West Bengal Judicial Service (Mains) 2022

Indian Law relating to Companies and Insurance · optional paper

Time: 3 hours · Full marks: 100

Group A: answer Question No. 1 and any two from the rest

1. (a) A husband and wife were the only two members of a Private Limited Company. They were killed by their relatives. They do not have children also. Explain what happens to company.
(b) The promoters of a company entered into an agreement proposing to be on behalf of the company at a time when the company was not yet incorporated. The company after incorporation purported to adopt and ratify the agreement. Discuss whether the agreement can be enforced against the company.
(c) Six of the seven signatures of the memorandum of association of a company were forged. The memorandum was duly presented, registered and a Certificate of incorporation was issued. The existence of the company was subsequently attacked on the ground of insufficiency of the required number and forgery and asked for cancellation of registration. Is this tenable?
(d) The Company's Articles provided that the Directors might borrow on bonds such sums as may from time to time be authorized by a resolution passed at a general meeting of the company. The directors borrowed Rs. 50,000/- from the plaintiff without any resolution being passed. The company refused to be bound by it. The plaintiff sues the company for recovery of the amount. Decide. (5×4=20)

2. "A company is an artificial entity born out of the process of law having perpetual succession and a common seal." Do you agree with this statement defining a company? Write a detailed note on the merits and demerits of incorporation of a company. (20)

3. (a) What do you mean by Mis-statement in Prospectus? Discuss the liability for mis-statements in the prospectus.
(b) Directors are not only agents but they are in some sense and to some extent trustees or in the position of trustees. Comment. (10+10)

4. Distinguish between: (a) Shareholder and Debenture Holder; (b) Transfer and Transmission of shares; (c) Share Certificate and Share Warrant; (d) Articles of association and Memorandum of a company (5×4=20)

Group B: answer any two questions

5. What are the characteristics of Fire insurance? (20)

6. Indicate the requisites of a Marine Policy. (20)

7. What are the differences between nomination and assignment in respect of a life insurance policy? (20)

8. Write short notes on (any two): (a) Insurable Interest; (b) Principle of Utmost Good Faith; (c) Distinction between Double Insurance and Re-insurance (10×2=20)