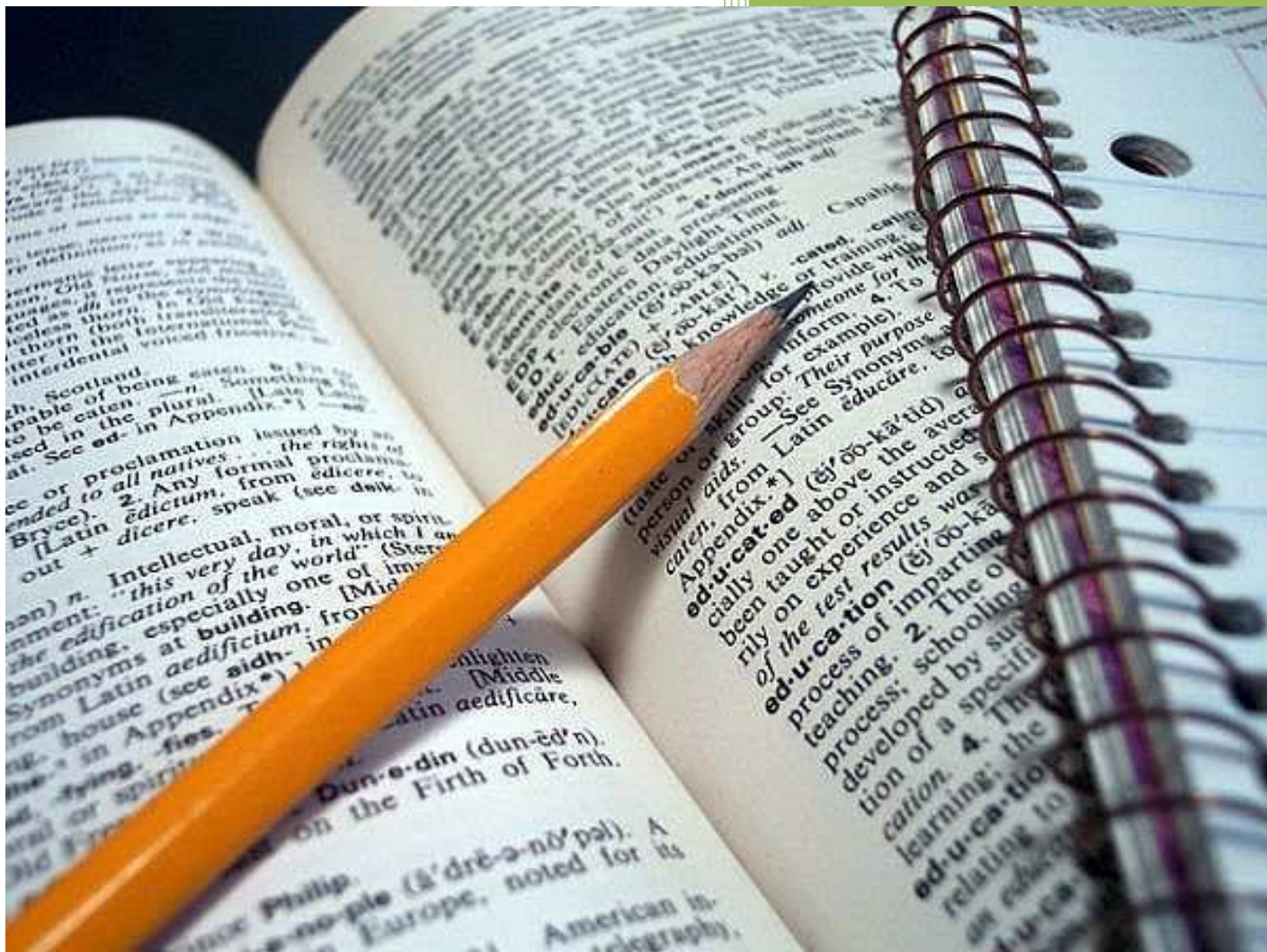


# Module D

## Company Law Question Bank

Revision Kit - Spring 2002 to Autumn 2012  
(Topic wise collection of ICAP past papers – 22 attempts)



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**Ch # 1. Preliminary and Application of Ordinance  
(Sec 1-6, 14)**

Identify the situations in which a company shall be considered to be a subsidiary of another company, under the Companies Ordinance, 1984(04)	3	Q.3(b)- S.(08)
Identify the situations specified under the Companies Ordinance, 1984 in which a company shall be considered to be a subsidiary of another company. (04 marks)	3	Q.8(b)- S.(12)
Companies' Ordinance overrides the Memorandum and Articles of a company. Discuss the concept. (05)	6	Q.1- A.(03)
Explain the legal provisions with respect to the followings: Whether or not the Companies Ordinance 1984 would override the Memorandum and Articles of Association of the company. (04)	6	Q.2(a)- A.(05)
Under what conditions, the Companies Ordinance 1984 would override the memorandum of association of the company? (02)	6	Q.1(c)- S.(07)
Enumerate the consequences of an illegal association. (04)	14	Q.1(b)- A.(04)
An association, partnership, etc. consisting of more than twenty members and formed for the purpose of acquisition of gain is considered illegal, provided the same is registered under the Companies Ordinance, 1984. What are the exceptions to the above rule? (06)	14	Q.7(b)- S.(07)
Any association, partnership or company consisting of more than twenty persons, can not be formed for the purpose of carrying on any business for acquisition of gain unless it is registered as a company under the Companies Ordinance, 1984. You are required to list down the exceptions to the above rule. (07)	14	Q.7- A.(08)
Explain the exception to the following provisions as specified under the Companies Ordinance, 1984. No association consisting of more than twenty persons shall be formed for the purpose of carrying on any business with an object for acquisition of gain, unless it is registered as a company under the Companies Ordinance, 1984. (03 marks)	14	Q.3(b)- S.(11)

**Ch # 2. Incorporation of Companies and MOA & AOA  
(Sec 15-19, 26,27,29,30-36, 43, 47, 142, 145)**

List down the contents of the memorandum of a listed company.(05)	16	Q.4(a)- S.(08)
A company wishes to borrow a loan for the purposes of its business. Can it do so even if no express provision is contained in its Memorandum of Association? (04)	19	Q.6(b)- S.(04)
What is the significance of Memorandum of Association in the context of company's business? How a Memorandum can be altered once made? (06)	21	Q.3(c)- A.(05)
A Malaysian company is interested in incorporating a limited liability company in Pakistan. Discuss provisions of the Companies Ordinance, 1984, relating to the following: contents, printing and signature of the Articles of Association (05)	27	Q.1(a)- S.(09)
A Malaysian company is interested in incorporating a limited liability company in Pakistan. Discuss provisions of the Companies Ordinance, 1984, relating to the following: alteration of the Articles of Association after its registration (04)	28	Q.1(c)- S.(09)
M/s Polo Enterprises has been a well established partnership firm which submitted its documents for registration as private limited company with the Registrar of Companies. The Registrar has refused to register the memorandum of association. You are required to explain to the management, the steps which they may take in such a situation. (02)	30	Q.1(a)- A.(06)
A Malaysian company is interested in incorporating a limited liability company in Pakistan. Discuss provisions of the Companies Ordinance, 1984, relating to the following: registration of the Articles of Association (02)	30	Q.1(b)- S.(09)
A company duly registered under the Companies Ordinance, 1984 is a separate legal entity and a distinct person from the shareholders. Do you agree? Elaborate. (04)	31	Q.1(a)- S.(05)
What is the effect of registration of memorandum and articles of a company? (03)	32	Q.6- S.(03)
Validity of a Certificate of Incorporation cannot be disputed. Comment. (03)	33	Q.1(b)- S.(04)
What is a conclusive evidence of the fact that a company has been duly registered under the Companies Ordinance? (02)	33	Q.8(a)- S.(06)
A company is carrying on business with less than the minimum number of members. Explain the consequences. (03)	47	Q.5(a)- S.(02)
Company carrying on business with less than the legal minimum number of members for the last six months. (04)	47	Q.2(b)- A.(05)

Question	Section Ref	Question # - Attempt
Faheem and Naeem are members as well as the directors on the Board of Saleem (Private) Limited and each of them hold 50% of the share capital. On August 28, 2008, Faheem died in an accident in London while he was on a business visit. However, Faheem's shareholdings could not be transferred to his nominated legal heirs as all of them were minors. Naeem continued to carry on the business of the company. In March 2009, the company incurred heavy losses and could not meet its debt obligations. Zaheer, a creditor of the company, intends to make Naeem personally responsible for the payment of the amount owed to him by Saleem (Private) Limited. Required: Narrate the provisions of the Companies Ordinance, 1984 which are relevant to the above issue and discuss the above situation in the context of those provisions. (06)	47	Q.6- A.(09)
State the provisions of the Companies Ordinance, 1984 with respect to carrying on business with less than the legal minimum number of members. (06 marks)	47	Q.4- S.(11)
Abid, Qasim and Tariq were the only members of Alpha Securities Limited, a public company and were elected as directors on 30 June 2009. Qasim expired on 2 February 2012 in a road accident. Discuss the consequences if Abid and Tariq failed to fill the above vacancy. (05 marks)	47	Q.2(b)- S.(12)
What are the legal provisions regarding registered office of the company? (03)	142	Q.8(c)- A.(02)
What is the necessity of registered office of a company? (03)	142	Q.5(c)- A.(04)
Narrate the requirements of law which a company should comply with in order to change its registered name. Does the change of name affect any rights or obligations of the company? (04)	142	Q.1(a)- A.(05)
State the law relating to Board Resolution passed by circulation. (03)	1st Sch	Q.7(a)- S.(04)
With reference to the Companies Ordinance, 1984, discuss the validity of directors' resolution passed through circulation. (03)	1st Sch	Q.4(b)- A.(07)
If two or more persons hold one or more shares in a company, do they individually become separate members of the company? (02)	Misc	Q.1(b)- A.(02)
What is meant by the term "Promoter" of a company? (03)	misc	Q.2(a)- A.(03)
What is a Single Member Company? Compare it with a Private Limited Company. (05)	Misc	Q.1(c)- A.(04)
Differentiate as to how company limited by guarantee differs from company limited by shares capital. (02)	Misc	Q.3(b)- A.(05)

**Ch # 3. Alteration of MOA & AOA**  
(Sec 20-25, 28, 108)

Can the Memorandum of Association of a company be altered once approved? Elaborate. (05)	21	Q.1(a)- S.(04)
Before confirming an alteration of memorandum of association the Commission must satisfy itself that certain conditions have been fulfilled. What are those conditions? (04)	21	Q.8(b)- S.(06)
Specify the competent authorities who shall be required to grant their approval in the following situations: - Alteration of memorandum of association. (01)	21	Q.8(b)- A.(08)
List down the reasons specified in the Companies Ordinance, 1984 because of which, a company may alter the object clause of its memorandum of association. (07 marks) The alteration in the memorandum shall not take effect until it is confirmed by the Commission. State the conditions a company is required to fulfill in order to obtain confirmation from the commission and the procedure to be followed on confirmation. (04 marks)	21	Q.2(b)(c)- A.(10)
Briefly describe the provisions of Companies Ordinance, 1984 relating to alteration of the objects of a company. (08 marks) In the annual general meeting of Paramount Limited, a shareholder objected to the shifting of the registered office from Multan to Lahore without obtaining confirmation from the Commission. Explain whether the objection is valid. (02 marks)	21	Q.1(a)- A.(11)
The board of directors of Shaban (Pvt.) Limited have approved a major expansion program for which they are planning to raise Rs 35 million from the general public. The current authorized and paid up capital of the company is Rs. 100 million and Rs. 65 million respectively. Advise the company about the changes required to be incorporated in the memorandum and articles of association, to make the company eligible for raising capital from the public. (05)	28	Q.4(b)- S.(07)
The directors of Afridi Cables Limited are facing difficulty in holding the board meetings due to the quorum requirements. According to the company's articles, quorum of the meeting shall be at least 7 directors present in person. They have now decided to restrict the quorum at 5 directors. Explain the procedures to be followed for alteration of the company's articles in order to restrict the quorum at 5. (04)	28	Q.1(a)- A.(07)
Narrate the responsibilities of a company or of its directors in the following circumstances: An alteration in Articles of Association of the company is approved by passing a resolution in the annual general meeting. (03 marks)	28	Q.8(c)- S.(11)

Question	Section Ref	Question # - Attempt
Paradise Limited, upon passing a special resolution on August 20, 2010 made amendments in its Articles of Association affecting substantial rights associated with class "B" shares of the company. Few aggrieved shareholders having objection on the special resolution intend to file an application in the Court, for the cancellation of the above resolution. Discuss the relevant provisions of the Companies Ordinance, 1984 specifying the following: The conditions which the aggrieved shareholders will have to comply with, to be eligible for filing an application in the court for the cancellation of the above resolution. (02 marks) The matters which the Court would consider while making a decision on the above application. (02 marks)	108	Q.14- A.(10)
The directors of M/s Soccer (Pvt.) Limited have decided to shift the registered office of the company from Lahore to Karachi. You are required to advise them about the procedures they will have to follow in this regard. (04)	21 142	Q.1(c)- A.(06)
The Directors of Worldwide Motors Limited (WML) and its subsidiary Worldwide Autos (Private) Limited (WAPL) have decided in their respective board meetings to shift their registered offices to Landmark Centre, G.T. Road, Lahore. The present addresses of the registered offices are: - Worldwide Motors Limited, 101, Hali Road, Lahore. - Worldwide Autos (Private) Limited, 2nd Floor, Modern Avenue, Peshawar. You are required to list the procedures to be followed by each company for shifting its registered office, as specified under the provisions of the Companies Ordinance, 1984. (10 marks)	21 142	Q.9- A.(12)
The directors of Haq Tractors Limited have decided to acquire the entire shareholding of Razzak Tractors Limited. However the object clause in the memorandum of association does not allow the company to carry out such a transaction. Prepare a summary of necessary steps which the company should take in order to alter the object clause. (05)	21 24	Q.4(a)- A.(07)
The management of Real World (Pvt.) Limited and Fantasy World (Pvt.) Limited intend to enter into a joint venture agreement under which they would implement a seaside holiday resort project. However, the Company Secretary has informed that the Memorandum of Association of Fantasy World (Pvt.) Limited does not authorise the Company to enter into a joint venture agreement. Describe the procedure that would have to be followed by Fantasy World (Pvt.) Limited for making the necessary amendments in its Memorandum of Association. (09)	21 24	Q.9- A.(09)
How can a company generally alter its memorandum and articles of association and what are the effects of such alteration? (06)	21 28	Q.6(a)- S.(05)

**Ch # 4. Name of Company**  
**(Sec 37-41, 143, 144)**

What restrictions are laid down in the law relating to naming a new company? (04)	37	Q.7(b)- S.(04)
A foreign company is in the process of selecting a name for its subsidiary which is being incorporated as a limited liability company in Pakistan. You are required to inform them about the prohibitions of certain names, under the Companies Ordinance, 1984. (03)	37	Q.8(a)- A.(08)
Describe the restrictions that have been mentioned in the Companies Ordinance, 1984 regarding selection of names of companies. (06 marks)	37	Q.6(a)- S.(12)
A change in the name of company requires a special resolution and approval of Registrar in writing. Explain exception to it. (03)	39	Q.5(b)- S.(02)
Specify the competent authorities who shall be required to grant their approval in the following situations: - Change of name by a company.(01)	39	Q.8(b)- A.(08)
Shafeeq Refrigerators (Pvt.) Limited is engaged in the trading of refrigerators. It is now planning to start the business of air conditioners and therefore wants to change its name to Shafeeq Electronics (Pvt.) Limited. Describe the procedure that the company will be required to follow.(04)	39 40	Q.4(c)- S.(08)
On January 1, 2010 Star International Limited (SIL), a company incorporated in Italy, acquired majority shareholding in Beta Industries Limited, a company listed on the Karachi Stock Exchange. SIL wants to change the name of Beta Industries Limited to Star Industries Pakistan Limited, as it believes that on account of international reputation of Star International, the local sales will improve substantially. Describe the procedure that would have to be followed to change the name of the company. (04) Describe the conditions which the company would be required to comply with after the change of its name. (04)	39 40	Q.1- S.(10)

**Ch # 5. Association not for Profit**  
**(Sec 42)**

What are the pre-requisites for obtaining a license for an 'Association not for profit' which is to be incorporated as a limited company? (05)	42	Q.1(b)- A.(06)
Alfalah Associates is an association of persons. It wants to register itself as a limited company but does not wish to include the word "Limited" in its name. In view of the provisions of the Companies Ordinance, 1984 you are required to explain the conditions: that need to be satisfied before the Commission may issue it a licence and allow it to dispense with the word "Limited" from its name. (07marks) under which the licence may be revoked and its consequences. (04 marks)	42	Q.5- S.(11)

**Ch # 6. SECP and Registrar  
(Sec 12-13, 261, 262)**

Write short notes on the following: Power of registrar to call for information. (03)	261	Q.12(d)- A.(03)
Under what circumstances the Registrar can initiate investigation into the affairs of the company? (04)	261	Q.5(c)- S.(04)
Explain the composition of the Securities and Exchange Policy Board under the Securities and Exchange Commission of Pakistan Act 1997. (08)	Misc	Q.4- S.(03)

**Ch # 7. Courts  
(Sec 7-10)**

Explain the exception to the following provisions as specified under the Companies Ordinance, 1984. The Court having jurisdiction under the Companies Ordinance, 1984 shall be the High Court having jurisdiction in the place at which the registered office of the company is situated. (03 marks)	7	Q.3(a)- S.(11)
Briefly describe the conditions specified in the Companies Ordinance 1984, which the High Court must adhere to, in order to ensure expeditious delivery of the final judgement. (05 marks)	9	Q.5- A.(11)
What is Company Court and its jurisdiction? (03)	7	Q.4- S.(02)
Explain the constitution of the Company bench? (02)	8	
Whether an appeal lie against the decision of the Company Court? (05)	10	

**Ch # 8. Conversion of Companies  
(Sec 44-46, 109, 110)**

Specify the competent authorities who shall be required to grant their approval in the following situations: - Conversion of public limited company into private limited company. (01)	44	Q.8(b)- A.(08)
Where a private limited company chooses to become a public limited company what provisions of the Companies Ordinance, 1984 must it comply with? (06)	45	Q.1(b)- S.(05)

**Ch # 9. Service and Authentication of Documents  
(Sec 48-51)**

Mr. Zuhair, holder of 9.5% shares in Zuhair Company Limited, shifts to UK and intimates the company of his new registered address of the UK. After one year, he claimed on his return to Pakistan that he was not served with any notices from the company during that time despite having informed the company about change in his address. State with reasons whether this is a violation on the part of Zuhair Company Limited of any of the provisions of the Companies Ordinance, 1984. (06)	50	Q.1- S.(06)
Describe the provisions of the Companies Ordinance, 1984 relating to serving of notice by a listed company, to its members. (03)	50	Q.1(b)- A.(07)
The EOGM of Neon Limited , a company listed on Karachi and Islamabad stock exchanges , was held on November 30, 2008. The company dispatched the notices of the meeting on November 06, 2008. However, due to postal strike in the country the notices could not be delivered to the members in time . You are required to comment on the following: (i) legality of service of the notice on members, under the above situation . (ii) complaints of non-receipt of notices filed by : a member residing abroad . a joint shareholder. (08)	50	Q.2(a)- S.(09)
Few shareholders of Nadeem Industries Limited (NIL) have lodged a complaint that they have not received notice of the last annual general meeting. To satisfy the above shareholders, you are required to describe the circumstances in which the notices sent to the members would be deemed to be duly served, in accordance with the provisions of the Companies Ordinance, 1984. (07 marks)	50	Q.11(a)- S.(12)
A member raised an objection that the common seal of the company had not been affixed on the copy of Special Resolution which was provided to him on his request, by the company secretary. Describe the relevant provisions contained in the Companies Ordinance, 1984 regarding the authentication of the above document. (03)	51	Q.2(b)- S.(09)
Moonlight Limited has provided a copy of its board resolution to LMO Bank Limited for opening of a current account. However, the bank objected that the common seal of the company was not fixed on the copy of board resolution. Explain whether the objection raised by LMO Bank Limited is in accordance with the provisions of Companies Ordinance, 1984. (03 marks)	51	Q.7(b)- A.(12)
How service of documents are authenticated when served on company, registrar and member of the company? (03)	48 49 50	Q.1(c)- A.(02)

Question	Section Ref	Question # - Attempt
Describe the provisions contained in the Companies Ordinance, 1984 relating to service of documents: on a company. (02)	48	Q.13- S.(10)
on the registrar. (02)	49	
to a member who has no registered address in Pakistan. (04)	50	

**Ch # 10. Prospectus  
(Sec 52-66)**

Deo Limited (DL) has published a prospectus on March 1, 2009. The subscription list is due to open on April 5, 2009. Explain whether the company is in compliance with the provisions of the Companies Ordinance, 1984 regarding the publication of its prospectus. What relaxation can DL avail, in this regard? (03)	53	Q.4(a)- S.(09)
Identify the places where DL is required to make available the copies of its prospectus. (02)	53	Q.4(b)- S.(09)
Mr. Ahmed placed the initial capital for the formation of Mr. Kamal's company and also assisted in circulating the company's prospectus. Company wishes to include a statement by Mr. Ahmed as an expert regarding a technical issue. Can Mr. Ahmed issue such a statement? Please reply in the light of provisions of the Companies Ordinance 1984. (02)	54	Q.1(c)- A.(05)
The registrar shall not register a prospectus unless certain requirements of the companies ordinance, 1984 are complied with. You are required to list such requirements. (06)	57	Q.1(b)- S.(08)
A company wants to vary the terms of contract mentioned in the Prospectus. Advise the management. (04)	58	Q.5(b)- S.(03)
Specify the competent authorities who shall be required to grant their approval in the following situations: - Variation in the terms of a contract mentioned in the prospectus of the company. (01)	58	Q.8(b)- A.(08)
Explain whether or not the following statements are in accordance with the provisions of the Companies Ordinance, 1984. Support your answer with reasons. A company cannot vary the terms of the contract mentioned in the prospectus or statement in lieu of prospectus for a period of one year. (02 marks)	58	Q.4(a)- A.(10)
Name the persons who may be liable to pay compensation in case of misstatement in prospectus. (04)	59	Q.1(b)- A.(05)
The directors or promoters are responsible for any untrue statement contained in a prospectus. What are the grounds on the basis of which directors or promoters can escape such liability? (06)	59	Q.3(d)- S.(07)
Comment on offer for sale of shares by certain persons under the Companies Ordinance, 1984. (04)	62	Q.4(a)- A.(04)
What is the difference between "prospectus" and "offer for sale"? (02)	62	Q.13- S.(06)
Enumerate the differences between Prospectus and Statement in Lieu of Prospectus. (05)	69	Q.2(a)- S.(05)
UHY Limited intends to raise funds through issuance of shares to the public. Proceeds of the issue would be utilized for installation of a new plant. The directors plan to issue the prospectus on 10 September 2012. The subscription list will be opened in the second or the third week of October 2012. An expert opinion would also be required to be included in the prospectus. You are required to advise the company, based on the provisions of the Companies Ordinance 1984, in respect of the following: Date of publication of the prospectus and the opening of subscription list. (04 marks) The places where UHY would be required to make available copies of its prospectus. (02 marks) The conditions that UHY would be required to comply with in respect of the inclusion of the statement by the expert. (03 marks)	53 54 55	Q.1- A.(12)
Mr. Zafar a director of Hilltop Limited, a listed company, has received a notice making him responsible for incorrect information contained in the prospectus issued by the company and also on account of the company's failure to meet certain requirements related to the issue of prospectus. You are required to list the relevant provisions of the Companies Ordinance, 1984 on the basis of which Mr. Zafar can claim relief from any liability. (04 marks)	53 59	Q.10- S.(11)
Quite often, a prospectus inviting persons to subscribe for shares in a company contains a statement from person(s) who are experts in their respective fields. Describe the term "Expert" as explained in Companies Ordinance, 1984 in the above context. (02) Narrate the conditions that a company should comply with if its prospectus contains a statement by an expert. (03)	54 55 56	Q.2- S.(10)
What is the liability for misstatement in a prospectus? (05)	59 60	Q.2(b)- A.(03)
What is the objective of issuing Prospectus? (03)	Misc	Q.2(b)- S.(05)
Can the promoters of a company issue Prospectus before registration of a company? (02)	Misc	Q.2(c)- S.(05)

**Ch # 11. Allotment  
(Sec 67-73)**

State the requirements as contained in Companies Ordinance, 1984 in respect of application for allotment of shares. (03)	67	Q.8(a)- A.(06)
Narrate the conditions that must be complied with before allotment of shares? (05)	68	Q.2(b)- S.(02)
What is meant by Minimum Subscription? (03)	68	Q.3(c)- S.(04)
Discuss the restrictions that have been placed by the law on first allotment of shares. (04)	68	Q.4(b)- A.(04)

Question	Section Ref	Question # - Attempt
What restrictions are imposed on the first allotment of share capital of a company not inviting public subscription? (04)	68	Q.3(a)- A.(05)
What are the effects of irregular allotment? (04)	70	Q.3(b)- A.(02)
What is meant by irregular allotment? (03)	70	Q.8(a)- A.(03)
What are the provisions of law including consequences regarding re-payment of money received for shares not allotted? (05)	71	Q.3(a)- A.(02)
Safar Textile Limited was incorporated in December 2006. In February 2007, the company offered its shares to the general public. The offer has been fully subscribed. Explain the requirements of the Companies Ordinance, 1984 in respect of moneys received from share subscriptions and when the company would be able to utilize the subscription money. (05)	71	Q.4(a)- S.(07)
Mr. shaikh is planning to submit an application for 50 shares in response to a public offer by a newly listed company at Karachi stock exchange. He heard from a stock analyst on TV that this public offer would be over-subscribed. Mr. sheikh is now wondering whether his money would be returned soon and how he will be compensated if his funds remained blocked for a long time. Advise Mr. sheikh in the light of provisions of the companies ordinance, 1984. (05)	71	Q.1(a)- S.(08)
On 12 July 2011, JFK Limited issued a prospectus which stated that an application has been made for permission for the shares being offered, to be dealt on the Karachi Stock Exchange. Explain the responsibilities of the directors regarding the subscription money received and the consequences, if the Karachi Stock Exchange refuses to grant such permission. (07 marks)	72	Q.4- A.(11)
Specify the various conditions which must be fulfilled before issue of shares other than cash. (03)	73	Q.3(a)- A.(04)
What documents are required to be submitted to the registrar while submitting the return of allotment in respect of shares issued otherwise than in cash?(04)	73	Q.5(b)- S.(08)
SKY (Private) Limited has acquired a piece of land worth Rs. 20 million from Mr. Ahmed against fully paid shares of the company. Describe the steps that the company shall be required to follow before proceeding to allot shares to Mr. Ahmed. (05)	73	Q.5- S.(09)
On 5 March 2012 FMG Limited issued fully paid shares to Mehboob Engineering (Pvt.) Limited against supply of machinery. State the requirements of the Companies Ordinance, 1984 which FMG Limited is required to comply with, in this respect. (05 marks)	73	Q.5(a)- S.(12)
Under what conditions, allotment of shares made by a company is considered to be irregular? (06)	68 70	Q.8(b)- A.(06)

**Ch # 12. Certificates of Shares and debentures  
(Sec 74, 75, 89-91)**

What is the limitation of time for issuance of share certificate? (03)	74	Q.1(b)- S.(02)
What is time limit for issuance of new and transferred certificates under the Companies Ordinance 1984? (04)	74	Q.2(a)- A.(02)
Board of Directors of Delta Limited is in the process of sending letters of right to the members entitled to receive right shares. In the light of the provisions of the Companies Ordinance, 1984 you are required to advise on the following: time limit for issue of share certificates and notice thereof; after the allotment of shares. (02)	74	Q.3(b)- S.(09)
Board of Directors of Delta Limited is in the process of sending letters of right to the members entitled to receive right shares. In the light of the provisions of the Companies Ordinance, 1984 you are required to advise on the following: conditions under which a duplicate share certificate may be issued and the procedure thereof. (04)	75	Q.3(c)- S.(09)
steps to be followed by the company if it has to refuse an application for issuance of duplicate share certificates. (02)	75	Q.3(d)- S.(09)
Explain whether or not the following statements are in accordance with the provisions of the Companies Ordinance, 1984. A duplicate of a certificate of share or debenture shall be issued by the company within thirty five days from the date of loss of the original certificate. (05 marks)	75	Q.6(b)- S.(11)
Explain the provisions relating to issuance of duplicate share certificates as specified in the Companies Ordinance, 1984. (05 marks)	75	Q.5(b)- S.(12)

**Ch # 13. Transfer and Transmisson of Shares  
(Sec 76-81)**

Mr. Javed wants to transfer the shares registered in the name of his deceased father to his own name. Describe the procedure specified under the Companies Ordinance, 1984 which he would be required to follow. (03)	79	Q.8(a)- S.(10)
One of your clients who holds majority shares in a company wishes to appoint nominees who shall be entitled to become the holder of shares in case of his death. You are required to advise him about relevant provisions contained in the Companies Ordinance, 1984. (09)	80	Q.7(b)- A.(06)

Question	Section Ref	Question # - Attempt
Can the directors of a company refuse to transfer fully paid shares or debentures? Discuss implications. (05)	77 78 78A	Q.6- A.(03)
On what grounds can the directors of a company refuse the transfer of shares? What is the time frame for notifying the refusal to the concerned member? (04)	77 78A	Q.2- S.(06)
Articles of Association of a company empowers directors to decline transfer of shares without giving any reason. Explain the circumstances under which the Court may order the name of transferee to be placed on the Register after such a decline. (03)	78A	Q.2(b)- A.(04)
On 15 August 2011 Ejaz lodged an instrument of transfer with Fast Technology Limited (FTL), a listed company, for transfer of 10,000 shares in the name of his son, Riaz. However, on 5 September 2011 the directors refused to transfer the shares by giving him notice in writing in this regard. Explain the recourse available to Ejaz. (05 marks)	78A	Q.6- A.(11)

**Ch # 14. Issue of Share Capital  
(Sec 62A, 82-88, 120)**

Whether a company can pay commission on shares and what are the requirements for payment of commission, if any, allowed by the Ordinance? (03)	82	Q.3(b)- S.(04)
State the legal requirements relating to payment of underwriting commission. (04)	82	Q.5(a)- A.(06)
What are the conditions for issue of shares on premium? (04)	83	Q.5(b)- S.(04)
State the provisions of the Companies Ordinance, 1984 relating to the application of premium received on issue of share. (04)	83	Q.3(a)- S.(06)
List the possible uses of the balance held in Share Premium Account. (05)	83	Q.5(b)- A.(09)
Does the company have power to issue the shares at discount? (04)	84	Q.2(b)- A.(02)
Discuss the rules relating to issue of shares at a discount. (04)	84	Q.8(b)- A.(04)
Is an issue of shares at a discount deemed to be reduction of share capital? Explain with legal stipulation. (08)	84	Q.4(a)- S.(05)
Under what conditions, can a company issue shares at discount? (05)	84	Q.3(b)- S.(06)
Sunshine Oils Limited issued 50 million shares of Rs. 10/- each on March 20, 2007 and commenced its business on June 12, 2007. On April 7, 2008, the Board of Directors decided to issue further shares at a discount of Rs. 3/- per share. You are required to list the conditions specified under the Companies Ordinance, 1984 for the issuance of shares at discount. (09)	84	Q.9- A.(08)
Zeeshan Pharma Limited (ZPL) commenced its business two years ago with a paid up capital consisting of 80 million ordinary shares of Rs. 10 each. On February 13, 2011 the board of directors decided to issue right shares at a discount of Rs. 1.50 per share. Narrate the provisions contained in the Companies Ordinance, 1984 which ZPL would need to comply with for issuance of shares at discount. (09 marks)	84	Q.1- S.(11)
What are the permissible modes of redeeming the preference shares? (04)	85	Q.2(b)- A.(07)
The Directors of Golden Leaf Limited, a listed company, plan to redeem 15% preference shares of the company. One of the directors has proposed that these should be redeemed out of the proceeds of the fresh issue of shares of the company. What are the conditions that Golden Leaf Limited needs to comply with, if it redeems preference shares out of the proceeds of a fresh issue of shares? (03 marks) Advise the directors about the other allowed modes of redemption of preference shares as specified in the Companies Ordinance, 1984. (04 marks)	85	Q.9- A.(10)
Explain the provisions relating to redemption of preference shares as contained in the Companies Ordinance, 1984. (05 marks)	85	Q.2- A.(11)
The Directors of Silver Limited, a listed company, plan to redeem 10% preference shares of the company. In view of the provisions of the Companies Ordinance, 1984 you are required to: Explain the conditions that Silver Limited needs to comply with, if it intends to redeem preference shares out of the proceeds of a fresh issue of shares. (02 marks) Identify what other modes of redemption of preference shares are available to Silver Limited. (04 marks)	85	Q.12- A.(12)
Golf Limited is in the process of offering right shares to the existing shareholders. They have been informed by their Corporate Advisor that offer of right shares shall be accompanied by a circular. You are required to explain the company about the requirements of the circular which will be annexed with the offer. (07)	86	Q.5(b)- A.(06)
Board of Directors of Delta Limited is in the process of sending letters of right to the members entitled to receive right shares. In the light of the provisions of the Companies Ordinance, 1984 you are required to advise on the following: other information required to be sent along with the letter of right? (05)	86	Q.3(a)- S.(09)
Explain the exceptions to the following provisions as specified under the Companies Ordinance, 1984: Where the directors decide to increase the capital of a company by issuance of further shares, such shares shall be offered to the members in proportion to the existing shares held by each member. (04 marks)	86	Q.4(a)- S.(12)
Khan Pipes Limited had obtained a credit facility of Rs. 500 million in 2005 which is payable in five years. In order to improve its debt equity ratio, the directors have requested the bank to accept Khan Pipes Limited's shares of Rs. 75 million, against the said credit. Comment on the legality of the above transaction from the company's point of view, under the Companies Ordinance, 1984. (06)	87	Q.2(a)- A.(07)
What are the conditions for invitation and acceptance of deposits by a company? (04)	88	Q.1(a)- S.(02)
Narrate the restrictions and limitations in the Companies Ordinance, 1984 regarding invitation and acceptance of deposits from the public. (04)	88	Q.2(c)- A.(04)



Question	Section Ref	Question # - Attempt
Explain whether or not the following statements are in accordance with the provisions of the Companies Ordinance, 1984 and support your answer with reasons: A company limited by shares cannot issue securities outside Pakistan. (02)	62A	Q.3(a)- S.(10)
The directors of ABC Limited are considering to issue 50% right shares on premium. The issue would be underwritten and significant amount of commission would be paid to the underwriters. The directors are however concerned as to whether they are empowered to pay the commission. Narrate the relevant provisions of the Companies Ordinance, 1984 regarding the payment of the commission and the directors' responsibility in the above situation. (07 marks)	82 83	Q.7- S.(11)

**Ch # 15. Alteration and Reduction of Share Capital  
(Sec 92-107)**

Explain the concept of consolidation of shares. (03)	92	Q.3(c)- A.(04)
The directors of Sherwani Limited wish to increase the authorized capital of the company from Rs 100 million to Rs 200 million. You are required to inform them about the relevant provisions regarding increase in authorized capital, contained in the Companies Ordinance, 1984.(07)	92	Q.8(b)- S.(08)
What are legal provisions and prohibitions on the purchase and grant of financial assistance by a company for purchase of its own or it's holding company's shares. (06)	95	Q.4- A.(03)
Can capital of the company be reduced? Discuss the procedures and legal formalities necessary to attain the above. (05)	96	Q.4(b)- S.(04)
Narrate the provisions contained in the Companies Ordinance, 1984 as regards the reduction of share capital of a company limited by shares. (08)	96	Q.10(b)- A.(08)
How may the Court dispense with a creditor's consent where he objects to the reduction of share capital? (04)	100	Q.5(a)- A.(05)
Atif Industries Limited (AIL) intends to carry out a restructuring whereby its share capital would be reduced from Rs. 3 billion to Rs. 1.8 billion. However, two of its creditors have refused to give their consent for the reduction of the share capital. Explain what options are available to AIL under the provisions of the Companies Ordinance, 1984 in the above situation. (06 marks)	100	Q.10- S.(12)
On what basis the Court can issue an order confirming reduction of the share capital of a company? (05)	101	Q.5- A.(03)
Mention the liabilities of members in respect of reduced shares. (03)	104	Q.6(b)- A.(02)
What are the legal provisions for publication of reasons for reduction in share capital? (03)	106	Q.2(c)- S.(02)
What are the provisions of law regarding the variation of shareholders' rights. (05)	108	Q.3- A.(03)
RA Limited is a public limited company. It has two classes of shares namely 'A' and 'B'. The directors of the company have decided to restrict the voting rights of Class 'A' shareholders. In lieu thereof, they shall be allowed to get preference in payment of dividend. State the procedures through which the decision of directors can be put into effect. (03)	108	Q.4(c)- S.(07)
Paragon Industries Limited, after passing a special resolution on October 15, 2009 filed a petition in the Court on October 20, 2009 to reduce its share capital. After being satisfied with respect to the creditors, the Court issued an order on November 30, 2009 confirming the reduction of share capital of the company. Describe the statutory formalities which the company is required to carry out after issuance of the court's order. (05)	102 103	Q.5- S.(10)
Describe the procedure for buy-back of shares under the Companies Ordinance, 1984. (05)	95A	Q.3(b)- A.(04)
Describe the procedure for buy-back of shares for a listed company. (07)	95A	Q.3(d)- A.(05)
Salman Engineering Limited, a listed company, wishes to purchase its own shares. Narrate the conditions to which the company should comply with and the procedure which should be followed in this regard. (09)	95A	Q.5(b)- A.(07)
Under what conditions can a listed company alter its memorandum of association in order to allow the cancellation of its shares? Would such cancellation be considered as reduction of share capital of the company? (05)	95A	Q.10(a)- A.(08)
Zilhaj Limited has been incurring losses since last many years. The directors have now decided to restructure the company's business. As part of the financial restructuring, one of the suggestion is to reduce the capital of the company which is not represented by available assets. State the procedures that the company has to follow for reduction of capital, under the Companies Ordinance, 1984. (07)	97-103	Q.4(d)- S.(07)

**Ch # 16. Debentures  
(Sec 113-119)**

What are the characteristics of a debenture? (03)	114	Q.3(c)- S.(02)
Explain the provisions of law regarding "Debentures not to carry voting rights". (04)	114	Q.2(b)- S.(04)
"No company shall issue any debentures carrying voting rights". Explain the exceptions, to this general rule, specified under the Companies Ordinance, 1984. (03)	114	Q.8(b)- S.(10)
What powers can a company exercise to re-issue redeemed debentures? (07)	116	Q.8(b)- A.(05)
Differentiate between debentures and shares. (06)	Misc	Q.3(c)- A.(02)
Narrate the remedies available to debenture holders for realizing security. (04)	Misc	Q.6(a)- A.(02)

**Ch # 17. Mortgages and Charges  
(Sec 121-136)**

Describe the list of mortgages and charges to be void if not registered as per the Company's Ordinance 1984. (05)	121	Q.2(c)- A.(02)
Jafer Limited acquired a property from M/s Ali & Sons which is subject to a charge, registered within Pakistan. You are required to advise the Company about the requirements of the Companies Ordinance, 1984, relating to the disclosure and registration of this charge to the registrar? (03)	121	Q.12(a)- S.(06)
Describe the mortgages and charges which if not registered shall be considered to be void. (08)	121	Q.12(b)- S.(06)
List the type of mortgages and charges which must be registered under the Companies Ordinance, 1984. What will be the consequence of non registration? (06)	121	Q.2(b)- A.(08)
List the mortgages and charges which, if not registered by the company, shall be considered as void. (06 marks)	121	Q.11(a)- A.(11)
The trading business of BR (Private) Limited (BRPL) has been growing significantly during the last few years. To cater to the needs of its expanding business, it has arranged a short term loan of Rs. 10 million which will be provided by XYZ Bank Limited on 1 October 2012 and would be secured by mortgage of factory building of the company. The entire amount of loan would be repaid on 1 May 2013. In the context of provisions of the Companies Ordinance, 1984 discuss the following: The responsibilities of BRPL relating to the registration of mortgages and matters related thereto. (05 marks) Importance of registering the charge with the registrar of companies. (03 marks)	121	Q.4- A.(12)
A company has created a pari passu charge on August 27, 2007 over a series of debentures to the benefits of which the debenture-holders are entitled. What action would the company need to take for the registration of the above charge? (07)	123	Q.5(a)- A.(07)
What particulars should be entered by registrar in the register of mortgages and charges? Shall it open to inspection for any person? (04)	125	Q.7(b)- S.(03)
K M Trading Company held its AGM on August 1, 2005. The 7th of August was a Sunday. On August 8, 2005 Member X approached the company's registrar office for a free of charge certified copy of the minutes of the meeting which was denied to him. State whether this is a violation on the part of the company of any provision of the Companies Ordinance 1984. (03)	125	Q.6(a)- A.(05)
Explain the procedure described by the Companies Ordinance, 1984 for registration of payment or satisfaction of mortgage. (05)	132	Q.5(a)- A.(09)
Whether the registrar has the power to make entries of satisfaction and release of charge in the absence of information from the company? (06)	133	Q.3(d)- A.(02)
Explain the circumstances under which the registrar has the power to make entries of satisfaction and release of charge, in the register of mortgages and charges, without intimation from the company. (04 marks)	133	Q.11(b)- A.(11)
Explain the provisions of the Companies Ordinance, 1984 relating to the following: Company's register of mortgages. (04 marks) Right to inspect a company's register of mortgages. (04 marks)	125 135	Q.9- S.(12)
In the context of mortgages and charges, what do you understand by the following terms enumerated in the Companies Ordinance, 1984? (i) modification of charge (02) (ii) satisfaction of charge (02)	131 132	Q.7(a)- S.(07)

**Ch # 19. Meetings  
(Sec 157-173)**

What information is required to be stated in the Statutory Report of the company? (08)	157	Q.10- A.(03)
Briefly describe period and notice for holding a statutory meeting. (02)	157	Q.5iii- S.(05)
The Secretary of Badminton (Pvt.) Limited which was incorporated 10 years ago, has informed you that they are planning to convert their company into a public company. You are required to advise them on the following: time period for holding statutory meeting;	157	Q.2(c)i- A.(06)
List down the type of companies who are not required to hold the statutory meeting. (02)	157	Q.5(b)(1)- S.(07)
State the provisions of the Companies Ordinance, 1984 regarding adjournment of statutory meeting. (02)	157	Q.5(b)(2)- S.(07)

Question	Section Ref	Question # - Attempt
The directors of a listed company are required to forward the statutory report to every member at least twenty-one days before the date of the statutory meeting. i. Who is required to authenticate the statutory report on behalf of the company? ii. What particulars are required to be mentioned in the abstract of receipts and payments contained in the statutory report?(05)	157	Q.6(c)- S.(08)
Mr. Dinshaw holding 13.5% shares in ABC Limited, gave notice of a resolution to the company on May 17, 2008, proposing to appoint M & T Associates in place of the existing share registrar of the company. The resolution was to be considered at the annual general meeting scheduled for May 30, 2008. The company could not circulate the proposed resolution among its members. (i) Evaluate the above situation in the light of the provisions of the Companies Ordinance, 1984. (04)	157	Q.9(a)- S.(09)
Explain whether or not the following statements are in accordance with the provisions of the Companies Ordinance, 1984 and support your answer with reasons: All limited companies are required to hold statutory meeting within 6 months of incorporation. (03)	157	Q.3(b)- S.(10)
Describe the provision of the Companies Ordinance, 1984 with respect to holding of Annual General Meeting by a Company listed on a Stock Exchange? (07)	158	Q.9- S.(06)
Akmal Travels (Private) Limited was incorporated on August 1, 2006. In a meeting held on August 1, 2007, the Chief Executive has informed the directors that due to certain problems being faced by the company, he is not in a position to hold the first annual general meeting at an early date. Identify the latest date by which the directors are required to hold the meeting, giving reasons with reference to the Companies Ordinance, 1984. (05)	158	Q.3(c)- A.(07)
Briefly explain the exceptions to the following provisions as specified under the Companies Ordinance, 1984. An annual general meeting shall, in the case of a listed company, be held in the town in which the registered office of the company is situated. (02 marks)	158	Q.3(a)- A.(11)
Explain the exceptions to the following provisions as specified under the Companies Ordinance, 1984: Every company shall hold its annual general meeting within a period of four months following the close of its financial year and not more than fifteen months after the holding of its last preceding annual general meeting. (03 marks)	158	Q.4(b)- S.(12)
If directors of a company have refused to proceed for calling extra-ordinary general meeting within twenty one days of receipt of requisition, what course of action is available to the members? (05)	159	Q.5(c)- A.(02)
Define Extra Ordinary General Meeting and how it can be called? (06)	159	Q.1(a)- S.(03)
The shareholders of Ramadan Limited holding 20% of the voting power submitted a requisition to hold an extraordinary general meeting (EOGM) to remove the auditor of the company. The company neither called the EOGM nor allowed them to hold the meeting at the company's registered office. The said meeting was then held at some other place and resolution for removal of the auditor was passed. Discuss the validity of the said meeting and resolution passed therein. (05)	159	Q.5(a)- S.(07)
Notice of an extraordinary general meeting shall be sent to the members at least 21 days before the date of the meeting. How and under what conditions, can a company convene such a meeting at a shorter notice? (04)	159	Q.6(b)- S.(08)
Peach Panther Ltd (PPL) is planning to call an Extra Ordinary General Meeting (EOGM) to transact certain businesses due to an emergency faced by the company. You are required to answer the following: (i) Which meetings are called EOGM? (ii) What is the minimum notice period for calling an EOGM? Can PPL hold such meeting on a shorter notice? (05)	159	Q.5(a)- A.(08)
Explain whether or not the following statements are in accordance with the provisions of the Companies Ordinance, 1984 and support your answer with reasons: Notice of an extraordinary general meeting should always be sent to the shareholders, at least 21 days before the date of the meeting. (03)	159	Q.3(d)- S.(10)
Briefly explain the exceptions to the following provisions as specified under the Companies Ordinance, 1984. Notice of an extraordinary general meeting shall be sent to the members at least twenty-one days before the date of the meeting, and in the case of a listed company shall also be published in the prescribed manner. (02 marks)	159	Q.3(b)- A.(11)
What are the requirements of notice? To whom the notice of general meetings should be given? (06)	160	Q.7(a)- A.(02)
Who is entitled to receive the notice of the meetings of a company? Does the non- receipt of notice by any member invalidates the proceedings of any meeting? (05)	160	Q.9(b)- A.(03)
Explain the pre-requisites for a properly convened and valid annual general meeting? (05)	160	Q.4(c)- S.(04)
What is ordinary and special business at company's meetings? Explain by giving examples. (06)	160	Q.7(b)- A.(04)
What is the voting system for companies not having share capital? (04)	160	Q.7(c)- A.(04)
Briefly describe each of the following: (i) proper person in chair for board meeting. (ii) quorum for a general meeting. . (04)	160	Q.5- S.(05)
What are the provisions of the Companies Ordinance, 1984 regarding issuance of a notice for convening a general meeting? (04)	160	Q.2(a)- A.(06)
Articles of association of JS Cement Limited, a listed company, includes a clause according to which, one member is prohibited from casting his vote in general meeting. Comment on the legality of the above clause. (02)	160	Q.1(b)- S.(07)
The annual general meeting of Iqra Industries Limited (IQL) a listed company, is to be held on October 25, 2008. In addition to the normal businesses, the company is planning to discuss a strategic business plan for the approval of the share holders. Explain the requirements of Companies Ordinance, 1984 as regards the circulation of information/documents to various stake holders, prior to the above meeting. (11)	160	Q.1- A.(08)
Explain the term "special business" with reference to the Companies Ordinance, 1984. Give at least two examples. (06)	160	Q.5(b)- A.(08)

Question	Section Ref	Question # - Attempt
The Board of Directors of Classic Paints Limited, a public listed company, has called an Extraordinary General Meeting on the requisition of the shareholders holding 10% of the voting power of the company. Approximately twenty minutes before the commencement of the meeting, the Chairman of the Board of Directors informed the Company Secretary of his inability to attend the meeting due to the death of a close relative. Required: What would be the quorum of the above meeting? Mention the latest time by which the quorum of the meeting should be present. What would be the impact if quorum is not present within the prescribed time? Who could chair the meeting in the above situation? (10)	160	Q.7- A.(09)
What do you understand by the term "special business" as referred to in the Companies Ordinance, 1984? (04) Narrate the information that is required to be annexed to the notice of a meeting in which any special business is to be transacted. (05)	160	Q.11- S.(10)
In a general meeting, ordinary as well as special businesses are put up for consideration of members. Distinguish between ordinary business as opposed to special business. (03 marks)	160	Q.8(a)- A.(11)
State the requirements that a company needs to satisfy, as regards notice of the meeting, in case a special business is to be transacted at a general meeting of the company. (03 marks)	160	Q.8(b)- A.(11)
Explain whether or not the following statements are in accordance with the provisions of the Companies Ordinance, 1984. If the chairman of the Board of directors is not present within ten minutes after the time appointed for holding the general meeting, then the senior most member of the Board will preside as chairman of the meeting (03 marks)	160	Q.6(a)- A.(12)
Narrate the provisions of the Companies Ordinance, 1984 related to the following: Quorum requirements of a general meeting. (06 marks)	160	Q.10(b)- A.(12)
A member has appointed a non member as his proxy to attend general meeting of a company. Can he do so? (03)	161	Q.1(b)- S.(03)
A proxy was lodged with the company 24 hours before the time of the meeting. Will it be valid? (03)	161	Q.1(c)- S.(03)
Any member of a company entitled to attend and vote at a meeting of the company is entitled to appoint another person as his proxy to attend and vote on his behalf. Discuss the rules relating to the appointment of a proxy under the Companies Ordinance, 1984. (07)	161	Q.8(a)- A.(07)
In the context of the provisions of the Companies Ordinance, 1984 state the reasons on account of which a company could declare the appointment of a proxy as invalid. (05 marks)	161	Q.11(b)- S.(12)
Tennis Limited is a listed company which holds 25% shares of another listed company Cricket Limited. You are required to explain how Tennis Limited would: (i) exercise its voting rights; and (02) (ii) get represented on the Board of Directors. (02)	162	Q.2(b)- A.(06)
Shiraz Limited holds 8% shares in Shafiq Limited. The Chief Executive has authorized the Company Secretary to represent Shiraz Limited in the extraordinary general meeting of Shafiq Limited. The Company Secretary does not hold any shares in Shafiq Limited. Comment on the legality of the above authorization. (03)	162	Q.6(a)- S.(08)
How in a company government is represented? (04)	163	Q.5(b)- A.(04)
Who can demand from the chairman of a meeting to order a poll? (05)	167	Q.9(a)- A.(05)
What is the legal status of a resolution passed at any adjourned meeting of the creditors of a company? (02)	169	Q.9(b)- S.(09)
What are the powers of a registrar to call the meeting if default is made in holding the meeting as per companies' ordinance? (05)	170	Q.9(b)- S.(03)
Can the Securities and Exchange Commission call the meeting of a company where default is made in holding the meeting? (03)	170	Q.9(b)- A.(05)
What are the requirement of the Companies Ordinance, 1984 regarding the maintenance of minutes of proceedings of general meetings and directors? (05)	173	Q.6- S.(06)
Shan Limited, a listed company, has received a request from a shareholder who holds 5% shares of the company, to inspect the registers containing: (i) the minutes of proceedings of general meetings; (ii) the minutes of proceedings of directors' meetings. Discuss the rights of the shareholder to inspect the above registers. (06)	173	Q.7(c)- S.(08)
Mr. Dinshaw holding 13.5% shares in ABC Limited, gave notice of a resolution to the company on May 17, 2008, proposing to appoint M & T Associates in place of the existing share registrar of the company. The resolution was to be considered at the annual general meeting scheduled for May 30, 2008. The company could not circulate the proposed resolution among its members. (ii) Explain whether Mr. Dinshaw is entitled to inspect and require the minutes of general meeting of the company. (04) (iii) In what manner are the proceedings of the directors or the general meetings required to be recorded and kept by ABC Limited? (04)	173	Q.9(a)- S.(09)
Discuss the provisions contained in the Companies Ordinance, 1984 relating to maintenance of minutes of the general meetings of the company. (08 marks)	173	Q.7- A.(10)
Alpha Technologies Limited (ATL) is in the process of being incorporated as a public limited company. Further, ATL has plans to have its stock listed on all the three stock exchanges in the country within a period of one year of its incorporation. Required: Write a letter to the promoters of ATL, on behalf of Best Financial Services who are their consultants, advising them about: the period within which ATL is required to hold: (i) Statutory Meeting. (ii) First Annual General Meeting. (4)	157 158	Q.8(b)- A.(09)
State the circumstances in which the proceedings of a general meeting may be declared invalid. (04)	160A	Q.3(b)- S.(05)

Question	Section Ref	Question # - Attempt
At the annual general meeting of Asif Spinning Mills Limited, a listed company, the directors have proposed a special business i.e. increase in the remuneration paid to the chief executive. During the meeting, few minority shareholders challenged the authenticity of the vote count for this special business. Explain the following with reference to the above situation: (i) right of the dissenting shareholders; and (ii) the steps that the chairman of the meeting should need to take, to comply with the Companies Ordinance, 1984. (07)	160A 168	Q.7(b)- A.(07)
Green Leaf Limited, a listed company, has sent a notice of the forth coming Annual General Meeting, to the Company Secretary of Red Rose Limited which is also a listed company. Red Rose Limited has recently acquired 100,000 shares in Green Leaf Limited and you are required to advise its directors about the following, in the light of Companies Ordinance, 1984: Who can represent Red Rose Limited in the annual general meeting of Green Leaf Limited? (03) What are the essential characteristics of an instrument of proxy to be submitted to Green Leaf Limited and what is the deadline for its submission? (04)	161 162	Q.4- A.(08)
Mr. Shakeel has significant shareholdings in various public and private companies. He is not satisfied with some of the resolutions passed by such companies by show of hands. You are required to advise him as regards the following: What conditions would he need to satisfy if Mr. Shakeel wishes to request for a poll? (05 marks) Explain whether a company is required to oblige him if he wishes to satisfy himself about the validity of the results of voting by poll. (02 marks)	167 168	Q.2- S.(11)
What are the legal provisions for meetings on holidays? (02)	Misc	Q.2(a)- S.(02)
Narrate the reasons for which a meeting can be adjourned. (03)	misc	Q.7(a)- A.(04)

**Ch # 20. Directors**  
**(Sec 111-112, 174-197A, 214-224)**

The election of directors of Ramadan Limited, a listed company, is due in March 2007. The directors of the company have decided that liability of one of the directors, to be appointed in March 2007, will be unlimited. Briefly describe the additional steps which the company is required to follow, with regards to appointment of a director with unlimited liability. (03)	111	Q.3(b)- S.(07)
Explain whether or not the following statements are in accordance with the provisions of the Companies Ordinance, 1984. The liability of a director is always limited, similar to the liability of a shareholder of a limited company. (03 marks)	111	Q.6(b)- A.(12)
What minimum and maximum numbers of directors are stipulated for private as well as public companies? (04)	174	Q.6(c)- S.(04)
Who determines the number of first directors and what is their term of office? (03)	176	Q.7(b)- A.(03)
Narrate the provisions of the Companies Ordinance, 1984 relating to a private company in respect of: Appointment of the first directors and their tenure. (03 marks)	176	Q.3(a)- S.(12)
What are the procedures to be adopted for the election of directors? (04)	178	Q.8(c)- S.(02)
XYZ Limited, a listed company, has decided to hold an extraordinary general meeting (EOGM) on April 30, 2010 for election of directors. The company has not yet determined the number of directors to be elected. Explain the relevant rules for fixing the number of directors to be elected, under the Companies Ordinance, 1984. (05)	178	Q.9(a)- S.(10)
Explain whether or not the following statements are in accordance with the provisions of the Companies Ordinance, 1984. A company may change the number of directors to be elected at least 21 days before the date of general meeting at which the election is to be held. (04 marks)	178	Q.6(a)- S.(11)
Narrate the provisions of the Companies Ordinance, 1984 relating to a private company in respect of: Procedure for election of subsequent directors. (09 marks)	178	Q.3(b)- S.(12)
Explain the circumstances under which election of the directors may be declared invalid (03)	179	Q.11(c)ii- S.(06)
Mr. Aslam, a shareholder of ABC Limited, is not satisfied with the election of directors held last week in the Annual General Meeting of the company. He intends to file a petition in the court but is apprehensive that a delay in getting a decision from the court would cause financial losses to the company. Explain the provisions prescribed in the Companies Ordinance, 1984 relating to: filing of such application in the court, and (03) the disposal of such application by the court in a timely manner. (04)	179	Q.12(a)- S.(10)
Explain the provisions of law regarding the term of office of the directors of a company. (02)	180	Q.8(a)- A.(05)
Abid, Qasim and Tariq were the only members of Alpha Securities Limited, a public company and were elected as directors on 30 June 2009. Qasim expired on 2 February 2012 in a road accident. Briefly describe the provisions of the Companies Ordinance, 1984 relating to the casual vacancy as described above. (05 marks)	180	Q.2(a)- S.(12)
What is the provision of law regarding the removal of director? (03)	182	Q.8(c)- S.(03)
State in the light of provisions of the Companies Ordinance, 1984: Whether any defect in the appointment of the director invalidate the acts done by him. (03)	185	Q.7(a)- S.(02)
Muharram Limited, a listed company, has found out that one of its directors does not meet the eligibility criteria provided in the Companies Ordinance, 1984. The said director has already attended three meetings of the Board of Directors. Describe the impact of the above on the resolutions passed by the Board. Also explain whether the concerned director can attend future meetings of the Board. (03)	185	Q.3(a)- S.(07)
The Board of Directors of Kamran Limited, a listed company, declared interim dividend for the half year ended 30 June 2012. However, subsequently it was found that there was a defect in the appointment of Farhan, a director, who participated in the meeting in which the dividend was approved. Describe the impact of the defect in appointment of Farhan on the dividend declared by the company and the current status of Farhan. (03 marks)	185	Q.7(a)- A.(12)

Question	Section Ref	Question # - Attempt
Should the director be a member of the company? (05)	187	Q.7(a)- A.(03)
Under the Companies Ordinance, 1984, no person shall be appointed as the director of a company if he is not a member of that company. What are the exceptions to this rule? (04)	187	Q.7(a)- A.(07)
Briefly explain the exceptions to the following provisions as specified under the Companies Ordinance, 1984. No person shall be appointed as a director of a company if he is not a member. (03 marks)	187	Q.3(c)- A.(11)
What are the legal provisions regarding vacation of office by the directors? (03)	188	Q.1(c)- S.(02)
What remedies are available to a company against a director who has been in breach of his duty? (03)	188	Q.7(c)- A.(02)
Explain the circumstances under which a director shall cease to hold office. (05)	188	Q.11(c)ii- S.(06)
Explain whether or not the following statements are in accordance with the provisions of the Companies Ordinance, 1984. A director shall, ipso facto, cease to hold office if he absents himself from any meeting of the directors. (03 marks)	188	Q.6(c)- A.(12)
Explain whether or not the following statements are in accordance with the provisions of the Companies Ordinance, 1984. Directors' remuneration for performance of extra services including the holding of office of the chairman or attending the board meeting is decided by the chief executive. (04 marks)	191	Q.6(c)- S.(11)
Director and Alternate Director are one and the same. Comment. (04)	192	Q.7(b)- A.(02)
What are the requirements of Companies Ordinance, 1984 regarding assignment of office by director to some other person? (05)	192	Q.9(c)- S.(05)
One of the directors of M/s Squash Limited is leaving for vacations on October 1, 2006 and intends to return to Pakistan on February 1, 2007. Can the board of directors appoint another person in his place to act as director during his absence, and if so, under what conditions? (05)	192	Q.4(a)- A.(06)
Explain whether or not the following statements are in accordance with the provisions of the Companies Ordinance, 1984. A director of a listed company cannot assign his office to another person under any circumstances. (03 marks)	192	Q.6(d)- S.(11)
Discuss the following, in the light of provisions of the Companies Ordinance, 1984: Haris is director of ABC Limited. He intends to assign his office to his friend, Gibran, to act for him during his absence from Pakistan. (03 marks)	192	Q.5(a)- A.(12)
A newly established listed company 'Snooker Limited' has approached you for advice. Being their legal advisor, you are required to inform them about: (i) Quorum requirements in respect of meeting of the board of directors. (02) (ii) Minimum number of directors' meetings to be held in a year. (02)	193	Q.4(b)- A.(06)
What is the required quorum for a board meeting of a listed company and who would be responsible if a meeting is held without the quorum? (02 marks)	193	Q.1(c)- A.(11)
What do you understand by the doctrine of "ultra vires" in relation to a company? What are the implications of an ultra vires act done by a company? (06)	194	Q.8(c)- A.(06)
For what purpose a company can give loan to whole time director? (04)	195	Q.8(a)- S.(03)
Narrate the provisions of the Companies Ordinance, 1984 relating to the restrictions on loan to directors. (07)	195	Q.10- S.(05)
The directors of Shahzada Limited, a listed company, have offered Mr. Shams who is presently working as General Manager Operations, to become the Chief Executive of the company. Last year, Mr. Shams obtained a loan amounting to Rs 1.2 million in accordance with the company's employment rules, out of which Rs 0.8 million is still outstanding. Mr. Shams has agreed to take the position of Chief Executive but is not in a position to repay the loan immediately. Discuss the requirements of the Companies Ordinance, 1984 which Mr. Shams will need to comply with. (08)	195	Q.7(a)- S.(08)
In view of the provisions of the Companies Ordinance, 1984 explain the conditions which are required to be complied with, if a company wishes to grant loan to its director. (05 marks)	195	Q.13- A.(10)
What are the powers of directors under the Companies' Ordinance, 1984? (04)	196	Q.8(b)- S.(02)
What are the powers of the directors in the context of conduct of business of the company? (03)	196	Q.7(d)- S.(04)
State the powers of the directors that are required to be exercised by them by means of a resolution at their meeting. (10)	196	Q.11(a)- S.(06)
Blue Berry Limited a public unlisted company has two business segments X & Y. A meeting of the Board of Directors of the company is planned to be held in the first week of the third quarter and the following issues are on the agenda: (i) A prospective buyer has made a very attractive offer for segment Y and there is a proposal from one of the directors that the offer may be accepted. (ii) New machinery with advanced technology has been introduced and there is a need to acquire it for the business. However, the new machinery is very costly and the finance department has informed that the old machinery will have to be sold at an amount which is considerably less than its book value. (iii) After physical stock taking, the internal audit department has recommended that there is a need to write off 30% of slow moving spare parts and loose tools. However, according to the technical department the spare parts are in good condition and there is no need for write off. In the light of the provisions of the Companies Ordinance 1984, explain how the directors can take decision in respect of the above issues. (06)	196	Q.11(a)- A.(08)
At the annual general meeting of Rahbar Refineries Limited (RRL), certain shareholders have raised objections on matters related to the use of the company's funds. In the opinion of those shareholders the directors have exceeded the authority vested upon them by the Companies Ordinance, 1984. Identify those powers of directors which the shareholders of RRL may be referring to. (05)	196	Q.10- S.(10)
Prohibition from making political contribution. (04)	197	Q.2(c)- A.(05)

Question	Section Ref	Question # - Attempt
Does the Companies Ordinance, 1984 bind directors of a company to disclose their interest in a contract entered into by or on behalf of the company? (04)	214	Q.4(b)- S.(05)
The provision that an interested director shall not participate or vote on any contract or arrangement in which he is interested does not apply in certain circumstances. Explain. (04)	216	Q.7(a)- A.(05)
With proper reasoning, explain whether the following statements are in accordance with the companies ordinance, 1984: The director of a private limited company can participate or vote at the meeting of directors where a contract in which he is interested, is being discussed.	216	Q.2(a)ii- S.(08)
Explain the exception to the following provisions as specified under the Companies Ordinance, 1984. In a meeting of the board of directors, no director shall take any part in the discussion of, or vote on, any contract or arrangement entered into, or to be entered into, by or on behalf of the company, if he is in any way, whether directly or indirectly, concerned or interested in the contract or arrangement, nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void. (04 marks)	216	Q.3(d)- S.(11)
Briefly explain the exceptions to the following provisions as specified under the Companies Ordinance, 1984. No director of a company shall, as a director, take any part in the discussion of, or vote on, any contract or arrangement entered into, or to be entered into, by or on behalf of the company, if he is in any way, whether directly or indirectly, concerned or interested in the contract or arrangement, nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void. (04 marks)	216	Q.3(e)- A.(11)
Under the Companies Ordinance, 1984, every company shall keep a register of all contracts, arrangements or appointments in which directors or other officers are interested. List down the particulars to be entered in such register. (03)	219	Q.6(a)- A.(07)
List the particulars which are required to be entered in the register of contracts, arrangements and appointments in which directors, etc. are interested. (06)	219	Q.6(b)- S.(10)
Narrate the responsibilities of a company or of its directors in the following circumstances: Transfer of 5,000 shares held by the shareholder of a listed company to his sister who is the wife of a Director of the company. (03 marks)	221	Q.8(a)- S.(11)
Mr. Shoaib acquired 9% shares of FU Limited, a listed company, on July 10, 2007. He further acquired 4% and 3% shares of FU Limited on February 15, 2008 and March 7, 2008 respectively. Explain the requirements related to submission of statements of beneficial ownership in the above case. Also identify the dates by which Mr. Shoaib has to file the statement of beneficial ownership, in respect of the above purchases. (08)	222	Q.5(a)- S.(08)
On 10 June 2012, Shakeel purchased 8% shares of TM Limited, a listed company. He acquired further 5% and 8% shares of TM Limited on 20 July 2012 and 31 August 2012 respectively. In view of the provisions of the Companies Ordinance, 1984 you are required to discuss Shakeel's responsibility as regards submission of Statement of Beneficial Ownership along with the relevant dates. (07 marks)	222	Q.11- A.(12)
Mr. Pervaiz Khan, chief accountant of a listed company purchased 1,000 shares of his own company on 26 October 2004 and sold 500 shares on 15 March 2005 with a gain of Rs. 6,000. He sold the balance on 20 October 2005 with a gain of Rs. 14,000. State the procedure that Mr. Pervaiz Khan has to follow as required under the Companies Ordinance, 1984. (06)	224	Q.4- S.(06)
Mr. Moeen, who is the company secretary of Palm Oils Limited, a listed company, made a gain of Rs. 5,000 on the sale of shares of the company which were purchased by him four months back. Describe the responsibilities of Mr. Moeen in the above situation under the provisions of the Companies Ordinance, 1984. (03 marks) Explain the consequences of Mr. Moeen's failure to comply with the relevant provisions of the Companies Ordinance, 1984. (04 marks)	224	Q.12(a)- A.(10)
Can a limited company may have directors with unlimited liability? Comment. (05)	111 112	Q.5(a)- S.(03)
Shams Cement Limited is a company listed on Lahore Stock Exchange. Five of its directors belong to the same family. The remaining directors represent a financial institution and minority shareholders. The company has approached a bank for financing of its expansion project. Beside other collaterals, the bank is asking for making the liability of the directors unlimited. Describe the procedure by which the liability of the directors can be made unlimited. (02) The directors representing financial institution and minority shareholders have refused to accept the proposal. Explain whether the remaining directors can make the liability of the dissenting directors unlimited. (03)	111 112	Q.4- S.(10)
Lalazar Limited, a public unlisted company has a paid up capital of Rs 100 million consisting of shares having face value of Rs 10 each. Last election of its Board of Directors was held on April 15, 2008 in which eight directors were elected. Four of the directors belonged to the same family. The remaining directors were Mr. Javed, Mr. Bader, Mr. Qasim and Mr. Dawood. They secured 600,000, 350,000, 480,000 and 220,000 votes respectively. The remaining votes were equally distributed among the four directors of the family. Mr. Javed died on May 30, 2008 and Mr. Aslam was appointed as a director on June 15, 2008 to fill in the casual vacancy. Explain the following in the light of the provisions of the Companies Ordinance, 1984: Is Lalazar Limited in compliance with the requirements of minimum number of directors? Who shall fix the number of directors to be elected and by what time such number should be fixed? Is it possible for the company to change the number of directors once fixed? (04) Who is responsible to fill the casual vacancy in the Board and when would Mr. Aslam's term of office be completed? (02) The conditions required to be fulfilled if a person desires to remove the following directors : (i) Mr. Aslam (ii) Mr. Bader (05)	174 178 180 181	Q.8- S.(09)

Question	Section Ref	Question # - Attempt
Alpha Technologies Limited (ATL) is in the process of being incorporated as a public limited company. Further, ATL has plans to have its stock listed on all the three stock exchanges in the country within a period of one year of its incorporation. Required: Write a letter to the promoters of ATL, on behalf of Best Financial Services who are their consultants, advising them about: appointment authority and the terms of holding of office of the following: (i) the first and subsequent directors.(4)	176 178	Q.8(a)i- A.(09)
Explain the conditions specified in the Companies Ordinance, 1984 under which a person may request a listed company to hold election of directors prior to the end of the term of the present board of directors. (07 marks)	178A	Q.10- A.(10)
JA Sugar Mills Limited , an unlisted public company , has seven directors who are all members of the company . One of the directors, Mr. Nooruddin, plans to sell his shares in the company. You are required to explain whether the following are correct: He will cease to be the director of the company on the date he sells all the shares ; The company may appoint another person in his place for the next three years ; The company may continue to run the business with six directors till the next annual general meeting. (06)	187 180 174	Q.8(b)- S.(07)
Can a director be directly or indirectly concerned or interested in any contract or arrangement entered into by or on behalf of a company? Discuss implications. (07)	214 216 217	Q.9(a)- A.(03)
Explain “fiduciary duties” and “duties of care” with reference to directors? (04)	214 216 217	Q.8(c)- S.(04)
Jameel is a Director of FG Limited. He is indirectly interested in a contract for purchase of machinery by FG Limited. The contract is expected to be executed in due course. In view of the provisions of the Companies Ordinance, 1984, you are required to discuss: The manner and the period within which Jameel can disclose his interest and the validity of such disclosure. (05 marks) The responsibility of FG Limited regarding keeping a record of the information provided by Jameel about his interest in the contract. (06 marks)	216 219	Q.8- A.(12)

**Ch # 21. Chief Executive, Secretary and Managing Agent**  
**(Sec 198-204A, 206, 207)**

State in the light of provisions of the Companies Ordinance, 1984: Appointment of first Chief Executive of the company. (05)	198	Q.7(c)- S.(02)
Explain whether or not the following statements are in accordance with the provisions of the Companies Ordinance, 1984 and support your answer with reasons: The first chief executive of the company retires on completion of one year. The subsequent chief executive must be appointed by the shareholders within 30 days from the date of retirement of the first chief executive. (05)	199	Q.3(e)- S.(10)
Explain whether or not the following statements are in accordance with the provisions of the Companies Ordinance, 1984. Support your answer with reasons. A chief executive, other than the first chief executive of the company, is appointed by the shareholders in the annual general meeting of the company, for a period up to the next annual general meeting. (03 marks)	199	Q.4(c)- A.(10)
How the Chief Executive of a company can be removed before the expiry of its term of office? (03)	202	Q.5(b)- A.(02)
State how can a Chief Executive be removed from office before expiration of his term of office? (03)	202	Q.10- S.(06)
Khan (Pvt) Limited has eight shareholders each of whom is a director of the company . Their shareholding is as under : A & B hold 25% shares each. C, D, E & F hold 10% shares each. G & H hold 5% shares each. A, B, C, D and E are not satisfied with the performance of the CEO of the company and want to remove him before the expiry of his term of office . A board meeting was called for this purpose . It was attended by the aggrieved directors only , who passed a resolution for removal of the CEO . In the light of the relevant provisions of the Companies Ordinance , 1984, you are required to : (i) Explain whether the CEO can be removed in the manner as described above ? (ii) Propose any other way to remove the CEO if F , G & H do not want to remove him. (05)	202	Q.11(b)- A.(08)
The chief executive of a company can be removed by the shareholders, not more than one year before the expiration of his term of office. (03 marks)	202	Q.10(c)- A.(11)
Can a Chief Executive of a company engage himself in a business competing with the company’s business? (03)	203	Q.5(a)- A.(02)
Can the chief executive of a company engage himself in a business competing with company’s business? Comment. (04)	203	Q.9(b)- S.(05)
Mr. Sami, the Chief Executive Officer of Malik Airways Limited, holds 9% shares of the company. He has now been offered to become the Chief Executive Officer of Akhtar IT Services (Pvt.) Ltd., a subsidiary of Yousuf Textile Mills Limited. Mr. Sami’s spouse holds directorship in Yousuf Textiles Mills Limited. Explain whether Mr. Sami can accept this offer. (04)	203	Q.7(c)- A.(07)
Describe the provisions of the Companies Ordinance, 1984 which restrict the chief executive of a public company from carrying on any business competing with the company’s business. (03 marks)	203	Q.1(b)- S.(12)
Write short notes on the following: Bar on appointment of managing agents, sole purchase, sale agents etc; (05)	206	Q.2(a)- S.(03)



Question	Section Ref	Question # - Attempt
What is meant by exempt contracts? Explain. (03)	206	Q.6(a)- A.(04)
No company shall appoint any managing agent, i.e. a person, firm or company entitled to the management of the affairs of a company, by virtue of an agreement or contract with the company. Explain the exception to the above general rule as specified under the Companies Ordinance, 1984. (06 marks)	206	Q.3- A.(10)
Alpha Technologies Limited (ATL) is in the process of being incorporated as a public limited company. Further, ATL has plans to have its stock listed on all the three stock exchanges in the country within a period of one year of its incorporation. Required: Write a letter to the promoters of ATL, on behalf of Best Financial Services who are their consultants, advising them about: appointment authority and the terms of holding of office of the following: (ii) the first and subsequent chief executive. (4)	198 199	Q.8(a)ii- A.(09)
Mr. Zameer is the first chief executive of Ryan Industries Limited, a public company. The directors of the company are not satisfied with his performance. In view of the provisions of the Companies Ordinance, 1984 specify the term of office of Mr. Zameer and explain how he can be removed before expiry of the above term. (05 marks)	198 202	Q.1(a)- S.(12)
The Board of directors of RS Limited wants to appoint Mr. Salahuddin, an employee of the company, as Chief Executive of the company. You are required to explain the following: (i) The minimum number of shares required to be acquired by Mr. Salahuddin. (ii) The tenure of office for which Mr. Salahuddin may be appointed. (iii) Will it be necessary to obtain members' approval of the terms and conditions being offered to him? (06)	199 200	Q.3(c)- S.(07)
With proper reasoning, explain whether the following statements are in accordance with the companies ordinance, 1984: All companies are required to have independent share registrar who should be a chartered accountant. (09)	204A	Q.2(a)iii- S.(08)
What are the rights and privileges of the Chief Executive under the provision of the Companies Ordinance 1984? (08)	misc	Q.11- A.(03)

**Ch # 22. Investments**  
**(Sec 208, 209, 226-228)**

How the terms and conditions of an existing advance to an associated undertaking can be changed. (04)	208	Q.8(a)- S.(02)
Explain provisions related to investment in Associated Companies. (04)	208	Q.7(c)- S.(04)
What legal considerations should be taken into account before making investment in associated company or undertaking? (07)	208	Q.8(c)- S.(05)
XYZ Limited is a listed company and is planning to invest Rs. 500 million in one of its associated undertaking. The Company has asked you to provide them a report explaining the : requirements of the Companies Ordinance, 1984 with regard to the investment in an associated undertakings; and consequences, if the company fails to comply with these requirements. (06)	208	Q.7- S.(06)
The board of directors of Shalimar Industries Limited has approved a loan of Rs 10 million for its associated undertaking. The loan will be repayable after two years and carry a mark up of 12% per annum. Discuss the requirements of the Companies Ordinance, 1984 which Shalimar Industries will have to comply with.(04)	208	Q.3(a)- S.(08)
Specify the competent authorities who shall be required to grant their approval in the following situations: - Investment in associated companies. (01)	208	Q.8(b)- A.(08)
The Board of Directors of Sunrise Limited (SL), a listed company, intends to give a loan of ten million rupees to Moonlight (Private) Limited (MPL). The loan would be repayable in two years and would carry interest at the rate of twelve per cent per annum. The CEO of SL is also on the Board of Directors of MPL and is its major shareholder. Required: Describe the requirements of Companies Ordinance, 1984 that should be complied with by the Board of Directors of SL in respect of the proposed loan to MPL. (06)	208	Q.1- A.(09)
MAO Traders is a partnership firm which has 22% shareholding in Sea Green Limited (SGL), a company listed on the Karachi Stock Exchange. The partners of MAO Traders propose to disinvest their shareholding in SGL. Describe the necessary conditions which would have to be complied with by MAO Traders in order to dispose of its shareholding in SGL. (10)	208	Q.10- A.(09)
Telestar Limited holds 12% shares of Network Limited. Both companies are listed on Karachi Stock Exchange. In order to improve its liquidity, the Board of Directors of Telestar Limited intends to sell off its investment in Network Limited. Describe the necessary conditions as specified in the Companies Ordinance, 1984 which Telestar Limited would be required to comply with in order to sell the above investment. (08 marks)	208	Q.1- A.(10)
Describe the restrictions that have been imposed by the Companies Ordinance, 1984 in respect of investment by a company in its associated undertaking. (06 marks)	208	Q.8(a)- S.(12)
What are the circumstances in which the shares may not be held by the company? (04)	209	Q.8(d)- A.(02)
Investments of company to be held in its own name. Explain. (03)	209	Q.8(e)- A.(02)
Under what circumstances can a company make investments on its behalf, other than in its own name? (08)	209	Q.4- A.(05)
With proper reasoning, explain whether the following statements are in accordance with the companies ordinance, 1984: A holding company, which is a public limited company, cannot hold shares in its subsidiary, in the name of its nominee.	209	Q.2(a)i- S.(08)

Question	Section Ref	Question # - Attempt
Shalimar Cement Limited is a listed company. Its customers mainly include dealers residing in various cities of the country. The company wants to introduce certain changes in the agreements with its dealers and other customers. Accordingly, the dealers will be required to keep a security deposit with the company. Other customers will have to pay an advance of 50%, 60 days before the cement is delivered. Briefly describe the provisions contained in the Companies Ordinance, 1984 pertaining to the above issues. (05)	226	Q.6- A.(08)
PQR Limited has received security deposits from its customers. Describe the provisions of the Companies Ordinance, 1984 which PQR Limited is required to comply with, in respect of such deposits. (05 marks)	226	Q.6(b)- S.(12)
Rajab Limited operates an approved employees' provident fund. The employer and employees contribute 8.33% of the basic salary every month. The annual accounts of the company for the year ended December 31, 2006, presented in the board meeting revealed that an amount of Rs. 3.5 million is payable to the fund by the company. It has been classified as a long term loan payable in installments up to December 31, 2010 at an interest of 15% per annum. This loan was obtained for the purpose of the company's business only. The company has paid the first installment due on December 31, 2006. You are required to: Discuss the provisions of the Companies Ordinance, 1984 regarding collection and deposit of contributions relating to the provident fund; and (07) Explain whether the loan obtained by Rajab Limited is in compliance with the requirements of the Companies Ordinance, 1984. (02)	227	Q.2- S.(07)
Enumerate the requirements of Companies Ordinance, 1984 regarding investment of provident fund contribution of the employees as well as the company's contribution, in the following situations: (i) Where the provident fund has been constituted by the company. (ii) Where the provident fund has not been constituted by the company. (09)	227	Q.2- A.(09)
State with reasons whether the following statements are in accordance with the provisions of the Companies Ordinance, 1984 : A company has the power to deposit a portion of the employees provident fund contribution in any suitable investment that the directors of the company may deem fit. (05 marks)	227	Q.10(a)- A.(11)
Explain whether or not the following statements are in accordance with the provisions of the Companies Ordinance, 1984. All moneys deposited with a company by its employees in pursuance of their contract of service with the company may be utilized by the company. (03 marks)	227	Q.6(d)- A.(12)
In what manner is a company required to deal with its employees' provident fund or a trust created in pursuance of the fund? (05)	228	Q.8(c)- A.(05)

### Ch # 23. Contracts & Agents (Sec 210-213,225)

What are the contractual powers of a company? (03)	210	Q.3(a)- S.(02)
Chief Executive draws a Bill of Exchange on behalf of the company without authority. Is the Bill binding upon the company? (03)	211	Q.6(a)- S.(04)
State the provisions of the Companies Ordinance, 1984 relating to the execution of deeds by an attorney, on behalf of the company.(03)	212	Q.7(b)- S.(08)
Gul Systems (Pvt.) Limited has opened its first overseas branch in Sri Lanka. The newly appointed Branch Manager has requested the directors to provide him the common seal of the company. Advise the company's management in this regard by quoting the relevant provisions of the Companies Ordinance, 1984. (07)	213	Q.6(b)- A.(07)
Fashion Textiles Limited, whose 85 % of sales comprises of exports, has opened a branch office in South Africa. Mr. Asif, who is responsible for managing the branch office, has informed the company secretary that he needs company's common seal that will be required while submitting various documents under the South African regulations. Advise how the company can authorize Mr. Asif to use the company's common seal under the provisions of the Companies Ordinance, 1984. (08 marks)	213	Q.11- A.(10)
Neptune Technologies Limited has recently established its branch office in Malaysia. Tariq, the Branch Manager for Malaysia, has requested the directors to provide him the common seal of the company that will be required to be affixed on certain documents. State the conditions, specified under the provisions of the Companies Ordinance, 1984, which would be required to be fulfilled by Tariq while using the common seal of the company. (07 marks)	213	Q.2- A.(12)
What are the legal formalities and related implications for making the contracts by agents of company in which a company is an undisclosed principal? (06)	225	Q.8(b)- A.(03)

### Ch # 24. Accounts (Sec 230-247)

What are the provisions of law regarding preservation of books of accounts. (03)	230	Q.9(b)- S.(02)
Write short notes on the following: Books of Accounts to be kept by a company. (05)	230	Q.2(b)- S.(03)
Write short notes on the following: Books of accounts to be kept by a company. (03)	230	Q.12(a)- A.(03)

Question	Section Ref	Question # - Attempt
You are the Chief Financial Officer of a company listed on the Karachi Stock Exchange having a share capital of Rs. 50 million. Mr. Wahid, who holds Rs. 5 million shares of the company, has sent a written request to review the cash book of the company. Explain whether you can refuse this request? (05)	230	Q.5(b)- S.(06)
The management of Umer Limited, a newly incorporated company having two branches outside Pakistan, has requested you to advise on the following matters: (i) Where are the company's books of account required to be kept, especially in view of the fact that the company has two overseas branches? (ii) The minimum period for which the books of account are required to be retained. (03)	230	Q.3(b)- A.(07)
Every company is required to maintain certain statutory books / registers in accordance with the requirements of the Companies Ordinance, 1984. Give the names of any six statutory books / registers. (06)	230	Q.6(c)- A.(07)
You have recently been appointed as the chief financial officer of a newly formed company engaged in manufacturing activities. Explain what type of accounting records would the company be required to maintain. (04)	230	Q.6(a)- S.(10)
SQL Plastics Limited is a wholly owned subsidiary of a foreign company and has its registered office in Karachi. List the books of account the company is required to maintain. (04 marks) State the conditions which the directors shall be required to comply with if they want to keep the books of account at SQL's factory located in Peshawar. (02 marks)	230	Q.7- S.(12)
What are the provisions of law regarding: Inspection of books of accounts by the Registrar. (04)	231	Q.9(c)- S.(02)
Write short notes on the following: Inspection of books of accounts by registrar. (05)	231	Q.2(c)- S.(03)
Write short notes on the following: Inspection of books of accounts by the Registrar. (03)	231	Q.12(b)- A.(03)
Narrate inspection of books of account by the Registrar or by other Officer. (04)	231	Q.8(a)- A.(04)
When and to whom a listed company is required to send the copies of the audited accounts? (04)	233	Q.8(c)- A.(03)
Can the accounts of a company exceed twelve months period? Explain with legal stipulation. (02)	233	Q.3(a)- S.(05)
The directors of Hockey Limited which closes its accounts in June have decided in their meeting on August 2, 2005 to hold the annual general meeting (AGM) on October 25, 2005. On September 28, 2005, fire erupted in the accounts department which caused delay in the preparation of accounts. The Board of Directors has decided to extend the date of AGM from October 25, 2005 to November 30, 2005. Explain whether the decision of the Board of Directors to extend the date of AGM is in compliance with the Companies Ordinance, 1984. (04)	233	Q.2(d)- A.(06)
The audited financial statements of Shawwal Limited for the year ended December 31, 2006 have been approved at the recently convened AGM. Now the directors have decided to change the company's financial year to June 30. They are evaluating the option of preparing 6 monthly accounts up to 30 June 2007 or accounts covering a period of 18 months i.e. up to June 30, 2008. Discuss both the above options and quote the relevant legal provisions in each case. (05)	233	Q.6(a)- S.(07)
What is the treatment of surplus arising on revaluation of fixed assets? (02)	235	Q.8(b)- A.(02)
Discuss the provisions of section 235 of the Companies Ordinance, 1984 relating to 'treatment of surplus arising out of revaluation of fixed assets.' (08)	235	Q.2(a)- A.(04)
What are the provisions of law regarding treatment of 'surplus arising out of revaluation of fixed assets'? (06)	235	Q.5(b)- A.(05)
A professional valuer appointed by Metal Industries (Private) Limited (MIL) has reported that the value of company's fixed assets is substantially in excess of the book value of such assets. Consequently the board of directors has decided to record the surplus on fixed assets in the financial statements. How should the surplus be disclosed in the financial statements? (02 marks) Discuss the provisions of the Companies Ordinance, 1984 regarding the application of the amount of Surplus on Revaluation of Fixed Assets. (06 marks)	235	Q.9- S.(11)
What are the contents of directors report? (05)	236	Q.3(d)- S.(02)
What are the matters to be dealt with in the director's report? (04)	236	Q.5(a)- A.(04)
List down the matters which are required to be included in the Directors report. (10)	236	Q.11(b)- S.(06)
State the provisions of the Companies Ordinance, 1984 relating to authentication of Directors' Report. (04)	236	Q.8(b)- A.(07)
The Board of Directors of PCL Limited, a public limited company, is in the process of making a report to be attached with the company's balance-sheet as at December 31, 2008. In view of the provisions of the Companies Ordinance, 1984, you are required to advise the directors about the contents of the report. (09)	236	Q.6- S.(09)
Describe the contents of the Directors' Report to be attached with the balance sheet of a public company, as specified under Companies Ordinance, 1984. (10 marks)	236	Q.9(b)- A.(11)
What are the legal requirements regarding balance sheet of a holding company u/s 237? (03)	237	Q.8(a)- A.(02)
The secretary of a company has informed you that the chief executive is not available in the country to sign the annual accounts of the company. He seeks your advice how he can comply with the legal requirements. (04)	241	Q.9(a)- S.(05)
Explain the relevant provisions relating to authentication of financial statements of a listed company in the absence of its chief executive. (05)	241	Q.6(c)- S.(07)
The annual general meeting of a company was held on October 31, 2009 but on account of certain disagreements, the members did not adopt the audited financial statements for the year ended June 30, 2009. In the above situation how would the company comply with the provisions of the Companies Ordinance, 1984 related to the filing of copies of annual accounts with the registrar of companies? (04)	242	Q.7(a)- S.(10)
The chief executive of Raza Enterprises Limited (REL), a listed company, is out of the country at the time of finalization of annual accounts. Explain the provisions related to signing and authentication of the annual accounts as contained in the Companies Ordinance, 1984 which REL would have to comply with, in the above situation. (03)	242	Q.9(b)- S.(10)

Question	Section Ref	Question # - Attempt
Describe the formalities to be completed by an unlisted company, not being a private company having paid up capital of less than Rs. 7.5 million, before and after the annual general meeting, with respect to the annual audited accounts, under the Companies Ordinance, 1984. (05 marks)	242	Q.9(a)- A.(11)
Narrate the provisions of the Companies Ordinance, 1984 related to the following: Authentication of balance-sheet. (04 marks)	242	Q.10(a)- A.(12)
What are the provisions of law related to company's quarterly accounts? (05)	245	Q.8(a)- S.(04)
Narrate the provisions of the Companies Ordinance 1984 regarding preparation and submission of quarterly accounts. (03)	245	Q.6(c)- A.(05)
Discuss the provisions of the Companies Ordinance, 1984 related to quarterly accounts of listed companies. (03)	245	Q.6(b)- S.(07)
Briefly describe the requirements related to preparation, submission and filing of quarterly financial statements by a listed company. (04)	245	Q.7(b)- S.(10)
Lubricant Oils Limited, a company listed on Karachi and Lahore stock exchanges, did not declare any dividend for the past three years on the grounds that the company is incurring continuous losses. Mr. Bilal, holding 26% voting rights and Mr. Raza, holding 18% voting rights made separate applications to the SECP, that the affairs of the company are not being run satisfactorily and requested for a special audit to be conducted. In view of the provisions of the Companies Ordinance, 1984 you are required to explain: whether these shareholders are individually eligible to make such an application to the SECP? What are the SECP's rights in this regard? (05) who would be responsible for the expenses incurred on the special audit when: (i) conducted on the member's request. (02) (ii) ordered by the SECP itself. (03)	234A	Q.7- S.(09)
Explain the provisions contained in the Companies Ordinance, 1984 relating to a special audit and the expenses to be incurred in this regard. (08 marks)	234A	Q.11- S.(11)
On January 1, 2010 River Pakistan Limited became the holding company of Green Pakistan Limited by acquiring 51% shares. The financial year-end of River Pakistan Limited is 30th June and that of Green Pakistan Limited is 31st March. Narrate the conditions as contained in the Companies Ordinance, 1984 relating to the financial year-end of the holding and the subsidiary companies and how the directors can fulfill their obligations in this regard. (06 marks)	237 238	Q.6- A.(10)

**Ch # 25. Dividend  
(Sec 248-251)**

State in the light of provisions of the Companies Ordinance, 1984: A company has earned huge profits from sale of fixed assets. Whether company can declare dividend out of above profits? (03)	248	Q.7(b)- S.(02)
Write short notes on the following: Restrictions on the declaration of dividend. (04)	248	Q.2(d)- S.(03)
Explain whether or not the following statements are in accordance with the provisions of the Companies Ordinance, 1984. Support your answer with reasons. There is no restriction on the declaration of dividend and the chief executive may declare dividend in the general meeting of the company out of any kind of profit. (04 marks)	248	Q.4(b)- A.(10)
What are the provisions of law regarding: Can dividend be paid to any one else except the registered share holders? (04)	250	Q.9(d)- S.(02)
Write short notes on the following: Period for the payment of dividend. (02)	251	Q.2(e)- S.(03)
Describe the legal provision regarding the declaration of dividend. (06)	251	Q.8(b)- S.(03)
What is meant by dividend? What are the obligations of the company relating to payment thereof? (05)	251	Q.8(b)- S.(04)
Can the payment of dividend be delayed/ceased beyond the time limit prescribed by section 251(1)? Discuss (07)	251	Q.4(c)- A.(04)
A listed company has declared a dividend but has withheld its payment on account of a dispute between shareholders regarding right to receive the dividend. Is this a lawful ground for the company to withhold payment of dividend? What are the other grounds on account of which the company may hold the payment of dividend? (06)	251	Q.7(b)- A.(05)
When is a shareholder entitled to receive an interim dividend? (03)	251	Q.3(b)- A.(06)
When a dividend has been declared, it is not lawful for the directors or the company to withhold or defer its payment. Any non compliance is punishable with imprisonment and a heavy fine. List down the situations under which delay in payment of dividend shall not be considered unlawful. (05)	251	Q.3(a)- A.(07)
The board of directors of Dinar Ltd, a listed company, had recommended a final dividend @ 100% for the year ended June 30, 2008. Just a week after the notice for AGM had been dispatched, the company suffered huge losses due to certain unanticipated events and incurred heavy liabilities. The company is now considering the following options: (i) Reducing the dividend to 25%. (ii) Deferring the payment of 75% of the dividend, for six months. Explain whether the company can exercise the above options, under the Companies Ordinance, 1984. (04)	251	Q.2(a)- A.(08)

Question	Section Ref	Question # - Attempt
Flash Limited is a company listed on the Lahore Stock Exchange. The Board of Directors of Flash Limited, in its meeting held on April 1, 2009, has recommended an interim cash dividend @ 25%. The Board has announced the dates of book closure from April 23 to April 30, 2009. Describe the requirements of Companies Ordinance, 1984 in respect of payment of the above dividend. Also describe the consequences of non-payment of dividend within the specified time. (06) State the situations in which non-payment of dividend would not be treated as an offence, under the Companies Ordinance, 1984. (05)	251	Q.3- A.(09)
Explain the exception to the following provisions as specified under the Companies Ordinance, 1984. Where a dividend is declared by a company but is not paid within the period specified in the Companies Ordinance, 1984, the chief executive of the company shall be punishable with imprisonment for a term which may extend to two years and with fine which may extend to one million rupees. (05 marks)	251	Q.3(c)- S.(11)
What are the restrictions imposed by the Companies Ordinance 1984, regarding declaration / payment of dividend? (06)	248 251	Q.3(a)- A.(06)

**Ch # 26. Audit  
(Sec 252-260)**

Write short notes on the following: Appointment of first auditors. (03)	252	Q.12(c)- A.(03)
Narrate the circumstances in which SECP becomes empowered to appoint auditors under the Companies Ordinance, 1984.(06)	252	Q.8(a)- S.(08)
On March 15, 2006, Karom Textile Limited received a notice from a shareholder of the company nominating another firm of Chartered Accountants as auditors in place of the existing auditors at the annual general meeting to be held on March 31, 2006. Explain the conditions required to be fulfilled by a member of the company while making such nomination under the Companies Ordinance, 1984. Also describe the company's responsibilities on receiving such notice, towards other members and the existing auditors of the company. (05)	253	Q.6(b)- A.(06)
Sahara Pakistan Limited (SPL) is a multinational company listed on the Karachi and Lahore Stock Exchanges. Mr. Brown, a major shareholder of the company, wants to appoint ABC & Company, Chartered Accountants, as the new auditors in place of the retiring auditors of SPL. Narrate the procedure that Mr Brown would have to follow and the responsibilities of the Company in the context of provisions of the Companies Ordinance, 1984 for change of auditors. (12)	253	Q.4- A.(09)
Narrate the responsibilities of a company or of its directors in the following circumstances: A notice is given to a listed company by a member of the company, 17 days before the annual general meeting, proposing for a change in the auditors of the company. (03 marks)	253	Q.8(b)- S.(11)
Briefly explain the exceptions to the following provisions as specified under the Companies Ordinance, 1984. If a copy of the representation received from the retiring auditor is not sent to every member of the company because it was received too late or because of the company's default, the auditor may, without prejudice to his right to be heard in person, require that the representation shall be read out at the meeting. (03 marks)	253	Q.3(d)- A.(11)
Explain whether or not the following statements are in accordance with the provisions of the Companies Ordinance, 1984 and support your answer with reasons: A person who holds shares in a company cannot be appointed as the auditor of such company (03)	254	Q.3(c)- S.(10)
Discuss the following, in the light of provisions of the Companies Ordinance, 1984: On 30 August 2012, Rafiq Nizami & Co. (RNC), Chartered Accountants, were appointed as auditors of Delton Tractors Limited (DTL), a listed company, for the year ending 30 June 2013. Zafar, a partner of RNC, holds 5,000 shares of DTL. (03 marks)	254	Q.5(b)- A.(12)
What are the provisions of law regarding signature on audit report. (03)	257	Q.9(a)- S.(02)
Narrate the provisions of the Companies Ordinance, 1984 regarding audit of cost accounts. (04)	258	Q.6(a)- A.(06)
It is mandatory for all manufacturing companies to have their cost accounts audited by a cost and management accountant. (02 marks)	258	Q.10(b)- A.(11)
What are the legal formalities required to change an auditor of the company? (04)	252 253	Q.5(a)- S.(04)
The management of Pakpurt Limited had a dispute on taxation matters with their auditors, ABC & Co. The directors want to remove auditors before finalization of audit and appoint XYZ & Co. in their place. While discussing the matter Mr. Kazim, one of the directors objected that the auditors cannot be removed before the annual general meeting. Keeping in view the above case you are required to comment on the claim of Mr. Kazim considering the relevant provisions of the Companies Ordinance, 1984. (02) In case the auditors are removed in AGM, what are the rights of the retiring auditors? (04)	252 253	Q.7- S.(05)
On April 30, 2008 the Board of Directors of MIL informed the CFO that it wishes to change the auditors of the company. The interim audit for the year ended June 30, 2008 is due to commence shortly. As the CFO of the company, advise the Board about the provisions contained in the Companies Ordinance, 1984 as regards: change of auditors prior to the completion of their term. (02) restrictions imposed on the appointment of certain persons as auditors of the company. (06)	252 254	Q.3- A.(08)

Question	Section Ref	Question # - Attempt
Mr. Azhar, the sole proprietor of Azhar & Co. Chartered Accountants, was appointed as the auditor of XYZ Limited, an unlisted public company, for the financial year ending June 30, 2009. Mr. Azhar married Miss Ismat, a director of XYZ Limited, on February 23, 2009. The company secretary of XYZ Limited wants to know whether the marriage would have any impact on the status of Mr. Azhar as the auditor of the company. Discuss the situation with reference to the relevant provisions of the Companies Ordinance, 1984. (08) Discuss the provisions of the Companies Ordinance, 1984 related to the attendance of the auditors in the general meeting of the company. (03)	254 255	Q.10- S.(09)
Explain the provisions of the Companies Ordinance, 1984 in respect of the following: Reading and inspection of auditors' report. (02 marks) Signature on the audit report. (03 marks)	256 257	Q.5- A.(10)

**Ch # 27. Commencement of Business by Public Co.  
(Sec 146)**

Narrate the requisitions to be complied with for the commencement of business by a public company. (03)	146	Q.6(c)- A.(02)
State the legal position of preliminary contracts regarding public company. (04)	146	Q.2(a)- S.(04)
A private limited company wants to commence business after incorporation without getting certificate of commencement of business. Comment. (04)	146	Q.9(a)- S.(04)
What is the status of contracts entered by the company before acquiring certificate of commencement of business? (03)	146	Q.2(c)- S.(05)
The Secretary of Badminton (Pvt.) Limited which was incorporated 10 years ago, has informed you that they are planning to convert their company into a public company. You are required to advise them on the following: the date of commencement of business for the newly converted company. (03)	146	Q.2(c)ii- A.(06)
What are the requirements which need to be fulfilled by a public company for obtaining the Certificate of Commencement of Business? (07)	146	Q.7(a)- A.(06)
A newly incorporated company has received a bill from a corporate lawyer for services relating to company's incorporation. The lawyer was hired by the promoters who have refused to make the payment. Explain whether the company is liable to pay this amount. (03)	146	Q.1(a)- S.(07)
Explain the provisions specified in the Companies Ordinance, 1984 relating to requirements to be completed before the commencement of business by a public company. (06 marks)	146	Q.8(c)- A.(11)

**Ch # 28. Registers Etc.  
(Sec 147-156, 125, 135, 205, 219, 220)**

Describe the provisions of Companies Ordinance, 1984 regarding closure of register of members by a listed company. (05)	151	Q.3(c)- A.(06)
What are the consequences of not maintaining proper register of members and who may be penalized in this regard? (04)	153	Q.6(b)- S.(05)
What are the major contents of Annual Return to be filed by company having share capital? (10)	156 3rd Sch	Q.3- S.(03)
What are the contents in annual return of company not having a share capital as per the Third Schedule of Companies Ordinance 1984? (07)	156 3rd Sch	Q.9(a)- S.(03)
What is the period of filing of annual return for a listed company? Can this period be extended? (03)	156	Q.6(b)- A.(05)
State the provisions of the Companies Ordinance, 1984 with respect to annual return required to be filed by a company. (08)	156	Q.8(a)- S.(07)
What particulars are to be entered in the register of directors and other officers of a company? (05)	205	Q.7(c)- A.(03)
A shareholder of the company wants to inspect the register of directors and officers of the company. The company charges a sum of Rs. 250 from him. Explain whether this is a violation of any provisions of the Companies Ordinance, 1984. (02)	205	Q.5(a)- S.(06)

**Misc**

What is capitalization of profits? (04)	Misc	Q.3(b)- S.(02)
What are the exemptions from legal formalities available under the law to a Private Company against a Public Company? (04)	Misc	Q.1(a)- A.(02)
What are the exceptions to the doctrine of indoor management? (03)	Misc	Q.4(b)- A.(02)
Can professionals connected with the formation of a company be regarded as promoters? Comment. (03)	Misc	Q.1(a)- A.(04)
What are the legal provisions regarding ultra virus borrowings? (04)	Misc	Q.6(b)- A.(04)

Question	Section Ref	Question # - Attempt
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What is meant by capitalization of profit and state it's procedure? (05)	Misc	Q.8(c)- A.(04)
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<b>Definitions</b>
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What is the criteria for determining whether two or more companies or undertaking are associated or not? (05)	2(2)	Q.4(a)- A.(02)
Describe the term "associated undertaking" in accordance with the Companies Ordinance, 1984. (05)	2(2)	Q.5(c)- A.(09)
Describe the term "associated company" in accordance with the Companies Ordinance, 1984. (05 marks)	2(2)	Q.7- A.(11)
Differentiate between subsidiary company and an associated company. (05)	2(2) 3	Q.8(a)- S.(05)
How a person can become and cease to be a member of a company? (04)	2(21)	Q.3(a)- S.(04)
Distinguish between a 'shareholder' and a 'member'. (04)	2(21)	Q.1(c)- A.(07)
Describe the term "Member" in accordance with the Companies Ordinance, 1984. (04 marks)	2(21)	Q.3(a)- A.(12)
The board of directors of Shahid Manufacturing Company (Pvt.) Limited has recently decided to convert the company into a public limited company (unlisted).List any five essential changes that would be required to be made in the articles of the company, before filing the necessary documents with the registrar. (05)	2(28)	Q.4(b)- S.(08)
Explain "Private Company" as specified in the Companies Ordinance, 1984. With reference to a private limited company, comment on the rule, "The directors shall not refuse to transfer any fully paid shares unless the transfer deed is defective or invalid". (06 marks)	2(28)	Q.8- A.(10)
The board of directors of Sunrise (Private) Limited are planning to raise funds amounting to Rs. 80 million from the general public to meet the cost of expansion of its production capacity. The current authorized and paid up capital of the company is Rs. 200 million. Advise the company about the changes that would be required to be incorporated in its memorandum and articles of association, to allow the company to raise capital from the public. (04 marks)	2(28) 16	Q.3(b)- A.(12)
What is redeemable capital? Discuss relevant provisions of the Companies Ordinance, 1984 for issue of such capital. (05)	2(30A)	Q.4(a)- S.(04)
List the different types of Redeemable capital as mentioned in the definition of the Redeemable capital in the Companies Ordinance, 1984. (03 marks)	2(30A)	Q.2(a)- A.(10)
How stock can be distinguished from a share? (04)	2(34)	Q.7(c)- S.(03)
Mention the exceptions to the principle "Rule by majority of shareholders". (04)	2(36)	Q.9(b)- S.(04)
What do you understand by the term "special resolution" as explained in the companies ordinance,1984 ? (04)	2(36)	Q.2(b)- S.(08)