

CLASS –XI
ASSIGNMENT- 7

SUBJECT – BUSINESS STUDIES
TOPIC – Formation of Company

1. 'Promoter is not a trustee of the company, but he stands in a fiduciary relationship.' Comment.
2. Smart Ltd. Invited general public to subscribe for its public issue of Rs.10 crores through issue of prospectus. It received applications for Rs. 45 lakhs shares. Can the company proceed with allotment of shares?
3. Merchant Ltd. was issued Certificate of Incorporation by the Registrar on 7th March. However, the date mentioned on the Certificate was 2nd March. The company entered into the contract for purchase of land with ABC Ltd. on 5th March. Now ABC Ltd. is not interested to sell the land as it is getting much higher price from another buyer. Can Merchant Ltd. file a case against ABC Ltd.?
4. What is prospectus? Is it necessary for every company to file a prospectus?
5. Distinguish between preliminary contracts and provisional contracts.
6. Trendz industry has raised its entire authorized capital of Rs.10 crores through issue of shares. It is in severe need of funds. Can it issue more share capital to meet the shortage of funds?
7. Is it necessary for a private company to issue a prospectus or statement in lieu of prospectus?
8. What is the role of underwriters in the capital subscription stage of public limited company?
9. Is it necessary for every company to have its own Articles of Association?
10. Who are the first directors of the company?