

BCM SCHOOL, BASANT AVENUE, DUGRI ROAD, LUDHIANA
ASSIGNMENT
BUSINESS STUDIES
XI

1	Application for approval of name of a company is to be made to (a) SEBI (b) Registrar of Companies (c) Government of India (d) Government of the State in which Company is to be registered	1
2	A prospectus is issued by (a) A private company (b) A public company seeking investment from public (c) A public enterprise (d) A public company	1
3	Preliminary Contracts are signed (a) Before the incorporation (b) After incorporation but before capital subscription (c) After incorporation but before commencement of business (d) After commencement of business	1
4	Saikripa Private Ltd. was in the process of incorporation. The Promoters of the Company signed an agreement for the purchase of ten computers for the Company and payment was to be made to the suppliers of the computers by the Company after incorporation. The Company was incorporated and the computers were used by it. Shortly after incorporation, the Company went into liquidation and the debt could not be paid by the Company for the purchase of the computers. As a result, suppliers sued the promoters of the Company for the recovery of money. In context of the above case: (a) During the promotion of the company the promoters may enter into certain contracts with third parties on behalf of the company as described above. What are these types of contract known as? (b) Examine whether promoters can be held liable for payment in the above case.	4
5	'Good Earth Ltd.' is a well known company dealing in organic herbal and ayurvedic health products. It entered into a contract with 'Wellspring Ltd.', a company owning a chain of spas for supply of products, before 'Wellspring Ltd.' could obtain Certificate of Commencement of Business. In context of the above case: (a) What is the type of contract that a company may enter into before obtaining the Certificate of Commencement of Business known as? (b) Can 'Good Earth Ltd.' recover the price for its supplies?	3

6	<p>Smart Ltd. invited general public to subscribe for its public issue of 10 crores through an initial public offer (IPO). It received applications for shares 80 lakhs. Can the company proceed with allotment of shares? Why or why not? Give reasons in support of your answer.</p>	3
7	<p>BSE Limited is the owner and operator of BSE Exchange (Bombay Stock Exchange), India's largest stock exchange by number of companies listed. The Bombay Stock Exchange was established in year 1875 as the first stock exchange in Asia. Today, BSE has over 5000 companies listed on it, the highest in any exchange around the world.</p> <p>In context of the above case:</p> <p>(a) When and why is a company supposed to make an application to one or more recognized stock exchanges?</p> <p>(b) Can the stock exchange reject the application of a company for listing of securities? What are its consequences?</p>	4
8	<p>Dharvi started an export business in the form of a private company along with her uncles Mr. Danush Kumar and Mr. Manush Kumar. Later on, she came to know that Mr. Manush Kumar had forged the signatures of Mr. Danush Kumar on the Memorandum of Association.</p> <p>She is now fearing that the Incorporation of the company will be considered invalid.</p> <p>In context of the above case:</p> <p>(a) According to you, will the incorporation of the company be considered as invalid? Why or why not?</p>	3