dividend warrant' by differentiating it with 'dividend' under the Companies Ordinance, 1984 and also list down the particulars required to be annexed to each dividend warrant.

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- (b) One of your friends has reviewed the notices of annual general meetings (AGMs) of about a dozen public limited companies which have been incorporated in the year 2010. He observed that the 1st annual general meetings of all those companies were held in the year 2011 and 2nd annual general meetings were held in the year 2012. He noted that agenda items of the companies include four ordinary businesses as mentioned in the section 160 (1) (b) of the Companies Ordinance, 1984. He also observed the following:

- (i) Two of the ordinary businesses were common and discussed in both the meetings.
- (ii) One of the businesses was transacted in the 1st annual general meeting but not in the 2nd annual general meeting.
- (iii) The remaining one did not follow any fixed pattern i.e., it was transacted in either 1st or 2nd meetings, both or none of the two.

Required:

Identify the ordinary business items related to each observation at (i), (ii) and (iii) above. Also substantiate the reasons.

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- (c) Describe the following with regard to circulation of a notice by a company to its members:
- (i) Manner in which notices are forwarded.
- (ii) Notice to a foreigner who has not supplied any address within Pakistan for the purpose.
- (iii) Notice to joint-holder.
- (iv) Will an accidental omission to give notice would invalidate the proceedings of the meeting?

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THE END