

2010

MASTER OF BUSINESS ADMINISTRATION

[Second Semester Examination]

(Corporate Governance and Legislation)

PAPER—207

Full Marks : 100

Time : 3 hours

The figures in the right-hand margin indicate marks

Candidates are required to give their answers in their own words as far as practicable

Illustrate the answers wherever necessary

Write the answers to questions of each Half in separate books

FIRST HALF

[Marks : 50]

(Turn Over)

- (a) How are the first directors appointed in a company ?
- (b) State the major points of difference between public limited company and private limited company.
- (c) Write a note on 'Incompetent Board' in relation to the exercise of powers by the Board of Directors.
- (d) Discuss the origin and formal mechanism of control in respect of managing agency mode of corporate governance in India.
- (e) Who can be a manager of a company ?
- (f) Discuss the relative importance of executive and non-executive directors in the Board of Directors of a company.

2. Answer any *two* questions : 10 x 2

(a) Discuss the powers exercisable only at board meeting.

(b) Highlight the points under revised clause 49 of a standard listing agreement executed between a company and a stock exchange.

(c) Write a note on vacation of office of directors in a company.

[*Internal Assessment* : 10 Marks]

SECOND HALF

[*Marks* : 50]

3. Answer any *four* questions : 5 x 4

(a) What is Whistle Blower Policy ? State its importance in corporate governance practice. 3 + 2

- (b) Write a short note on Independent Director following the recommendations of K. M. Birla Naresh Chandra and N. Murthy Committees.
- (c) State in brief the recommendations of Cadbury Committee.
- (d) ABC Ltd., whose accounting year ended on 31st March, held its Annual General Meeting on 30th September. However, as the accounts were not ready, the meeting transacted all other businesses except accounts and adjourned the meeting to 24th December for consideration of accounts. The Registrar of Companies issued show cause notice for violation of Section 210 of Companies Act, 1956. Was the issuance of show cause notice justified?
- (e) (i) A meeting of the Board of Directors of a company was convened on 31st December, 2009 to discuss some

important matters. 5 out of 7 directors wrote to the Chairman that they would like to attend the meeting but failed to do so due to other preoccupations. The last meeting was held on 29th September, 2009. Advise the Chairman.

(ii) What do you understand by the passing of 'Resolution by Circulation' ?

3 + 2

(f) Give a list of prohibited non-audit services as recommended by Naresh Chandra Committee.

5

4. Answer any *two* questions :

10 x 2

(a) State the recommendations of N. R. Narayana Murthy Committee in relation to (i) disclosure of accounting treatment, (ii) related party transactions, (iii) proceeds from Initial Public Offerings (IPO), (iv) code of conduct and (v) nominee director.

2 x 5

- (b) (i) Name the persons who can inspect books of account under section 209 ?
(ii) Can a shareholder inspect books of account ? (iii) Who may be held responsible if proper books of account are not maintained ? (iv) What are the provisions under section 220 of the Companies Act regarding filing of Annual Accounts with the Registrar of Companies ? 3 + 1 + 3 +
- (c) State briefly the recommendations of the Confederation of Indian Industries (CII) code of desirable Corporate Governance.

[Internal Assessment : 10 Marks]
