

**INSTITUTE OF COST AND MANAGEMENT ACCOUNTANTS
OF PAKISTAN**

PROFESSIONAL-II EXAMINATION-SPRING (SUMMER), 2004

Wednesday, the 2nd June, 2004

910

CORPORATE LAWS AND SECRETARIAL PRACTICES

Time Allowed— 3 Hours

Maximum Marks—100

- (i) Attempt SIX questions, selecting FOUR from Section "A" and TWO from Section "B".
- (ii) Answer must be neat, relevant and brief.
- (iii) In marking paper, the examiners take into account clarity of exposition, logic of argument, presentation and language.
- (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.

SECTION "A"

Marks

(Marks: 60)

Special instructions for Q. 1:

- An overwritten answer will carry no mark.
- Present your answer in the format given below:

S. No	Your Choice	Rationale (Brief reason for your answer)
(i)	True or False	
(ii)		
and so on		

Q 1 State whether the following statements are TRUE or FALSE :

15

- (i) A company can be a holding company only by holding majority share of another company.
- (ii) A bank cannot function as an investment advisor.
- (iii) Capital clause can be altered by passing an ordinary resolution.
- (iv) Table 'A' is specimen of memorandum of association.
- (v) Association not for profit can be a private limited company.

P.T.O.

- (vi) Notice is to be served to both the persons if two names are appearing on the share certificate. Marks
- (vii) In case the listing is refused, the company can still utilize the subscription money.
- (viii) In Pakistan the premium amount cannot be utilized for issuance of dividend.
- (ix) In Pakistan shares cannot be issued at discount.
- (x) Directors' liability can be made unlimited by passing a special resolution.
- (xi) A company can only issue redeemable debenture.
- (xii) Only Registrar is to maintain the register of mortgages and charges.
- (xiii) Extension of AGM can be granted by SECP to a listed company for only two months.
- (xiv) Alternate director is to be appointed by special resolution only.
- (xv) Banking company can grant loan to it's director.
- Q. 2 On what grounds the management may decide to convert the status of a company? Also give step-wise procedure for the conversion of following as given under the Companies Ordinance, 1984:
- (a) From private to public company. 7
- (b) From public to private company. 8
- Q. 3 What should a director's report of a listed company cover in terms of requirements of Code of Corporate Governance, which is the part of listing regulations of stock exchanges? 15
- Q. 4 How does a Modaraba increase its fund by issue of new modaraba certificates on stock exchanges? List down the provisions for the same under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980. 15
- Q. 5 You have been assisting your director of finance in an investment company. Your boss has asked you to assist him in appointing an advisor to the company. List the procedure of appointing an investment advisor under the Investment Companies and Investment Advisors Rules, 1971. 15

SECTION "B"
(Marks: 40)

- Q. 6 (a) Describe the procedure of raising capital through issuance of prospectus by a listed company. 10
- (b) Describe the procedure of raising capital through issuance of right letter by a listed company. [cover your answer for (a) & (b) above from the role of company secretary perspective]. 10
- Q. 7. Under the Companies Ordinance, 1984 discuss the following:
- (a) Appointment of a Company Secretary. 10
- (b) Termination of a Company Secretary. 10
- Q. 8. Differentiate between the following :
- (a) Share and Debenture. 5
- (b) Vote by show of hands and poll. 7
- (c) Prospectus and Statement in lieu of Prospectus. 8

THE END