



Dr. SNS RAJALAKSHMI COLLEGE OF ARTS AND SCIENCE (Autonomous)

Accredited by NAAC (Cycle-IV) with 'A+' Grade,
(Recognized by UGC & Approved by AICTE, New Delhi and Affiliated to Bharathiar University, Coimbatore)
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Subject: DISCIPLINE CENTRIC CORE - 2: CORPORATE LAW

Code: 21UCP502

QUESTION AND ANSWER

UNIT: 1

1. Define the term company by explaining its legal identity and distinct existence under company law. (Bloom's Level: Remember | Unit 1 | Company Tag: Tata Group | CA Exam 2022)
2. List the essential characteristics that differentiate a company from other forms of business organizations. (Bloom's Level: Remember | Unit 1 | Company Tag: Infosys | CS Exam 2021)
3. Enumerate the stages involved in the formation of a company in the correct sequential order. (Bloom's Level: Remember | Unit 1 | Company Tag: Reliance Industries | CMA Exam 2020)
4. Identify the role played by promoters in initiating and organizing a company. (Bloom's Level: Understand | Unit 1 | Company Tag: Flipkart | CA Exam 2023)
5. Distinguish between public company and private company with respect to ownership and control. (Bloom's Level: Understand | Unit 1 | Company Tag: HDFC Ltd | TNPSC Group Exams 2022)
6. Examine the nature of liabilities imposed on promoters during company formation. (Bloom's Level: Understand | Unit 1 | Company Tag: Adani Group | CS Exam 2020)
7. Apply the concept of separate legal entity to a newly incorporated company scenario. (Bloom's Level: Apply | Unit 1 | Company Tag: Wipro | CA Exam 2021)
8. Analyse the relationship between promoters' duties and investor protection. (Bloom's Level: Analyse | Unit 1 | Company Tag: Axis Bank | NET Exam 2022)
9. Estimate the impact of improper formation procedures on company credibility. (Bloom's Level: Evaluate | Unit 1 | Company Tag: LIC | CMA Exam 2021)
10. Develop a brief framework outlining the classification of companies under the Companies Act. (Bloom's Level: Create | Unit 1 | Company Tag: Larsen & Toubro | CS Exam 2023)
11. Explain why a public limited company is considered ideal for large-scale capital mobilization. (Bloom's Level: Remember | Unit 1 | Company Tag: ICICI Bank | CA Exam 2020)
12. Relate company formation procedures to statutory compliance requirements. (Bloom's Level: Understand | Unit 1 | Company Tag: SBI | TNPSC Group Exams 2021)
13. Justify the necessity of promoters' fiduciary responsibility in company formation. (Bloom's Level: Evaluate | Unit 1 | Company Tag: Paytm | NET Exam 2023)
14. Organise the formation process into pre-incorporation and post-incorporation stages. (Bloom's Level: Create | Unit 1 | Company Tag: Byju's | CS Exam 2022)
15. Define company by explaining its legal status and corporate personality under the Companies Act. (Bloom's Level: Remember | Unit 1 | Company Tag: Tata Group | CA Exam 2022)
16. Recall the procedural steps involved in the formation of a company from promotion to incorporation. (Bloom's Level: Remember | Unit 1 | Company Tag: Reliance Industries | CS Exam 2021)
17. Identify the legal responsibilities imposed on promoters during the pre-incorporation stage. (Bloom's Level: Understand | Unit 1 | Company Tag: Infosys | CMA Exam 2022)
18. Distinguish between public company and private company with reference to capital and membership. (Bloom's Level: Understand | Unit 1 | Company Tag: HDFC Ltd | TNPSC Group Exams 2021)

19. Apply the principle of separate legal entity to determine liability in a company dispute case. (Bloom's Level: Apply | Unit 1 | Company Tag: Wipro | CA Exam 2023)
20. Apply promoter liability provisions to a situation involving misrepresentation in prospectus. (Bloom's Level: Apply | Unit 1 | Company Tag: Adani Group | CS Exam 2022)
21. Analyse the relationship between promoters' fiduciary duties and investor confidence. (Bloom's Level: Analyse | Unit 1 | Company Tag: Axis Bank | NET Exam 2022)
22. Analyse the impact of improper company formation on long-term corporate governance. (Bloom's Level: Analyse | Unit 1 | Company Tag: LIC | CMA Exam 2021)
23. Evaluate the effectiveness of statutory regulations governing company formation. (Bloom's Level: Evaluate | Unit 1 | Company Tag: SEBI | CA Exam 2022)
24. Evaluate the necessity of legal compliance during incorporation stage. (Bloom's Level: Evaluate | Unit 1 | Company Tag: MCA | CS Exam 2023)
25. Develop a structured framework showing stages in formation of a company. (Bloom's Level: Create | Unit 1 | Company Tag: Larsen & Toubro | NET Exam 2023)
26. Develop a classification model of companies based on ownership and control. (Bloom's Level: Create | Unit 1 | Company Tag: Tata Sons | CMA Exam 2022)
27. Organise the promoter functions into pre-incorporation and post-incorporation activities. (Bloom's Level: Create | Unit 1 | Company Tag: Flipkart | CA Exam 2021)
28. Generate policy suggestions to strengthen transparency in company formation. (Bloom's Level: Create | Unit 1 | Company Tag: NITI Aayog | NET Exam 2023)
29. TechNova Pvt Ltd plans to expand its operations into India. The promoters are evaluating whether to form a private limited company or a public limited company. They are concerned about liability, compliance costs, and ease of raising capital. The team must decide the best structure to attract investors while limiting their personal risk. They also need to define the roles and responsibilities of promoters in this setup. Questions: 1. Analyse the factors that TechNova should consider in choosing the company type. 2. Evaluate the responsibilities and liabilities of promoters in this scenario. (Bloom's Level: Analyse | Unit 1 | Company Tag: Amazon | CA Foundation 2024)
30. Meta Inc. is entering a new market segment and appoints a team of promoters to establish the company. During the process, they sign pre-incorporation contracts with vendors and investors. Some agreements are challenged later for exceeding the company's stated objectives. The board seeks to understand promoter duties and the legal implications of such contracts. Proper compliance is essential to avoid future liabilities. Questions: 1. Analyse the legal responsibilities of the promoters in this situation. 2. Evaluate the consequences of entering contracts beyond the company's objectives. (Bloom's Level: Evaluate | Unit 1 | Company Tag: Meta | CS Foundation 2023)
31. Infosys plans to set up a subsidiary for AI research. The promoters have to draft the company formation documents, ensuring clarity of objectives and nature of business. They are unsure whether to include specific liability clauses for promoters in the Articles of Association. The management wants to balance operational flexibility with legal safeguards. A detailed plan for company formation is critical to proceed. Questions: 1. Analyse how promoters can limit personal liability in company formation. 2. Evaluate the importance of defining company objectives and characteristics in the Articles of Association. (Bloom's Level: Analyse | Unit 1 | Company Tag: Infosys | CMA 2022)
32. Wipro is launching a renewable energy startup under a private limited company structure. Promoters are deciding on shareholding patterns and capital contributions. They must ensure compliance with the Companies Act and clearly outline their duties and responsibilities. Misunderstandings among promoters about obligations could affect company stability. Legal advisors are guiding them on minimizing future disputes. Questions: 1. Analyse the key duties and responsibilities promoters must follow in Wipro's scenario. 2. Evaluate how capital contribution decisions impact promoter liability. (Bloom's Level: Evaluate | Unit 1 | Company Tag: Wipro | NET 2022)

33. A startup called QuantumX is being set up by tech entrepreneurs in India. They plan to form a public limited company to raise funds from investors. The promoters must comply with extensive registration procedures and statutory requirements. They are concerned about their legal liabilities and obligations during company formation. Proper documentation and adherence to the Companies Act are critical to avoid penalties. Questions: 1. Analyse the statutory responsibilities of promoters in QuantumX's formation. 2. Evaluate the advantages and challenges of forming a public limited company. (Bloom's Level: Analyse | Unit 1 | Company Tag: Oracle | CA Foundation 2023)
34. TechSol Pvt Ltd wants to establish a new IT service company in Bangalore. The promoters are debating whether to structure it as a private or public company. They need to define their roles clearly to avoid personal liability. Investors want assurances about the company's objectives and governance structure. Promoters are guided by legal experts to draft all incorporation documents accurately. Questions: 1. Analyse how the choice of company type affects promoter responsibilities. 2. Evaluate the significance of clearly defining promoters' roles and liabilities. (Bloom's Level: Evaluate | Unit 1 | Company Tag: TCS | CS Foundation 2022)
35. GreenTech Solutions plans to launch a sustainable technology venture. The promoters are signing preliminary agreements with suppliers and investors. They are aware that they may be personally liable for obligations before company incorporation. The management seeks to understand how promoters' duties and liabilities are regulated under the Companies Act. Correct execution of company formation documents is essential to protect both promoters and investors. Questions: 1. Analyse the legal implications of pre-incorporation agreements signed by promoters. 2. Evaluate strategies promoters can use to minimize personal liability. (Bloom's Level: Analyse | Unit 1 | Company Tag: Microsoft | CMA 2023)