



# **BUDDHA SERIES**

**(Unit Wise Solved Question & Answers)**

**Course – MBA**

**COLLEGE – BUDDHA INSTITUTE OF MANAGEMENT**

**(AKTU Code-1212)**

**Department: Business Administration (PG)**

**Subject: BUSINESS ENV. & LEGAL ASPECT OF BUSINESS**

**Sub. Code: BMB 201**

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UNIT - IV  
Companies Act

Date / /  
Page No.

Q. No. 1

Meaning of Company & its Nature, Explain  
Company means an association of individuals formed for some ~~temp~~ common purpose. It has capital divisible into parts known as shares, an artificial person created by a process of law as it has a perpetual succession and a common seal.

~~Types~~ / Characteristics of a company:

- ① Separate legal entity
- ② Perpetual Succession
- ③ Limited Liability
- ④ Company & Common Seal
- ⑤ Transparability of Shares.
- ⑥ Capacity to sue and to be ~~sued~~ Sued
- ⑦ Separate property

196-

Q.N.3

Article of Association and Memorandum of Association, Companies Act, 1956  
Articles means the article of the association of a company which has originally framed or has altered from time to time of this act the article of the association of rules and regulation of a company framed for the purpose of internal management of affairs

Contents of articles of association

- 1) Number and value of share
- 2) Allotment of shares
- 3) Call on shares
- 4) Lien on shares
- 5) Transfer and Transmission of shares
- 6) Alteration of shares
- 7) share certificate
- 8) Conversion of shares into stock
- 9) Voting rights and proxies

Article of Association and Memorandum of Association, Compare it.  
Article means the article of the association of a company. It is originally framed or has altered from time to time at the article of the association of rules and regulations of a company framed by the members of the company.

### Contents of articles of association

- 1) Number and value of share
- 2) Allotment of shares
- 3) Call on shares
- 4) Lien on shares
- 5) Transfer and Transmission of shares
- 6) Alteration of shares
- 7) Share certificate
- 8) Conversion of shares into stock
- 9) Voting rights and proxies

Q.N. 4 Director and Their appointment, Explain the Powers.

Borrowing powers

Accounts and Audit

Dividends and Reserves

Winding Up

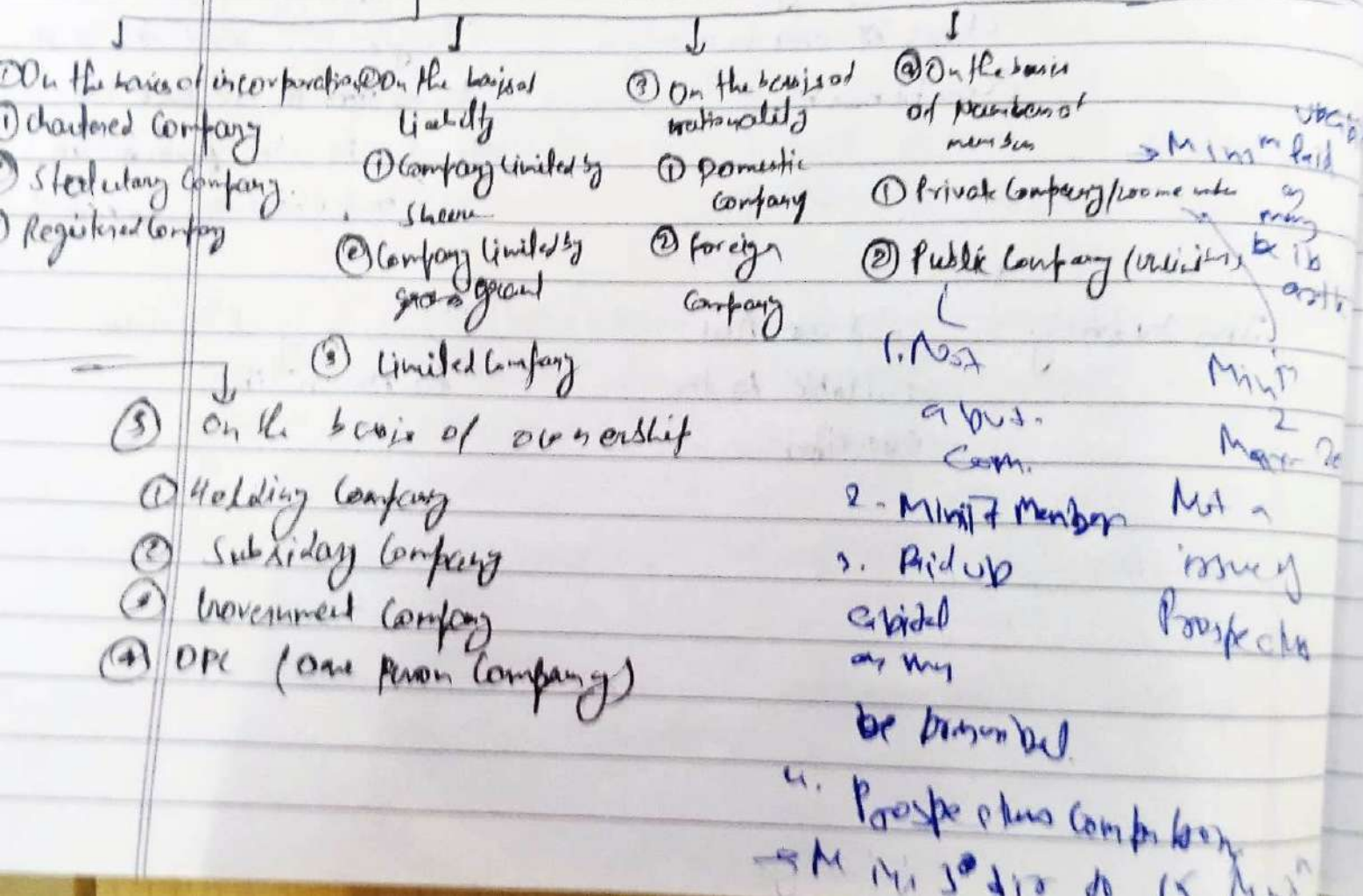
Issue of Redeemable preference Shares

### Memorandum of Association

The Memorandum of Association is a legal document required during the incorporation of a company. It defines the company's relationship with outside world and states the scope of its operation.

It's name is the charter of the company.

Q.12. Types / kinds of Company, Elaborate it on the



Clauses of Memorandum of Association

Registered office clause

Objective clause

Liability clause

Capital clause

Association ~~class~~ subscription clause

~~proper~~

Q. N. 5 Prospectus, what are meanings.

Sec-2 (Section - 30) defines any document describe as a prospectus and include any notice circular, advertisement or document inviting deposits from the public or inviting offers from the public for the purchase of share or debenture of a body corporate.

Content of Prospectus

General Information: (Name of the company)

Capital structure of the company

Details of the issues

Details about the company management

Details about the project

Financial incorporation information

Sec-2 (20/20/20/20)

Q. N. 7 Definition of Consumer Protection Act & its characteristics.

The consumer protection act is law design to protect consumers from unfair business practices. and provide them with legal resources when they harmed by defective product or goods and e educate services. It establish consumer rights, create forums for dispute resolution and empower consumers to seek redressal for their grievances related to purchase of goods and services.