

December 03, 2003

**CORPORATE LAWS AND
CORPORATE LAWS & SECRETARIAL PRACTICES
Module E & PE-1**

**(MARKS 100)
(3 hours)**

- Q.1 Who is considered to be a beneficial owner of shares under the provisions of the Companies Ordinance, 1984? What obligations do the relevant provisions of law place on him and the time period in this regard? Obligation of the company and penalties under law are not required to be replied. (12)
- Q.2 Who may make a representation to the SECP for appointment of administrators and under what situations/conditions such a representation may be made? (10)
- Q.3 (a) How a director of a company may make an assignment of office? Is it possible for a director to appoint his alternate and if so under what conditions? (05)
(b) List any five contents of report of board of directors required under Companies Ordinance, 1984. (05)
(c) Who can sign the report of directors. (02)
- Q.4 (a) Under the provisions of the Companies (Issue of Capital) Rules, 1996 define "Free Reserves". (07)
(b) Under the provisions of the Employees' Provident Fund (Investment in Listed Securities) Rules, 1996 subject to what conditions an Employees' Provident Fund of a company may make investment in securities of a company listed on any stock exchange in Pakistan. (08)
- Q.5 (a) One of your clients wants to float an open-ended mutual fund and engage in leasing activities under one corporate umbrella. Explain, under the Companies Ordinance and related Rules what corporate structure must be used. (03)
(b) Explain the pre-requisites for setting up of this entity and any specific conditions that have to be met with respect to each stage of setting up. (12)
- Q.6 (a) Whether it is possible under the provisions of articles of association to provide for a shorter or larger number of members to be a quorum for a meeting? (01)
(b) Can proceedings of a general meeting may be declared invalid. If so under what circumstances and who may initiate this. Is there any time limitation for this? (03)
(c) When dividend is deemed to have been declared? (02)
(d) When no offence is deemed to have been committed inspite of late or non-payment of dividend? (08)
- Q.7 Under the Code of Corporate Governance:
- (a) What powers are required to be exercised by the board of directors and documented by a resolution passed at a meeting? (05)
(b) List any five significant issues to be placed before the board of directors to strengthen and formalize corporate decision-making process. (05)

(2)

- Q.8 (a) Who may undertake leasing operations under the Leasing Companies (Establishment and Regulation) Rules, 2000. (02)
- (b) Define the following under Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980:
- i) Modaraba
 - ii) Modarba Company
 - iii) Modaraba Fund (03)
- Q.9 (a) What is the difference between allotment and physical issue of share certificate? (03)
- (b) How is a book closure of a listed company relevant to a shareholder with shares in the CDC? (02)
- (c) As per corporate practice, shareholders having physical scripts are required to sign against the folios prior to attendance. What is the equivalent practice for shareholders with CDC account? (02)

(THE END)