MBSC 3.1F

Sl.No. :

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III Semester M.B.A. Degree Examination, June - 2025
(SLM Scheme) (CBCS)
MANAGEMENT
Elective-F: Corporate Law

Time : 3 Hours **Max. Marks : 80**

SECTION- A

Answer any five questions. Each question carries five marks. : **[5 × 5 = 25]**

1) What are the causes of takeover?

2) Explain the provisions of article of Association.

3) State the duties of a director.

4) Discuss the essential features of winding up of a company.

5) What are the various types of meeting in a company? Explain.

6) Give the importance of financial accounting in merger and amalgamation.

7) Write a note on demergers.

SECTION- B

Answer any four questions. Each question carries ten marks : **[4 × 10 = 40]**

8) Discuss the procedure and documentation of amalgamation and mergers.

9) Explain the duties and liabilities of a company promoter.

10) Explain briefly the provisions of company Act, 2013 relating to the quorum of company meeting.

11) Describe the procedure for holding statutory meeting.

12) What is financial reconstruction? Explain its imporatance.

13) Explain the various modes of winding up of a company.

SECTION - C

Case (Compulsory) : **[1 × 15 = 15]**

14) Aditya Corporation is a publicly-traded technology company specializing in software development and digital solutions. It was founded in 2005 by Ms. Smiths, who served as the company's CEO and majority shareholder until 2021. Over the years, the company experienced significant growth and success, becoming a leading player in the tech industry.

Key Players:

i) Ms. Smiths - Founder, former CEO, and majority shareholder of XYZ Corp.

ii) Mr. Mahendra - Former CFO and long-time executive of XYZ Corp.

iii) Board of Directors - Comprising several independent directors and Ms. Smiths.

Timeline of Events:

i) 2005-2020: Aditya Corporation. thrives under Ms. Smitha's leadership and experiences substantial financial success. Ms. Smitha enjoys a strong reputation as a visionary leader in the industry.

ii) 2021: Aditya Corporation 's financial performance begins to decline, and concerns arise about the company's management. Shareholders raise questions about the company's financial disclosures and executive compensation packages.

iii) Late 2021: An investigative committee, formed by independent directors, starts looking into the company's financial affairs. Their initial findings suggest potential mismanagement and conflicts of interest.

iv) Early 2022: The investigative committee discovers that Ms. Smitha and Mr. Mahendra have been engaging in a series of undisclosed related-party transactions. These transactions include leasing office space owned by a company controlled by Ms. Smitha at above-market rates, which results in significant financial benefits for Ms. Smitha personally.

v) Mid-2022: The investigative committee also uncovers evidence of inappropriate executive compensation packages for Ms. Smitha and Mr.Mahendra. Both executives received substantial bonuses and stock options without proper approval from the board or appropriate justification based on company performance.

vi) Late 2022: The board confronts Ms. Smitha and Mr. Mahendra about the alleged breaches of fiduciary duty. Ms. Smitha denies any wrongdoing and claims that her decisions were in the best interest of the company.

vii) Early 2023: The board decides to initiate legal proceedings against Ms. Smitha and Mr.Mahendra for breach of fiduciary duty, seeking recovery of the losses incurred by XYZ Corp. due to their actions.

Questions :

a) What are Legal Issues in this case?

b) What would be the potential outcome of this case

