

INSTITUTE OF COST AND MANAGEMENT ACCOUNTANTS OF PAKISTAN



Spring (August) 2012 Examinations

Saturday, the 1st September 2012

CORPORATE LAWS & SECRETARIAL PRACTICES – (S-403)

STAGE – 4

CMA/ CAM STREAM

Time Allowed – 2 Hours 45 Minutes

Maximum Marks – 80

Roll No.

- (i) Attempt ALL questions.
- (ii) Answers must be neat, relevant and brief.
- (iii) In marking the question paper, the examiners take into account clarity of exposition, logic of arguments, effective presentation, language and use of clear diagram / chart, where appropriate.
- (iv) Read the instructions printed on the top cover of answer script CAREFULLY before attempting the paper.
- (v) Use of non-programmable scientific calculators of any model is allowed.
- (vi) DO NOT write your Name, Reg. No. or Roll No. anywhere inside the answer script.
- (vii) Question No.1 – “Multiple Choice Question” printed separately, is an integral part of this question paper.
- (viii) **Question Paper must be returned to invigilator before leaving the examination hall.**

SECTION – A

Marks

- Q. 2 (a)** Suppose you have recently been appointed as an assistant to company secretary of Pearl Pakistan Limited. It is Tuesday 31st January 2012, your first day in the company. On your desk there was a note marked “urgent attention required” from your company secretary. The note reads as follows:
“Mr. Subhan, one of the directors has put some queries related to the Companies Ordinance, 1984. I am forwarding it to you to be answered till tomorrow. Feel free for any help.”
- Required:**
- (i)** Differentiate between a “shareholder” and a “member”. **03**
 - (ii)** What do you mean by chief executive? **02**
 - (iii)** What is redeemable capital? **03**
 - (b)** Josh-n-Josh Limited has nine (09) directors on the board. The term of present board of directors will expire on September 30, 2012. As a company secretary, list down the steps that you will take for filing of casual vacancy in board of directors (BOD). **05**
 - (c)** Mr. Tanveer one of the directors of Zest Limited is leaving for vacations on March 01, 2012 and intends to return to Pakistan on July 01, 2012. Can the board of directors appoint another person in his place to act as director during his absence, and if so, under what conditions? **02**
 - (d)** Under section 167 of the Companies Ordinance, 1984, state the provisions related to demand for poll. **06**
- Q.3 (a)** The directors of Zeal Limited, which closes its accounts in December, have refused to proceed for calling an extra ordinary general meeting within twenty one days of receipt of requisition. What course of action is available to the members of the said company? **03**
- (b)** As per the requirements of the Companies Ordinance, 1984, every company is required to maintain certain statutory books / registers. List out such statutory books / registers. **{any twelve (12)}** **06**

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- (c) Explain whether or not the following statements are in accordance with the provisions of the Companies Ordinance, 1984. Substantiate your answer with reasons:
- (i) A director elected under section 178 of the Companies Ordinance, 1984 shall hold office for a period of five years unless he earlier resigns, becomes disqualified from being a director or otherwise ceases to hold the office. **02**
 - (ii) The first chief executive of the company retires on completion of one year. The subsequent chief executive must be appointed by the shareholders within 30 days from the date of retirement of the first chief executive. **04**
 - (iii) A company limited by shares cannot issue securities outside Pakistan. **02**
 - (iv) Any two or more persons associated for any lawful purpose may, by subscribing their names to a memorandum of association and complying with the requirements of the Companies Ordinance, 1984 in respect of registration, form a public company. **02**

SECTION – B

- Q. 4 (a)** In accordance with the section 15A (1) of the Securities and Exchange Ordinance, 1969, “No person shall indulge in insider trading”. Elaborate insider trading with reference to section 15A (2) of the Securities and Exchange Ordinance, 1969. **06**
- (b)** According to the section 21 of the Securities and Exchange Commission of Pakistan Act, 1997, the board possesses powers and performs different functions to regulate the securities industries and companies etc. List down the functions and powers of the board provided under the above-mentioned section of the said Act. **09**
- Q. 5** Define the followings as per the Non-Banking Finance Companies Rules, 2003:
- (a)** Closed-end schemes **02**
 - (b)** Contingent liabilities **03**

SECTION – C

- Q. 6 (a)** You have recently been appointed as a company secretary of Hifaz Company which is going to be incorporated this year. Being a secretary of the company, explain the functions which you have to perform prior to the incorporation of the company. **10**
- (b)** “The account holders are able to settle their transactions within the CDS through four (4) types of accounts.” Explain these accounts. **04**
- (c)** Suppose you have been the company secretary of Sachal Limited and are asked by your board of directors to issue a notice of an extra ordinary general meeting of the company, to be held on September 29, 2012 to transact the following business:
- (i)** To confirm the minutes of the 25th Annual General Meeting of the company held on 31st January 2012.
 - (ii)** To elect minimum number of directors required for a public listed company. (Assume their names)
 - (iii)** To transact any other business with the permission of the chair.

Required:

Draft the notice of the said meeting. (*Assume necessary details. Notes to the notice is not required*) **06**

THE END