

Assignment

Name : Sher Muhammad Khan

ID # 16402

Program: BBA/MBA

Assignment (Spring-2020)

Course Title: Corporate Law

Instructor: Salman Ibrahim Sb

Mid Term Paper

Attempt any three questions total marks 30 question number 1 is compulsory:

Q1. Explain the following:

- A. Article
- B. AoA
- C. MoA

A. Article

An **article** is a word used to modify a noun, which is a person, place, object, or idea. Technically, an **article** is an adjective, which is any word that modifies a noun. Usually adjectives modify nouns through description, but **articles** are used instead to point out or refer to nouns.

B. AoA

The Articles of Association or **AOA** are the legal document that along with the memorandum of association serves as the constitution of the company. ... The articles of association are the contracts between the shareholders and the organization and among the shareholder themselves.

C. MoA

A Minute of Angle (**MOA**) is an angular measurement. A **MOA** is 1/60th of a degree. 1 **MOA** spreads about 1" per 100 yards. (actually 1.047") 1 **MOA** is a different size at different distances, 8" at 800 yards is still just 1 **MOA**.

Q2. Differentiate between agreement and contract. Also throw light on team of management and how it is constituted?

Differentiate between agreement and contract

The terms "agreement" and "contract" are used interchangeably, but legally speaking, they are two different things. An agreement is simply an understanding or arrangement between two or more parties. A contract is a *specific* agreement with terms and conditions that are enforceable court.

Moreover **all contracts are an agreement, but all agreements are not contracts**" which implies that agreement is different from a contract. Without knowing the fact, we enter into hundreds of agreement daily, which may or may not bound us legally. Those which bind us legally are known as a **contract**, while the rest are **agreement**.

throw light on team of management

Management teams are part of an organization's formal leadership structure. **Management teams** usually share the following characteristics: The **team's** primary purpose is to make decisions that guide organizational operations. All **team** members hold leadership positions in the organization.

Constitutes an agreement

An agreement is usually an informal arrangement, often unwritten, between two or more parties. The parties simply consent to do or refrain from doing something. Nothing requires the parties to adhere to the terms of the agreement aside from the honor system.

An agreement can't be enforced in court through litigation because it lacks the elements of a contract. It has absolutely no legal force, though it's often the beginning of a contract negotiation.

Constitutes a contract

A contract is a legally enforceable agreement between two or more parties. It may be oral or written. A contract is essentially a set of promises. Typically, each party promises to do something for the other in exchange for a benefit.

Q4: What is SECP and what is its function?

SECP

The **Securities & Exchange Commission of Pakistan (SECP)** is the **financial regulatory agency** in Pakistan whose objective is to develop a modern and efficient **corporate** sector and a **capital market** based on sound authority principles, in order to encourage investment and foster **economic growth** and prosperity in Pakistan.

Functions of SECP

The Securities and Exchange Commission of Pakistan (SECP) in regard to its functions and to exercise its powers effectively and efficiently has reorganized itself into five Divisions and five Departments apart from the Appellate Bench and Chairman and Commission Secretariat.

The Divisions are: Company Law Division (CLD); Securities Market Division (SMD); Specialized Companies Division (SCD); Insurance Division (ID); and Strategy, Development, Legislation and External Relations (SDLER) Division. The Departments include: Information Systems and Technology Department; Finance Department; Human Resource and Training Department; Administration Department; and Internal Audit Department.

The objective is to streamline the workflow process, proper utilization of the work force and to ensure effective regulation of the capital market and corporate sector and to facilitate and protect investors' interests.

The work of each Division has further been divided into Departments and Wings in order to

handle the specific and specialized nature of assignments by the teams of professionals having knowledge of the specific areas and experience in the relevant fields. SMD has been divided into two departments, i.e., Market Supervision and Capital Issues Department, and Policy, Regulation and Development Department. While the former will oversee broker registration, capital issues, compliance, market surveillance, litigation and inspection functions, the latter will focus on policy and regulation matters pertaining to stock and commodity exchanges. Separate wings have been created in each department to focus on specific areas of significance like development of debt market and commodities markets. The SCD and ID shall have two departments each – Policy, Regulation and Development Department and Supervision Department. The supervision department in both the divisions has been entrusted with inspection, surveillance and enforcement functions. SDLER Division will serve as a think tank for the SECP. The Legislation and General Counsel work has been centralized under the Legislation and General Counsel Department of SDLER. The department will look after all legislative matters and advisory services pertaining to the SECP. At the same time litigation and routine advisory work has been assigned to the respective Divisions and Departments which should reduce their turnaround time and facilitate markets. Development of long term strategic plans for the SECP for different sectors under SECP's purview and their implementation by operational departments, maintaining liaison with government, international and multilateral agencies, etc. will be overseen by the Strategy, Development and External Relations Department of SDLER. The Division will be supervised directly by the Chairman.

SEC's main functions include; regulation of securities market and related institutions like Central Depository Company (**CDC**), Credit Rating Companies and Moradabad (funds operating on the basis of Islamic economic principles); •Administration of the company law; regulation of non-banking finance companies like leasing companies, investment banks and mutual funds and regulation of insurance business. One of the important functions of the **SEC** is incorporation/registration of companies. This task has been entrusted to the Registration Department, Company Law Division which has its field offices known as Company Registration Offices (**CROs**) for the purpose of incorporation / registration of different type of companies.

Location

The SECP's head office is located in the NIC Building on Jinnah Avenue in the [Blue Area](#) of [Islamabad](#), Pakistan's federal capital. It also has regional offices called company registration offices (CROs) in [Islamabad](#), [Karachi](#), [Lahore](#), [Multan](#), [Peshawar](#), [Sukkur](#), [Faisalabad](#), [Quetta](#) and [Gilgit-Baltistan](#).