

## Model I Rev Key Dec 2017

### Part A Choose the Best 20 x 1 = 20

- 1.(c) Departmental organization
- 2.(a) Global giant
- 3.(a) Quick
- 4.(a) Utmost good faith
- 5.(b) optional
- 6.(a) 1932
- 7.(a) immediately on receiving the certificate of incorporation
- 8.(c) model of Articles of Association
- 9.(b) statutory companies
- 10.(d) 5%
- 11.(b) 15
- 12.(c) Public Limited Companies
- 13.(d) all of these
- 14.(c) Listed securities
- 15.(b) For their own transactions
- 16.(b) listing
- 17.(c) Amount of patronage given
- 18.(b) In towns and Villages
- 19.(c) Controlled freedom
20. (b) Public corporation

### Part A Fill Up 20 x 1 = 20

- 21.Multinationals
- 22.corporate form
- 23.Agreed ratio
- 24.Sleeping
- 25.Indian Partnership Act, 1932
- 26.Article of association
- 27.Two
- 28.unlimited
- 29.Board Meetings
30. Articles of association
- 31.Proxy
- 32.Ownership
- 33.Resale of securities
- 34.Public issue
- 35.Taravaniwalas
- 36.Limited
- 37.Small scale producers
- 38.Public welfare.
- 39.Departmental organisation.
- 40.Government Control

### Part B Answer Any Ten Only 10 x 4 = 40

**41.**In an organisation, Line of authority must proceed from the highlights executive to the worker at the bottom level through a downward flow. This is known as 'chain of command'. This principle is called **scalar principle**. The superior has a direct authority over his immediate subordinate. He is responsible for the efficient performance of the work entrusted.

**42.Examples of multinational companies are:** (i) Unilever Limited -British company; (ii) Union Carbide -American company; (iii) International Business Machine (IBM) American company; (iv) Philips - Dutch company; and (v) Coca cola corporation American company.

**43.**According to P.K.Ghosh and Y.K.Bhushan, " The **sole proprietorship** is a form of organization in which an individual introduces his own capital, uses his own skill and intelligence, and is entirely responsible for the results of its operations." OR Dr.O.R.Krishnaswami has defined the soletrader form of organization as "a business carried on by a single person exclusively by and for himself".

**44. An implied authority** is aright vested with a partner to be used in emergency situations to protect the interest of the firm. Where there is no partnership agreement or Where there agreement is silent, "the act of a partner which is done to carry on, in the usual way, business of the kind carried on by the firm, binds the firm".(sec .19(1)). The authority of a partner to bind the firm is called 'implied authority'.

**45.The particular partnership** is a partnership established for a stipulated period of time or for the completion of a specified venture. It automatically comes to an end with the expiry of the stipulated period or an the completion of the specified venture, as the case may be .For example, a partnership may be created for one year only. when the time lapses the partnership comes to an end.

**46.Debentures:** the term debenture refers to a document issued by company acknowledging a debt due by it to its holders. It also provides for payment of interest at a fixed rate at stated intervals. It also contains an undertaking to repay the debt or at its option. It is usually under the common seal of the company.

**47. Statement in lieu of prospectus:** Where the promoters of a company raise the entire capital through private arrangement, there is no need to issue a prospectus, the content of which are similar to a prospectus must be prepared and filed with the Registered at least three days before allotment.

**48. Statutory Report:** The object of the meeting is to afford an opportunity to the shareholders to know important details of company formation, the success of its capital issue, properties that have been acquired, etc. Along with the notice convening the meeting, a report called statutory

report must also be sent to all the members at least 21 days before the date of the meeting.

**49.**The term '**proxy**' may refer to a person who is authorised by a member for the purpose of attending a meeting. It also means the instrument by which the proxy is authorised.

**50.**'**Underwriting**' is one of the methods by which the company raises finance. Large issues are made through 'underwriting'. Under this method, the underwriters give a guarantee to the companies making new issues. They guarantee the shares offered to the public, which will be fully subscribed. In the event of less subscription, the balance of shares will be taken over by underwriters.

**51.**The company which wants its securities to be traded in a recognised stock exchange should apply to the stock exchange and get its name included in the 'Official trade list'. The inclusion of the name of a company in the Official trade list of a stock exchange is called '**listing**'.

**52.****Co-operative societies** are managed on democratic lines. Every member has only one vote irrespective of the number of shares held by him. The society is formed on the principle of democracy which means 'One vote for one member'. A General body meeting is conducted annually. Representatives are elected by the members to manage the society, on the principle of '**one man one vote**'.

**53.**According to S.S Kher, **State enterprises** are "The industrial, commercial and economic activities carried on by the central or by a State Government and in each case either solely or in associated with private enterprise, so long as it is managed by self-contained management".OR

A.H.Hansen says "public enterprise means state ownership and operation of industrial, agricultural, financial and commercial undertaking"

**54. Co-Operative Super Market:** M.M.Zimmerman defined super market as " A departmentalized retail establishment having four basic departments i.e., self-service grocery, meat and dairy products, plus other house hold departments, and doing a maximum business. It may lease departments on a concession basis".

**55.**The departmental organizations are managed, financed controlled by the government. Departmental undertakings are under direct government control and can maintain secrecy in their working. Hence it is **suited for defense industries**.

**Part C Answer Any Five Only 5 x 8 = 40**  
**56.any 8 Joint Hindu family**

business India is unique in the system of Joint Hindu Families. A Joint Hindu Family comprises of father, mother, sons, daughters, grandsons and granddaughters. They hold the property jointly. They do the business under the control of the head of the family. These families have been engaged in occupations like agriculture ,handicrafts, small industries etc. These business units are known as Joint Hindu family business. This system is found only in India. The system of Joint Hindu family came into existence by the operation of Hindu law. There will not be any agreement among members. The firm is owned by the members of the family who have inherited their ancestral property. Their membership is conferred upon the members by virtue of their birth in the family. The head of the family is known as 'KARTA'. The members are called coparceners. According to Hindu Succession Act, 1956, a coparcener will have a share in the coparceneries property after the death of the coparcener. Since 1985, female members of the family are also eligible to get a share in the property of the family. No Act has defined the term Joint Hindu family. However, a Jurist, while pronouncing a judgment in a case, held the view that, "A joint hindu family is a family which has the same place of worship, share the same food and share the same property of the family".

**57. The contents of partnership deed: any 8**

1. Name of the firm.
2. Date of agreement and principal place of business.
3. Names and addresses of all the partners.
4. Nature of business proposed to be carried on by the firm.
5. Duration of the partnership, if any.
6. Amount of capital contributed by each partner.
7. Amount of withdrawal of each partner.
8. Profit sharing ratio.
9. Salary payable to active partner or partners.
10. Interest on capital and interest on drawings.
11. Procedure for admission or retirement of partners.
12. Manner of dissolving the firm and the mode of settlement of accounts on such dissolution.
13. Maintenance of books of accounts and their audit.
14. Interest to be allowed on partner's loans and advances to the firm.
15. Mode of valuation of goodwill on admission, retirement or death of a partner.
16. Procedure for settlement of disputes among partners by arbitration.

**58. Write note on Irregular Allotment:**

1. Allotment is considered to be irregular in the following cases. If allotment is made, without receiving at least 5% of the nominal value of shares as application money or
2. Without receiving the minimum subscription within 90 days of the issue

of prospectus or 3. If the application money received is not deposited in scheduled bank 4. Where a company does not issue a prospectus because it has made private arrangement for raising capital and if the company has not filed with the Registrar a statement in lieu of prospectus at least three days before the allotment of shares, the allotment becomes irregular. **Any 4**

<b>59. Investors</b>	<b>Speculators</b>
An Investor is interested in safety of his investment.	A Speculator is interested in appreciation of capital and earning profits quickly.
Seeks income from his investment.	Seeks profit from sale and purchase of securities.
Makes payment and takes delivery of the securities on purchasing Receives payment and delivers the securities on sales.	He neither delivers nor takes delivery of the securities on sale or purchase
Retains holding for longer period i.e commitment is for a long term	Tries to sell the securities quickly i.e his commitment is for a short period
Risk is low	Risk is high.
Stable income.	Earning of profit is uncertain
His income depends on the earnings of the enterprise	The profit earned by him depends on the fluctuation /change in the market price of securities.

**60. State the meaning of super market and explain its features**

Super market refers to a type of large scale retailing. The articles of daily use are sold in different department with the help of sale persons. They are usually located in cities and big towns. M.M.Zimmerman defined super market as “ A departmentalized retail establishment having four basic departments i.e., self-service grocery, meat and dairy products, plus other house hold departments, and doing a maximum business. It may lease departments on a concession basis”.  
 Features 1. It is a form of large scale retailing. 2. There is a wide variety of goods made available. 3. The system of self-service is used. 4. There is no need for sales men in self services section. 5. The layout is in the form of different departments. 6. Sales are on cash basis. 7. Goods are sold after cleaning and packing. 8. No adulteration is practiced. 9. Correct weightments are used, so that

consumers are not cheated by short weighing. 10. Scarce commodities are also supplied.

<b>61. Public sectors</b>	<b>Private sectors</b>
Service motive	Profit motive
Unlimited resources	Limited resources
Checks concentration of economic power	heads to concentration of Economic power
Develops those sectors which are neglected by the private sector	Develop those industries in which risk is less and returns is more
Deserves nation wealth	Exploitation of natural resources
Brings balanced growth in backward area	Do not establish industries in backward area
Consumer welfare is protected	Consumers are exploited
Model employer	Exploitation of employees

**62. Directors appointed in a Public Limited Company: 1.**

**Appointment of Directors:** First directors are usually named in the Articles. If the Articles are silent, the signatories to the memorandum shall be deemed to be the first directors of the company. **2.Appointment of directors by the company:** Subsequent directors are elected by shareholders at the Annual General Meetings.If a company adopts the principle of retirement by rotation, one-third of the directors must retire by rotation. The retiring directors are eligible for reappointment. **3.Appointment by Board of directors:** The Board can appoint additional directors. They can fill up casual vacancy caused by death, resignation, etc. They can also appoint alternate director. **4. Appointment by third parties** If authorized by the Articles, third parties such as vendor of the business, banking or financial institutions which have advanced loans to the companies, can appoint their nominees on the Board. **5. Appointment by central government:** The Central Government can also appoint directors on an order passed by the Company Law Board or on the application of not less than 100 members of the company or of members holding 10% of the total voting power.

**63.Annual General Meeting:** Every company is required to hold an annual general meeting in addition to any other meetings. The first annual general meeting must be held within a period of 18 months from the date of its incorporation. Subsequently the interval between two annual general meetings must not be more than 15 months.

The ordinary business at this meeting are: i. Consideration and adoption of the annual accounts and the reports of the directors and auditors ii. **Declaration of dividend** iii. Appointment of directors in place of those retiring iv. Appointment of auditors and fixing remuneration to them Special business All other businesses transacted at this meeting are called special businesses. Examples of special business: Removal of a director, issue of rights or bonus shares, election of a person other than a retiring person as a director, etc Consequences of Default If a company fails to hold an annual general meeting, the company and every officer who is in default shall be punishable with a fine upto Rs.50000 and in the case of

continuing default, with a further fine of Rs.2500 per day during which the default continues. Importance of Annual General Meeting The shareholders get an opportunity to review the performance of the company to discuss the affairs of the company and to take steps necessary for protecting their interests.

**Part D Answer All 4x20=80**  
**64.(a)**

**64.(b)OBJECTIVES OF STATE ENTERPRISES any 10**

**i. Helping all-round Industrialisation** Private entrepreneurs will invest only in those industries where profit earning chances are more. They will not invest in an undertaking where profits are low irrespective of its utility for people. State enterprises are necessary for those lines where private sector is hesitant to invest. It helps in all-round industrialization of the country. **ii. Developing Basic Industries** Certain basic industries like iron and steel, chemicals are the most essential for economic growth. They must be developed only as state managed units. **iii.**

**Establishing Enterprises Requiring Heavy Investment**

Some undertakings need heavy investment and the gestation period may also be longer. Private industrialists cannot afford to make such huge investments. In case of railways, ship-building, energy producing concerns, etc very huge investments is required which is beyond the means of private investors. Hence, government enters these fields and establish its own undertakings. **iv. To Provide Necessities** Government undertakes to provide various necessities like electricity, water, coal, gas, transport, communication facilities to the people. The aim is to provide these basic facilities at cheap rates. Private sector cannot be relied upon to provide these services. Moreover, there are chances of public exploitation in these services. So public utilities are provided by government undertakings. **v. To run Monopoly Sectors** Some industries are to be developed only in public sector. The industries like defence, nuclear energy etc. cannot be left in the private sector. If defence industries are owned by private individuals / firm, in times of national emergency, they may not co-operate with the state. There is also the danger of defence secrets being given out to the enemy. So for the security of the country, defence Industries are always owned and managed by the state. **vi. For Balanced Economic Growth** The aim of industrialisation is to develop all industries, essential for the country. Also, various regions of the country should be equally developed. Private sector may not establish industries in certain regions, where they do not find opportunities to earn more profit. They cannot be compelled to start their undertakings in backward regions. So government can start industries in backward areas. **vii. For Exploitation of Natural Resources** Private sector will not like to risk capital in exploitation of natural resources. Oil and natural Gas commission in India spends huge amount for finding out new sources of oil and gas. A private sector unit cannot spend such amounts on exploratory stages. **viii. Preventing Concentration of Economic Power** If private sector is given a free hand, industrialization will lead to exploitation of consumers. It will ultimately lead to concentration of economic power in fewer hands. The existence of state/public sector will be a check on private sector. **ix. Making for full Employment** Fullest employment is possible only under socialised production. No country has solved its 'unemployment problem' where the private sector is in full swing. The State, by proper centralised planning of industrial development, can aim at not only full employment of labour

but also employment of all other available resources. **x. To increase Government Resources** Some of the state enterprises are run on commercial lines. The profit earned by such enterprises goes to the exchequer. Thus, it augments the resources of the Government which is ultimately directed for the development of the economic schemes of national importance and spent on social welfare schemes like education, medical help, housing, road building, etc., The welfare schemes will improve the economic conditions of all the people, especially the poor people. **xi. For Establishing Socialistic Pattern of Society** Under socialistic pattern of society, the gap between rich and the poor is reduced and the means of production are controlled by the State. In capitalistic society the poor becomes poorer and the rich becomes richer. The establishment of a strong public sector is essential for the equal distribution of wealth.

**65.(a) Role of Sole Proprietorship in the Society:**

**(1) Consumers are the kings:** They decide the success of a business. Their needs, desires, expectations are to be satisfied by the businessmen. Sole proprietorship occupies a pivotal role in satisfying the multifarious needs of consumers regarding goods and services. **(2) Promotes welfare :** The sole trader who supply these goods are respected by the society.

II. Sole proprietorship's social necessity arises due to the following ways: **(1) Solution to unemployment problem:** sole trader business organization gives large employment opportunities to the less educated and uneducated persons and helps to reduce the unemployment problem in the society. **(2) Provides Investment Avenues:** sole trader organization provides a change for small investors who has small amount of capital to utilise their savings in the productive line. **(3) Provision of goods at low price :** Goods are sold by sole traders at a price lesser than the maximum retail price (MRP) mentioned on the packages of the goods. **(4) Helps small producers:** Most of the goods sold by sole traders are procured locally from local producers. Thus small local producers are benefits by the sole traders. **(5) Supply of Quality Goods:** Sole traders sell goods of high quality nowadays to maintain their reputation. **(6) Equal Distribution of Income and Wealth:** Equal distribution of income and wealth is ensured as there are more entry of sole proprietors in trading activities. **(7) Helpful to consumers :** The sole traders supply the goods to the consumers at their door steps. So the time and energy of the consumers are saved.

**65b). MERITS any 5**

- 1. Easy formation** It is easy and less costly to form a co-operative society. Procedure for registration is very simple.
- 2. Unlimited membership** There is no restriction in respect of maximum number of members. Every person is at liberty either to enter or to leave the organisation as and when he likes.
- 3. Democratic management** Management of a co-operative society is fully democratic. Every member has an equal vote irrespective of his capital contribution. The principle of 'one man one vote' is followed. There will be no domination by any group of persons.
- 4. Limited liability** The liability of the members of the society is restricted to the extent of their share capital. So the private properties of the members cannot be touched in discharging the liabilities of the firm.
- 5. Stability** After registration, a co-operative society becomes a separate legal entity. The death, lunacy, or insolvency of a

member does not affect its existence. It enjoys continuity of operations.

**6. Economy in management** Generally, the members themselves manage a co-operative society. The members of the managing committee offer honorary services to the society. The publicity expenses are minimised.

**7. Cheaper service** It offers better service at cheaper costs. Service is the primary objective, while profit is secondary.

**8. Tax concession** Income tax is not levied on the income of the co-operative enterprises. It is exempted from payment of income tax, stamp duty, registration fee etc.,

**9. Social benefit** Co-operatives are non-competitive organizations. They promote personal liberty, social justice and mutual co-operation.

**10. Saving habit** It promotes saving habit, self-help and other moral values in the society.

**11. State patronage** The objective of the government is to uplift the socially and economically backward groups. To achieve this objective, liberal financial assistance is arranged to the weaker sections. The patronage of the state is a boon to the co-operatives.

**12. Eliminating middlemen** There are a number of traders between the producer and the consumer. Each one in the chain makes profit. A co-operative society reduces the difference between the producer's price and the consumer's price.

**13. Fall in prices** The essential goods are supplied to the members at cheaper rates. Due to its impact, the price level in the market will come down.

**14. Employment** Trade and industry have flourished in the co-operative sector with the aid of the state. They create employment avenues in the market. For example, the government has established several sugar and spinning mills and provided jobs to the people.

**15. Government help** Co-operatives are fully nurtured with the Government patronage from the time of its inception. In India co-operatives are actively sponsored and supported by the state.

**DEMERITS**

**any 5**

**1. Inefficient management** Members of a co-operative society do not generally possess the ability and experience to manage the business efficiently. They do not take proper interest in the management. It cannot afford to employ persons with necessary ability, knowledge and experience.

**2. Limited capital** A co-operative society is formed usually by people with limited means. The principle of 'one man one vote' discourages the members to invest large amount. Therefore co-operative society often faces shortage of funds. It is not able to mobilise adequate capital for large scale operation.

**3. Lack of motivation** Absence of profit motive and minimum 9% rate of dividend suppress the zeal and responsibility on the part of the management. The employees also do not have interest to work hard as they get low salaries.

**4. Lack of co-**

**operation** Sometimes the members may not have unity among themselves. It might affect the business of co-operatives.

**5. Domination of vested members** Some members try to command society by virtue of their managerial interest and political power. They exploit the society as their own property.

**6. Non-transferability of interest** The shares of a co-operative society are not transferable. A member who wants to quit the society has to surrender his shares to the society to get his money back.

**7. Lack of secrecy** The business affairs of a co-operative society are openly discussed in the meetings. Every member is free to inspect the books and records of the society. Therefore, it becomes difficult to keep the secrets of business.

**8. Excessive government control** The day to day working of a co-operative society is bound by legal rules and regulations. Reports have to be submitted to the Registrar of co-operative societies. Time-consuming formalities restrict flexibility and initiative.

**9. No credit facility** Since credit facilities are not usually offered to members, they may not be interested in buying goods for cash.

**10. Political rivalries** Directors or members of the executive committee are not generally elected on the basis of their skill knowledge, experience and honesty. But they are elected on the basis of caste, political connections and groups. They are mainly responsible for the failure of many co-operative societies.

## **66a. Explain the rights and duties of partners**

### **1 Rights of Partners**

- 1) Every partner has a right to take part in the conduct and management of the business.
- 2) Every partner has a right to express opinion on any matter related to the firm.
- 3) Every partner has a right to be consulted before taking important decisions.
- 4) Every partner has a right to inspect and take copy of books of account and records of the firm.
- 5) Every partner has the right to an equal share in the profits of the firm unless otherwise agreed by the partners.
- 6) Every partner has the right to receive interest on loans and advances at the rate of 6% per annum.
- 7) Every partner has the right to be indemnified for the expenses incurred and losses sustained by him in the ordinary conduct of the firm's business.
- 8) Every partner has an equal right to use the assets of the firm for its business.
- 9) No new partner can be admitted into partnership without the consent of other partners.
- 10) Every partner has a right to retire from the firm.

### **Duties of Partners**

The duties of partners can be classified into

1. Absolute duties and
2. Qualified duties.

#### **1. Absolute Duties**

Absolute duties are fixed by law which cannot be violated by partners agreement. These duties are applicable to all partnership.

1. Every partner must act diligently and honestly in the discharge of his duties to

the maximum advantage of all partners. 2. Every partner must act in a loyal and faithful manner towards each other. 3. Every partner must act within the scope of the authority entrusted to him. 4. Every partner is bound to share the losses of the firm equally unless otherwise agreed. 5. Every partner must indemnify the firm against loss sustained due to his willful negligence in the ordinary course of business. 6. No partner can transfer or assign his interest in the firm to others without the consent of other partners. 7. Every partner must maintain and render true and correct accounts relating to the firm's business.

8. No partner can engage himself in a business which is likely to compete with the business of the firm. 9. Every partner should use the firm's property only for the firm's business and interest. 10. No partner can make any secret profit by way of commission on purchases or sales effected on behalf of the firm.

### **66b. Explain the objectives, features, functions and powers of SEBI**

**I. SEBI** The SEBI was set up as an administrative body in April 1988. It was given statutory status on 30.1.92 by promulgation of SEBI ordinance. The ordinance is considered to be an Act of parliament.

**II. Objectives:** 1. The basic purpose of establishing SEBI is to protect the interest of the investors in securities. 2. To promote, develop and regulate the securities market and deal with the matters connected therewith or incidental thereto.

**III. Features of SEBI** 1) The SEBI shall be a body corporate established under SEBI ACT, with perpetual succession and a common seal. 2) The head office of the board shall be at Mumbai. SEBI can have branch offices at other places in India. 3) The board shall consist of the following members. (i) A chairman (ii) Two members from amongst the officials of the Ministries of the Central Government dealing with finance and law. (iii) One member from amongst the officials of the Reserve Bank of India. (iv) Two other members Chairman and other members of the Board are appointed by the central Government. 4) The general superintendence, direction and management of the SEBI shall vest in the Board of members. Those members exercise all powers and do all acts and things which may be exercised by the Board (SEBI) 5) Central Government shall have the power to remove a member or the chairman appointed to the Board 6) Central government shall provide finance and also make appropriate grants to the Board. 7) Central government has power to issue direction to the board on the policy matters and shall supersede the board in the event of default by the Board. **IV. Functions** To provide the development of, and to regulate the securities market SEBI undertakes the following function a. Regulating the business in stock exchanges. b. Registering and regulating the working of stock brokers, sub-brokers, issue

bankers, underwriters and such other intermediaries who may be associated with securities markets in any manner. c. Registering and regulating the working of collective investment schemes including mutual funds. d. Promoting and regulating self-regulatory organisations. e. Prohibiting fraudulent and unfair trade practice relating to securities market. f. Promoting investor's education and training of intermediaries of securities market. g. Prohibiting insider trading in securities. h. Regulating substantial acquisition of shares and take-over of companies i. Calling for information from, undertaking inspection, conducting inquiries and audits of the stock exchanges Performing such functions as may be delegated to it by the central government.

### **67.a Write explanatory notes on a) Annual General Meeting**

Every company is required to hold an annual general meeting in addition to any other meetings. The first annual general meeting must be held within a period of 18 months from the date of its incorporation. Subsequently the interval between two annual general meetings must not be more than 15 months.

The ordinary business at this meeting are: i. Consideration and adoption of the annual accounts and the reports of the directors and auditors ii. Declaration of dividend iii. Appointment of directors in place of those retiring iv. Appointment of auditors and fixing remuneration to them **Special business** All other businesses transacted at this meeting are called special businesses. Examples of special business: Removal of a director, issue of rights or bonus shares, election of a person other than a retiring person as a director, etc **Consequences of Default** If a company fails to hold an annual general meeting, the company and every officer who is in default shall be punishable with a fine upto Rs.50000 and in the case of continuing default, with a further fine of Rs.2500 per day during which the default continues. **Importance of Annual General Meeting** The shareholders get an opportunity to review the performance of the company to discuss the affairs of the company and to take steps necessary for protecting their interests.

**b) Board Meeting:** Meetings of directors are called Board meetings. They are very important because all important matters relating to the company and its policies are decided thereat. **Provisions regarding Board meetings:** The Board meeting must be held at least once in every three-calendar months. At least four such meetings should be held in every year. The notice of every

Board meeting must be given in writing to every director who is present in India at his usual address. The quorum for the Board meeting shall be one third of the total strength of the Board (any fraction being rounded off as one) or two directors whichever is higher. The Board is entitled to exercise all such powers and to do all such acts as the company is authorised to do. However the Companies Act imposes certain restrictions on the powers of the Board.

**c) Extraordinary General Meeting:** Extraordinary General Meeting Meaning: Any meeting other than the statutory meeting and the annual general meeting of the company is called extraordinary general meeting. It is convened for transacting any urgent or special business which cannot be postponed till the next annual general meeting. An extraordinary general meeting may be convened by the Board of directors on its own, or on the requisition of the members subject to certain conditions. Extraordinary General Meeting convened by the requisitionists: If the Board of directors fails to call the meeting within 21 days and the meeting is not held within 45 days of requisition, the requisitionists themselves may call the meeting within three months of the date of requisition. Extraordinary General Meeting by Company Law Board: If it is not possible for the members to convene an extraordinary meeting, the Company Law Board either on its own motion or on the application of any director or member may call such a meeting.

67b. Shares	Debentures
Shares represent a part of the share capital of the company	Debentures constitute loan to the company. Debenture holder is only a creditor of the company
Dividend is paid to the company only when there are adequate profits.	Interest is payable at stated intervals regardless of profit or loss. Directors have no discretion in the matter.
While a fixed rate is paid on preference shares, the rate of dividend paid to equity shareholders changes with the level of profits	A fixed rate of interest is payable
Dividend is payable only when it is recommended by the Board and approved by	The question of getting approval for payment of interest does not arise

the general meeting of the shareholders.	
Dividend paid is an appropriation of profit.	Interest paid is a charge on the profit
The liability of a shareholder is limited to the unpaid amount of the shares	There is no such liability
Shares can be issued at a discount only under certain conditions specific in the Companies Act.	There is no such restriction on the issue of debentures at a discount.
Shares have no charge on the assets of the company.	Debentures are generally secured
Shares are non-repayable during the life time of the company except in the case of redeemable preference shares	Debentures are redeemable either at a fixed date or at the option of the company during the lifetime itself.
Shareholders being members of the company are entitled to participate in the company meeting and to vote. They also enjoy other privileges of membership	Debenture holders being only creditors of the company are not entitled to attend such meeting except Debentureholders' meeting.
At the time of winding up, share capital will be returned only after claims of all the outsiders including debenture holders are fully met.	Debenture holders have a prior claim over the shareholders even if they are unsecured.