



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: 2

1. Define Memorandum of Association by stating its legal significance. (Bloom's Level: Remember | Unit 2 | Company Tag: Tata Motors | CA Exam 2021)
2. List the clauses contained in the Memorandum of Association. (Bloom's Level: Remember | Unit 2 | Company Tag: Maruti Suzuki | CMA Exam 2020)
3. State the purpose served by the Articles of Association in company administration. (Bloom's Level: Remember | Unit 2 | Company Tag: ITC Ltd | CS Exam 2021)
4. Identify the circumstances under which alteration of Memorandum is permitted. (Bloom's Level: Understand | Unit 2 | Company Tag: Bharti Airtel | CA Exam 2022)
5. Examine the doctrine of ultra-vires in limiting corporate powers. (Bloom's Level: Understand | Unit 2 | Company Tag: Vodafone Idea | NET Exam 2021)
6. Distinguish between constructive notice and indoor management. (Bloom's Level: Understand | Unit 2 | Company Tag: Reliance Jio | TNPSC Group Exams 2022)
7. Apply the doctrine of indoor management to a contractual dispute case. (Bloom's Level: Apply | Unit 2 | Company Tag: Amazon India | CA Exam 2023)
8. Analyse the legal consequences of misstatements in a prospectus. (Bloom's Level: Analyse | Unit 2 | Company Tag: Zomato | CS Exam 2022)
9. Evaluate investor protection mechanisms related to prospectus disclosure. (Bloom's Level: Evaluate | Unit 2 | Company Tag: NSE India | CMA Exam 2021)
10. Develop a structured outline showing kinds of shares and debentures. (Bloom's Level: Create | Unit 2 | Company Tag: BSE Ltd | NET Exam 2023)
11. State the clause of the MOA that defines the objectives of a company. (Bloom's Level: Remember | Unit 2 | Company Tag: Hindustan Unilever | CA Exam 2020)
12. Categorize alterations requiring special resolution under Articles. (Bloom's Level: Analyse | Unit 2 | Company Tag: Nestle India | CS Exam 2021)
13. Justify the relevance of prospectus in capital formation. (Bloom's Level: Evaluate | Unit 2 | Company Tag: LIC Housing Finance | NET Exam 2022)
14. Illustrate the interrelationship between MOA, AOA, and the functioning of a company. (Bloom's Level: Create | Unit 2 | Company Tag: Bajaj Finserv | CMA Exam 2023)
15. Define Memorandum of Association with reference to corporate powers. (Bloom's Level: Remember | Unit 2 | Company Tag: Tata Motors | CA Exam 2021)
16. Recall the statutory clauses contained in the Memorandum of Association. (Bloom's Level: Remember | Unit 2 | Company Tag: Maruti Suzuki | CS Exam 2020)
17. Identify the legal purpose of Articles of Association in company management. (Bloom's Level: Understand | Unit 2 | Company Tag: ITC Ltd | CMA Exam 2021)
18. Examine the scope of alteration of Memorandum and Articles. (Bloom's Level: Understand | Unit 2 | Company Tag: Bharti Airtel | CA Exam 2022)

19. Apply the doctrine of ultra-vires to evaluate validity of a corporate transaction. (Bloom's Level: Apply | Unit 2 | Company Tag: Vodafone Idea | CS Exam 2023)
20. Apply the doctrine of indoor management to protect third-party interests. (Bloom's Level: Apply | Unit 2 | Company Tag: Amazon India | CA Exam 2023)
21. Analyse the consequences of constructive notice on shareholders' rights. (Bloom's Level: Analyse | Unit 2 | Company Tag: Reliance Jio | NET Exam 2022)
22. Analyse the legal implications of misstatements in a prospectus. (Bloom's Level: Analyse | Unit 2 | Company Tag: Zomato | CMA Exam 2021)
23. Evaluate the adequacy of disclosure norms prescribed for prospectus. (Bloom's Level: Evaluate | Unit 2 | Company Tag: NSE India | CA Exam 2022)
24. Evaluate the investor protection role of prospectus regulations. (Bloom's Level: Evaluate | Unit 2 | Company Tag: BSE Ltd | CS Exam 2023)
25. Develop a comprehensive outline of kinds of shares and debentures. (Bloom's Level: Create | Unit 2 | Company Tag: Bajaj Finserv | NET Exam 2023)
26. Develop a comparative framework between MOA and AOA. (Bloom's Level: Create | Unit 2 | Company Tag: HUL | CMA Exam 2022)
27. Generate compliance guidelines for lawful alteration of Articles. (Bloom's Level: Create | Unit 2 | Company Tag: Nestle India | CA Exam 2021)
28. Organise the relationship between prospectus contents and capital mobilization. (Bloom's Level: Create | Unit 2 | Company Tag: LIC Housing Finance | CS Exam 2022)
29. Infosys is planning to issue new shares to expand its AI research division. The management needs to ensure that the Memorandum of Association permits this activity. They also consider altering the Articles of Association to reflect the new shareholding pattern. Legal advisors are reviewing compliance with the Companies Act. Proper documentation is critical to avoid disputes with investors. Questions: 1. Analyse how the Memorandum and Articles of Association govern issuance of new shares. 2. Evaluate the importance of proper alteration procedures to avoid legal challenges. (Bloom's Level: Analyse | Unit 2 | Company Tag: Infosys | CA Foundation 2023)
30. Meta Inc. is launching a new service and wants to raise funds through debentures. The promoters are concerned about the doctrine of ultra-vires and want to ensure all actions are within company powers. They also need to prepare a prospectus outlining the terms of debenture issuance. Investors seek clarity on rights and obligations. Ensuring compliance avoids future disputes or litigation. Questions: 1. Analyse the implications of the doctrine of ultra-vires on issuing debentures. 2. Evaluate the role of a properly drafted prospectus in investor protection. (Bloom's Level: Evaluate | Unit 2 | Company Tag: Meta | CS Foundation 2022)
31. TCS plans to amend its Articles of Association to include digital voting provisions for shareholders. The board must ensure the amendments comply with the Companies Act. Constructive notice and indoor management rules are considered to protect third parties dealing with the company. Legal counsel reviews the draft to prevent ultra-vires issues. Correct amendments ensure smooth corporate governance. Questions: 1. Analyse the role of Articles of Association in facilitating shareholder rights. 2. Evaluate the importance of constructive notice and indoor management in corporate transactions. (Bloom's Level: Analyse | Unit 2 | Company Tag: TCS | CMA 2023)
32. Oracle is issuing preference shares to attract long-term investors. The promoters must ensure the Memorandum of Association permits issuing preference shares and specifies rights attached. They also have to issue a detailed prospectus to comply with statutory requirements. The legal team examines potential conflicts with existing shareholders' rights. Clear documentation minimizes disputes and ensures transparency. Questions: 1. Analyse how the Memorandum and Articles regulate the issuance of preference shares. 2. Evaluate the importance of detailed prospectus content in investor relations. (Bloom's Level: Evaluate | Unit 2 | Company Tag: Oracle | NET 2022)

33. Microsoft India wants to issue debentures to raise capital for a cloud infrastructure project. The board is concerned about complying with the ultra-vires doctrine. They also consider amendments to the Articles to allow debenture trustees more oversight. Proper disclosure in the prospectus is needed to satisfy investor scrutiny. Compliance ensures legal validity and builds investor trust. Questions: 1. Analyse the importance of ultra-vires compliance in issuing debentures. 2. Evaluate how amendments to Articles can facilitate investor protection. (Bloom's Level: Analyse | Unit 2 | Company Tag: Microsoft | CA 2024)
34. Wipro plans to raise funds by issuing shares to institutional investors. The promoters are reviewing whether the proposed issuance aligns with the company's objectives in the Memorandum of Association. The Articles must be altered to allow preferential allotment. The prospectus must include all relevant information to avoid misrepresentation. Legal scrutiny ensures smooth capital raising and regulatory compliance. Questions: 1. Analyse how Memorandum objectives impact share issuance decisions. 2. Evaluate the significance of proper prospectus content in avoiding legal disputes. (Bloom's Level: Evaluate | Unit 2 | Company Tag: Wipro | CS Foundation 2023)
35. Amazon India is restructuring its capital and plans to issue debentures while protecting shareholders' interests. The promoters must check that the Memorandum allows debenture issuance and that the Articles grant necessary approvals. The company also considers constructive notice principles to ensure third-party protection. The board emphasizes transparency in the prospectus. Legal compliance is critical to safeguard both company and investors. Questions: 1. Analyse the relationship between Memorandum/Articles and debenture issuance. 2. Evaluate the role of constructive notice and prospectus in protecting stakeholders. (Bloom's Level: Analyse | Unit 2 | Company Tag: Amazon | CMA 2023)