

Corporate Laws
ICWAI Group III

Objective Type Questions and Answers

Company Basic Concepts

1. The term company is defined under which sec of the Act? a) Sec 3 (1) b) Sec 4 (2) c) Sec 2 (4) d) Sec 1 (3)
2. Property of the company belongs to a) Company b) Share holders c) Members d) Promoters
3. Which company shares can be freely transferable a) Private Company b) Public Company c) Both (a) & (b) d) None of the above
4. Minimum number of members in case of public company a) 1 b) 2 c) 5 d) 7
5. Minimum number of members in case of private company is a) 1 b) 2 c) 3 d)
6. Maximum no. of members in case of private company is a) 50 b) 100 c) 150 d) 200
7. Maximum no. of members in case of public company is a) 10 b) unlimited c) 50 d) 100
8. How many months did the company can continue its business u/s 45 _____ a) 1 b) 2 c) 5 d) 6
9. Minimum subscription should be received with in _____ days a) 120 b) 125 c) 130 d) 135
10. If minimum subscription is not received application money should be refunded with in _____ days a) 20 b) 25 c) 30 d) 10
11. Liability of a member in case of a private company is a) Limited b) Unlimited c) Both (a) or (b) d) None of the above
12. Maximum no. of persons in case of partnership banking business _____ a) 10 b) 20 c) 30 d) 5
13. Minimum paid up share capital in case of a private company is _____ a) 1 Lakh b) 2 Lakhs c) 3 Lakhs d) 4 Lakhs
14. Minimum paid up share capital in case of a public company is _____ a) 1 Lakh b) 3 Lakhs c) 5 Lakhs d) 7 Lakhs
15. Minimum no. of Directors in case of a public company is _____ a) 1 b) 2 c) 3 d) 4
16. Minimum no. of Directors in case of private company is _____ a) 1 b) 2 c) 3 d) 4
17. Age limit of Directors in case of public company is _____ a) 65 b) 70 c) 75 d) 80
18. Age limit of Directors in case of private company is _____ a) 65 b) 70 c) 75 d) No limit
19. The company's nationality is decided by its a) Shareholders b) Registered office c) Place at books of accounts are kept d) None of the above
20. The liability of members if company is limited by guarantee. a) Unpaid value of shares b) Guarantee amount c) Unlimited liability d) None of the above
21. The liability of members if company is limited by shares a) Unpaid value of shares b) Guarantee amount c) Unlimited liability d) None of the above
22. XYZ Company conducted an AGM on 1st Sept. 2007. On that day due to fire accident in the hall. All shareholders died. Will the company will be in existence. a) Yes b) No
23. Company's owners are shareholders. So the company property belongs to the share holders. Do you agree with this statement? a) Yes b) No
24. Company will have fundamental rights. a) True b) False
25. XYZ Company shares are totally held by government. The company will be government. a) True b) False
26. If the company failed to refund application money with in 130 days from the date of issue of prospectus on nonreceipt of minimum subscription who will be personally liable. a) Company b) Directors c) Shareholders d) None of these
27. Transfer of shares in the company is a) Restricted b) Freely transferable c) Prohibited d) None of these
28. Transfer of shares in the partnership firm is a) Restricted b) Freely transferable c) Prohibited d) None of these
29. Generally Company liability is a) Limited b) Unlimited c) Situation does not arise
30. Generally partnership firm liability is a) Limited b) Unlimited c) Situation does not arise
31. Can the partners enter into the contract with the firm? a) Yes b) No
32. Partners are of the firm a) Owners b) Employers c) Agents d) None of these
33. XYZ private company had reduced to a single member and continued business more than 6 months. The company's liability will be. a) Limited b) Unlimited c) None of the above.
34. In the case of partnership firm. Audit is a) Compulsory b) Optional c) None of the above.
35. In the case of Company. Audit is a) Compulsory b) Optional c) None of the above
36. X Company is holding majority of shares in Y company. Will X and Y companies will be the same. a) Yes b) No
37. X, is a director of X Company and X is also a director of Y Company this means X Co. and Y Co. both are same a) True b) False
38. Members of a company can enter contract with the company a) True b) False
39. Generally rights and obligations of the company are regulated in a) A.O.A b) M.O.A c) Partnership deed. d) None of these
40. Generally rights and obligations of the Partnership firm are regulated in a) A.O.A b) M.O.A c) Partnership deed. d) None of these
41. X is a director who has experience of 20 years on this basis X co. and taken him as a director. Can the X Co. say that the director X experience is company's experience a) Yes b) No c) Situation does not arise.

Classes of Companies

1. A company is named as govt. company if it holds _____ % of paid up share capital a) more than 30 b) more than 40 c) more than 50 d) None
2. Which companies are exempted to add "Ltd" or "Pvt Ltd" at the end of their name a) Private b) Govt c) Defunct d) Association not for profits
3. If the companies does not increase their paid up capital by 1/5 lakhs with in 2 years such companies are known as _____ a) Private b) Public c) Defunct d) Govt Company
4. Under which sec. a private company can voluntarily converted into public company _____ a) 34 b) 44 c) 54 d) 64
5. Under which sec. a private company can automatically converted into a public company _____ a) 34 b) 43 c) 53 d) 35
6. Central Government permission is required in case of _____ conversion _____ a) Private to public b) Public to private c) Both (a) or (b) d) None of the above
7. With in how many days prospectus or statement in lieu of prospectus should file with ROC _____ a) 30 b) 40 c) 20 d) 50
8. _____ % of shares should be held by a company in another company so as to become subsidiary
more than 50

- a) more than 50 b) more than 40 c) more than 30 d) more than 20
9. Liability under ~~Sec. 2~~ sec. may be imposed only if it is proved that the companies business has been carried on with a view to defraud the creditors
a) 540 b) 541 ~~c) 542~~ d) 543
10. In case of Non -Profit making Companies notice of general meeting should be given with in 14 days
a) 14 b) 15 c) 21 d) 22
11. In case of companies other than Non -Profit making Companies notice of G.M. should be given with in 21 days
a) 14 b) 15 ~~c) 21~~ d) 22
12. In case of Non -Profit making Companies books of accounts are required to be preserved for 4 years
a) 2 ~~b) 4~~ c) 6 d) 8
13. According to which sec. name of the company should end with "Ltd" or "Pvt Ltd" a) 10 b) 11 c) 12 ~~d) 13~~
14. The companies which are formed under special charter granted by the king or queen of England are called a) Statutory companies b) Registered companies ~~c) Chartered companies~~ d) None of these
15. The companies which are formed under special Act. Those companies are called as a) Chartered companies ~~b) Statutory companies~~ c) Registered companies d) None of these
16. The companies which are formed under companies Act. 1956. They will be called as a) Chartered companies b) Statutory companies ~~c) Registered companies~~ d) None of these
17. If the guarantee Co. having no share capital the liability of shareholders will be
a) To the extent of guarantee b) Unpaid value of shares c) Unlimited d) None of the above
18. If the guarantee Co. having share capital the liability of shareholders will be
a) Guarantee + unpaid value of shares b) Unpaid value of shares c) Unlimited d) None of the above
19. If a company which is formed with unlimited liability wants to convert to limited liability then it should pass
a) Ordinary resolution ~~b) Special resolution~~ c) No need
20. Maximum capital of private company is a) 50 Lakhs b) 1 Crore c) 1.5 Crore ~~d) Unlimited.~~
21. Transfer of shares in case of private company is a) Prohibited ~~b) Restricted~~ c) Freely transferable d) None of these
22. Maximum members in case of private company ~~a) 50~~ b) 100 c) 75 d) None of these
23. While calculating maximum limit in case of private company which of the following will not be included a) Employee + Member ~~b) Member + Employee~~ c) Member d) None of these
24. Managing director will be counted as _____ while calculating maximum limit in case of private company. ~~a) Member~~ b) Employee c) Shareholder d) None of these
25. Where the registrar strikes off the register the name of a company as a defunct one, the court has the power to order restoration of name with in: a) 5 years b) 7 years ~~c) 10 years~~ d) 20 years
26. In a private company 49 members are there who were first appointed as a member then joined as an employee 2 members holding 1 share and 15 debenture holders. Did the Company crossed maximum limit?
a) Yes ~~b) No~~
27. Can private company go for public issue? a) Yes ~~b) No.~~
28. Can private company accept deposits from the public? a) Yes ~~b) No~~
29. Accepting of deposits from public in case of private company is ~~a) Prohibited~~ b) Restricted c) Acceptable d) None of these
30. Invitation to public offering shares or debentures in case of private company ~~a) Prohibited~~ b) Restricted c) Acceptable d) None of these
31. Maximum paid up capital in case of public company. a) 50 Lakhs b) 100 Lakhs c) 125 Lakhs ~~d) None of these~~
32. Y Pvt. Co. is subsidiary of X Co. which is a public Company? Mention Y is a a) Private Co. ~~b) Public Co.~~ c) Government Co. d) None of these
33. Transfer of shares in the case of public company is a) Prohibited b) Restricted ~~c) Freely transferable~~ d) None of these
34. Public Company and Public Sector Company both the companies are same. a) True ~~b) False~~
35. XYZ Co. is having 10% share capital held by another Public Company and 35% held by Central Government and 55% held by people then that Company is a) ~~Government Company~~ b) Private Company ~~c) Public Company~~ d) None of these
36. XYZ Co. is having 15% share capital held by X Company and 50% held by Central Government and 10% held by State Government and 25% held by other people then that company will be ~~a) Government Company~~ b) Private Company c) Public Company d) None of these
37. XYZ Company is a Government Company and X Co. is a subsidiary of XYZ Co. Then X Co. will be a) Public Company b) Private Company ~~c) Government Company~~ d) None of these
38. Every Government Company may be a Public Company but every public company need not be Government Company. Do you agree with this statement a) Yes b) No
39. X Co. having control on Board of Directors of Y Co. Can we say that Y Co. is subsidiary of X Co. ~~a) Yes~~ b) No
40. Can sec. 25 Companies alter their objects clause a) Yes ~~b) No~~
41. Sec. 25 Companies should pay stamp duty for registering MOA and AOA. a) Yes ~~b) No~~
42. Can a partnership firm become a member of Sec. 25 companies ~~a) Yes~~ b) No
43. Every Company needs company secretary. So in the case of sec. 25 companies the same is the case. Do you agree with this statement? a) Agree ~~b) Disagree~~
44. Can a Company hold an AGM on public holiday? a) Yes ~~b) No~~ c) a) and b) are correct
45. Audit of a public company will be counted for the limit of audits ~~a) Yes~~ b) No
46. Audit of a private company will not be counted for the limit of audits a) Yes ~~b) No~~
47. Statutory meeting must be held in case of a public company. ~~a) Yes~~ b) No
48. Statutory meeting must be held in case of a private company a) Yes ~~b) No~~
49. Private company can allot shares without receiving minimum subscription? ~~a) Yes~~ b) No
50. Public company can allot shares without receiving minimum subscription? a) Yes ~~b) No~~
51. For every special resolution passed the form attached should be
a) Form no. 32 b) Form no. 18 ~~c) Form no. 23~~ d) None of these
52. NCLT came into force instead of company Law Board from: a) June 4 th ~~b) May 4 th~~ c) June 5 th d) None of these
53. In the process of conversion of a private company into a public company which prospectus must be issued a) Deemed prospectus b) Shelf prospectus ~~c) Statement in lieu of prospectus~~ d) None of the above
54. Company should file a prospectus in case of conversion of private company into a public company with in _____ from the date of resolution ~~a) 30 days~~ b) 45 days c) 60 days d) none of these

Incorporation of Companies

1. How many members should sign the MOA in case of public company _____ a) 1 b) 3 c) 5 ☒ d) 7
2. How many members should sign the MOA in case of private company _____ a) 1 ☒ b) 2 c) 3 d) 4
3. In case of appointment of Directors _____ form is to be filed ☒ a) 29 b) 32 c) 18 d) 1
4. _____ is the conclusive evidence in case of company that statutory requirements have complied with
☒ a) Certificate of Incorporation b) Certificate of commencement of Business c) Both d) None of the above
5. Private company can start its business immediately after the issue of a) Certificate of commencement of Business ☒
Certificate of Incorporation c) Both d) None of the above
6. Public company Should start business only after getting certificate of a) Incorporation ☒ b) Commencement of business c)
None of these
7. Private company can start business only after getting certificate of
☒ a) Incorporation b) Commencement of business c) None of these

Memorandum & Articles of Association

1. The doctrine of indoor management is an _____ to the doctrine of constructive notice
a) Exception ☒ b) Extension c) Alternative d) None of the above
2. The doctrine of _____ does not apply to acts void ab initio.
a) Ultra virus b) Intra virus c) constructive notice ☒ d) Indoor management
3. A company can change its name at its own discretion by passing _____
a) Ordinary resolution ☒ b) Special resolution c) Boards resolution d) None of the above
4. Any change in the address of the registered office must be communicated to the registrar with
in: a) 15 days b) 30 days ☒ c) 1 Month d) 12 months
5. An act ultra virus the directors can be rectified if it is not ultra vires
a) the articles b) the memorandum ☒ c) Company Act d) None of the above
6. The lending of funds ultra vires, the company has no rights
☒ a) under the company's Act b) contract Act c) under equity d) None of the above
7. If a new company get registered with a name which resembles the name of existing company
then it should apply to whom? ☒ a) NCLT b) SEBI c) ROC d) None of the above
8. Companies are now allotted a _____ in addition to their name a) PAN b) SIN c) PIN ☒ d) CIN
9. In how many days did the company have its registered office after incorporation a) 10 b) 20 ☒ c) 30 d) 40
10. Under which sec. if company fails to commence its main object the court may order winding up
a) 403 (f) b) 413 (f) c) 423 (f) ☒ d) 433 (f)
11. In case of forgeries acts done in the name of the company are a) Valid b) Void ☒ c) Void ab initio d) None of the above
12. Signature of memorandum and articles should be done by _____ number of persons in case
of public company. ☒ a) 7 b) 5 c) 4 d) None of these
13. Signature of memorandum and articles should be done by _____ number of persons in case of private company
a) 3 b) 4 ☒ c) 2 d) None of these
14. Can a company sign on behalf of a person in memorandum and articles ☒ a) Yes b) No
15. Can a Minor be a subscriber a) Yes ☒ b) No
16. Can Foreigners be subscribers ☒ a) Yes b) No
17. MOA should be in form _____ in case of company limited by shares
a) Table A ☒ b) Table B c) Table C d) Table D
18. MOA should be in form _____ in case of company limited by guarantee not having share capital
a) Table A b) Table B ☒ c) Table C d) Table D
19. MOA should be in form _____ in case of company limited by guarantee and having share capital
a) Table A b) Table B c) Table C ☒ d) Table D
20. MOA should be in form _____ in case of a unlimited liability
a) Table A b) Table B ☒ c) Table E d) None of these
21. In the MOA there are 6 classes. We can alter all clauses except one clause. What is that clause?
a) Objects clause b) Name clause ☒ c) Association clause d) None of these
22. If any body wants to file a case against the company they should file at what place _____
a) Company ☒ b) Registered Office c) BOD d) Books of accounts
23. A company must have a registered office from the day on which it commences business or 30th day after its
incorporation _____ which ever is earlier
24. Address of the registered office is situated in a) MOA ☒ b) AOA c) Prospectus d) None of these
25. Which of the following need not have MOA a) Public company b) Private company c) Government company ☒ d)
Statutory Corporation.
26. A company can change its name by passing a) Ordinary resolution b) Special resolution c) Either by special resolution
or by ordinary resolution ☒ d) None of the above
27. For changing name of a company Central Govt. permission must be taken ☒ a) Yes b) No
28. If the name of the company is identical with or similar to an existing company then which resolution should be passed to
change name ☒ a) Ordinary resolution b) Special Resolution
29. Alteration of articles must be done only by passing ☒ a) Special resolution b) Ordinary resolution
30. Ultra vires means ☒ a) Beyond the power b) within the power c) Both d) None of the above
31. Ultra vires loans granted by the company are ☒ a) Void b) Voidable c) Valid d) None of the above
32. _____ is the charter of a company. ☒ a) Memorandum b) Articles c) Both a) and b) d) None of the above
33. The granting of the certificate of incorporation renders the illegal objects include in the memorandum:
a) Legal ☒ b) Void c) Voidable d) None of the above
34. Change in objects clauses can be effected a) For any reason ☒ b) For special reason only c) to comply with C.G order d)
None of the above
35. The capital clause of a company can be changed with the permission of _____
a) Company law board b) Registrar ☒ c) Court d) None of the above

Promoters

1. _____ conceives the idea of the business ☒ a) Promoters b) Directors c) Auditors d) None of the above
2. _____ stands in the fiduciary position of the company a) Directors ☒ b) Promoters c) Auditors d) None of the above

3. _____ are the contracts entered into by promoters on behalf of a prospectus company. a) Provisional contracts b) Preincorporation contracts c) Preliminary contracts ☒ Both a) & b)
4. Contracts made after incorporation but before the grant of Certificate of commencement of Business _____.
a) Provisional contracts b) Preincorporation contracts ☒ Preliminary contracts d) Both (b) & (c)
5. Preincorporation contract is also known as _____. a) Provisional ☒ Preliminary c) illegal d) legal
6. A public company can borrow money _____. a) before incorporation b) Soon after incorporation
c) after issuing a proposal ☒ after obtaining certificate to commerce business.
7. A private company can borrow funds ☒ after incorporation b) after obtaining certificate to commerce business
c) after holding first annual general meeting None of the above

Prospectus

1. Private Company need not issue prospectus ☒ Yes b) No
2. Prospectus is required to be issued when right issue are made a) Yes ☒ No
3. Prospectus is not required to be issued when sweat equity shares are issued to directors and employees
☒ Yes b) No
4. Prospectus is required to be issued when issue is for Employees under Employee stock option scheme
☒ Yes b) No
5. When there is a untrue statement in a prospectus who can sue ☒ Subscribed in primary market b) Subscribed in secondary market c) Rights issue d) None of the above
6. Definition of prospectus was given under which sec. a) 2 (30) b) 2 (32) c) 2 (34) ☒ 2 (36)
7. Which of the following are not required to issue prospectus?
a) Private company b) Incase of right issue c) Sweat equity issue ☒ All the above
8. _____ are the prospectus issued instead of full prospectus
☒ Abridged b) Statement in lieu c) Shelf d) Red herring
9. Which one of the following has a right to claim compensation for any loss due to misstatement in prospectus ☒ Purchasing shares in Primary Market b) Secondary Market c) Subscribers to memo. d) All the above
10. _____ years of imprisonment will be imposed in case of issue of prospectus with untrue statements
a) 1 ☒ 2 c) 3 d) 4
11. _____ includes an engineer, valuator, accountant ☒ Expert b) Promoter c) Auditor d) Director
12. What is the liability of an expert for misstatement _____
☒ Fine – 50,000 b) Imprison – 2 years c) Both a) & b) d) None of the above
13. What is the liability not delivering that can be imposed for statement in lieu of prospectus _____
☒ Fine – 10,000 b) Imprisonment – 2 years c) Both (a) & (b) d) None of the above
14. _____ are the prospectus issued by the issuing house
☒ Deemed prospectus b) Shelf prospectus issued by the issuing house
c) Red herring d) None of the above
15. _____ prospectus were issued in case securities were issued in stages
a) Deemed ☒ Shelf c) Red herring d) None of the above
16. _____ are required to file prior to making second and subsequent issue of securities in case shelf prospectus are filed:
☒ Information memorandum b) Information articles c) Form 13 d) None of the above
17. Information memorandum + shelf prospectus together constitutes _____
a) Memorandum b) Articles ☒ Prospectus d) None of the above
18. Validity period of information memorandum is _____. ☒ 1 year b) 2 years c) 3 years d) 4 years
19. _____ prospectus were issued in order to test the market before finalizing issue size/ price.
a) Deemed b) Shelf ☒ Red herring d) None of the above
20. If there is any variation in case of R.H.P _____ days should be given for withdrawal of application a) 1 b) 3 c) 5 ☒ 7
21. In case of redherring prospectus the refund is made with an interest @ _____. a) 12 b) 13 ☒ 15 d) 16
22. When there is a untrue statement in the prospectus. The shareholder who subscribed in secondary market can sue the company a) Yes ☒ No
23. When there is any untrue statement in the prospectus. The shareholder who was A subscriber to the memorandum can sue the company a) Yes ☒ No
24. Because of Misrepresentation in prospectus an expert will be criminally liable. a) Yes ☒ No
25. What is punishment for directors, promoters and other persons for Misrepresentation in prospectus
a) 50,000 b) 2 years imprisonment ☒ Both of the above d) None
26. When a private company is converted into public company. In which form it should be a) Schedule III ☒ Schedule IV c) Schedule VI d) None of these

Allotment of Shares

1. The date of the opening of the subscription list means the beginning of the _____ from the day of the issue of prospectus. ☒ 5 th b) 3 rd c) 10 th d) 20 th
2. The minimum application money should be _____ of nominal value. ☒ 5% b) 3% c) 2% d) None of these
3. The minimum application money should be _____ of nominal value as per SEBI guidelines
☒ 25% b) 30% c) 40% d) None of these
4. Can shares be allotted immediately after the issue of prospectus a) Yes ☒ No c) None of the above
5. The min subscription amount is reckoned with amounts payable in _____
☒ cash only b) kind only c) cash as well as kind d) None of the above
6. All money received in the form of application money can be used for business activities a) Yes ☒ No
7. Allotment of shares or debentures must be made after getting _____ subscription against entire public issue as per SEBI guidelines. a) 80% ☒ 90% c) 100% d) None of these
8. If the refunds are delayed by more than 10 days after this period. The directors become liable to repay the money with how much interest as per SEBI Guidelines. a) 10% ☒ 15% c) 20% d) None of these
9. Every Company who want to go for public issue and allot shares, they should make an applicant to stock exchange
☒ Yes b) No
10. If the permission has not been granted or not applied for permission for listing through stock exchange. The allotment of shares will be void in case of public company ☒ Yes b) No

11. If the company has not received permission for listing from stock exchange and repayment of amount delayed by more than 8 days the minimum interest should be paid is ~~a) 4%~~ b) 3% c) 2% d) none of these
12. From the above how much will be maximum interest a) 10% b) 12% ~~c) 15%~~ d) None of these
13. After the expiry of how much time the company must think that the permission was not granted
a) 11 weeks b) 12 weeks ~~c) 10 weeks~~ d) None of these
14. As per SEBI guidelines the application money should be minimum of _____ a) 10 b) 15 c) 20 ~~d) 25~~
15. In case minimum subscription is not received and refund is delayed _____ % of interest to be paid by the company.
a) 5 ~~b) 6~~ c) 7 d) 8
16. As per SEBI application money should be refunded from the end of _____ day ~~a) 60~~ b) 70 c) 80 d) 90
17. An appeal is made to whom against stock exchange for refusing the permission of listing.
~~a) SAI~~ b) NCLT c) MAT d) ROC
18. If permission from S.E is not obtained amount should be refunded with in how many days: a) 2 b) 4 c) 6 ~~d) 8~~

Underwriting

1. A company cannot pay under writing commission unless it is authorized by its _____
~~a) Articles~~ b) Memorandum c) Both a) & b) d) None of the above
2. Every company must go for under writing a) Yes ~~b) No~~
3. Under writing commission payment shall be authorized by AOA ~~a) Yes~~ b) No
4. In case of shares under writing commission will be a) 2% b) 3% ~~c) 5%~~ d) None of these
5. In case of debentures underwriting commission will be a) 3% b) 4% ~~c) 2.5%~~ d) None of these
6. If company wants to place shares to brokers they should give a maximum of _____ as brokerage commission.
a) 3% b) 2% ~~c) 1.5%~~ d) None of these

Deposits

1. Any amount received from Central Government or State Government can be termed as deposit a) Yes b) No
2. Any amount received as a loan from banking company, SBI and nationalized banks including a cooperative Bank will be treated as deposit a) Yes b) No
3. Security deposit received from the employee will not be treated as deposit. a) Yes b) No
4. Amount received by a company from another company will not be treated as deposit. a) Yes b) No
5. Advance received against orders for the supply of goods or selling of properties will be treated as deposits. a) Yes b) No
6. Advance money received from any purchasing agent, selling agent in the ordinary course of the business will be treated as deposit. a) Yes b) No
7. XYZ Company accepted deposits on March 1st 2006 and at the time of acceptance the repayment will be as per the company is March 1st, 2011. Is the company and deposits are valid. a) Yes b) No
8. What is maximum period for which deposits can be issued? a) 36 months b) 24 months c) 12 months d) None of these
9. XYZ Company accepted deposits on March 1st 2007 and at the time of acceptance they said that the deposits will be repaid on Aug. 1st 2007. Is the company proposal and deposits are valid a) Yes b) No
10. What is minimum period for which deposits can be issued? a) 6 months b) 7 months c) 8 months d) None of these
11. A company can accept or renew deposits for a period less than 6 months if they do not exceed 10% of the aggregate of
a) Paid up Capital b) Free reserves c) Paid up capital and Free reserves d) None of the above
12. Can the company accept public deposits which are payable on demand. a) Yes b) No
13. Rate of brokerage for the deposits which have term up to 1 year a) 1% b) 1.5% c) 2% d) None of these
14. Rate of brokerage for the deposits which have term between 12 years a) 1.5% b) 2% c) 1% d) None of these
15. Rate of brokerage for the deposits which have term for more than two years a) 1.5% b) 2% c) 2.5% d) None of these
16. If the company failed to comply with the order of NCLT they will be punishable with fine and imprisonment up to
a) 2 years b) 3 years c) 4 Years d) None of these
17. Public deposit matures and claimed but remains unpaid, penal interest will be a) 17% b) 16% c) 18% d) None of these
18. Public deposit matures and claimed but remains unpaid, penal interest will be in case of small deposits
a) 16% b) 18% c) 20% d) None of these
19. Small deposits means a depositor who had deposits a sum not exceeding _____ in a financial year
a) 15,000 b) 20,000 c) 18,000 d) None of these
20. _____ includes any amount borrowed by a company. a) Deposits b) Funds c) Both a) & b) d) None of the above
21. What is the ceiling imposed by the government on company on any deposits a) 10 b) 25 c) 35 d) 5
22. Advertisement given for deposits is valid for _____ months a) 3 b) 6 c) 9 d) 12
23. Deposits should issued with in _____ weeks from the date of receipt of money. a) 2 b) 4 c) 6 d) 8
24. Register of deposits should be maintained for _____ years. a) 2 b) 4 c) 8 d) 16
25. Return of deposits is to be filed on or before _____ with ROC
a) 30 th day of June b) 30 th day of July c) 30 th day of January d) 30 th day of May
26. Failure to comply with the order of NCLT is punishable with an imprisonment upto _____ years. a) 1 b) 2 c) 3 d) 4
27. Deposit holder can file winding up petition under which sec. a) 433 (a) b) 433 (c) c) 433 (e) d) 433 (f)
28. _____ declares a company as a sick company. a) B.I.F.R b) M.R.T.P c) FERA d) None of the above
29. U/s 274 (f) (g) directors are disqualified for how many _____ years. a) 1 b) 3 c) 5 d) 7
30. In case of default with regards to deposits intimation to NCLT should be made with how many days.
a) 10 b) 20 c) 30 d) 40
31. A Notice inviting deposits from the public is _____ a) Deposit b) Fund c) Share d) None of the above

Membership

1. When the shares are transferred to X from Y. Y will be a _____ of the company
a) Member b) Shareholder c) Partner d) None of these
2. The person who is holding share warrant will be a _____ of the company.
a) Member b) Shareholder c) Partner d) None of these
3. Can an insolvent be a member of the company a) Yes b) No
4. Can an insolvent vote in the company a) Yes b) No
5. Can a partnership be a member of the company a) Yes b) No
6. In case of joint shareholders company will issue two share certificates a) Yes b) No
7. Which of the given below members are not shareholders a) Death of members b) Insolvent c) Share warrant holders d) All of the above

8. Which of the following is a right of the members of a company _____ a) Right to have share b) Right Appoint Auditor c) Right Appoint Director d) All the above
9. Which of the following is not a member of a company? a) Partnership firm b) Foreigner c) Government d) HUF
10. For quorum the Joint holders will be collectively counted as _____ members. a) 1 b) 2 c) 3 d) 4
11. In the event of appointing a proxy joint holders shall sign the proxy form
a) Singularly b) Jointly c) None of the above d) both (a) & (b)
12. A company can become a members of another company if it is so authorized by _____
a) MOA b) AOA c) Both (a) & (b) d) None of the above
13. Which of the following is not true _____
a) Every member is a contributory b) Every contributory is a member. c) Both (a) & (b) d) None of the above
14. For calculating number of members in a private company joint holders will be as _____ a) 1 b) 2 c) 3 d) 4

Share capital

1. A company must inform the registrar about redemption of preference shares with in
a) 21 days b) 15 days c) 30 days d) None of the above
2. Share premium amount is treated as the _____ capital of a company
a) issued b) Reserve c) Subscribe d) None of the above
3. A company can create 'reserve capital' by passing _____
a) an ordinary resolution b) a special resolution c) a board resolution d) None of the above
4. The capital which is part of the uncalled capital of the company which can be called up only in the event of its winding up it is called a) Issued capital b) Nominal capital c) Authorised Capital d) Reserve capital
5. XYZ Co. is a holding of XZ Pvt. Company. XZ Co. issued deferred shares. The issue is valid or void
a) Valid b) Void c) Situation does not arise
6. What is the maximum period for redemption in case of preference shares issued by the company.
a) 10 years b) 15 years c) 20 years d) None of these
7. Capital redemption reserve must be used for issue of
a) Fully paid bonus shares b) Fully paid equity shares c) Preference shares d) None of the above.
8. Part of the issued capital taken by public is called _____
a) Subscribed b) Called – up capital c) Un called capital d) Paid up capital
9. Part of authorized capital which is offered by the company for subscription.
a) subscribed b) Issued c) Un called d) called up
10. Stamp duty on registration of the company is payable based on _____ capital.
a) Nominal b) Authorized c) Both (a) & (b) d) None
11. Deferred shares are also known as _____ shares. a) Founders b) Equity c) Preference d) None
12. _____ Preference shares carry the right to cumulate the dividends.
a) Converted b) Cumulative c) Nonconverted d) None
13. Paying back of capital is called a) Redemption b) Conversion c) Participation d) None
14. Premium amount on the securities are transferred to _____ account
a) Securities premium b) Reserve fund c) Capital Reserve d) None
15. Maximum rate of discount that can be allowed on issue of shares a) 5% b) 10% c) 15% d) 20%
16. To issue the shares at discount company at least how many years should complete how many years ____ a) 1 b) 2 c) 3 d) 4
17. _____ are the shares issued by the company to its employees or directors for consideration other than cash
a) Bonus b) Sweat c) Right d) None of the above
18. Cumulative preference share holders have voting right if dividend are in arrears for years a) 1 b) 2 c) 3 d) 4
19. _____ form is to be find in case of variation rights of share holders a) 23 b) 19 c) 18 d) 20
20. _____ is an aggregate of fully paid share that have been legally consolidated.
a) Share b) Stock c) Both a) & b) d) None of the above
21. _____ have fixed denomination a) Share b) Stock c) Both a) & b) d) None of the above
22. _____ resolution should be passed by the company to offer shares to outsiders
a) Special resolution b) Ordinary resolution c) C.G d) None of the above
23. Company must pass _____ for reducing its share capital a) O.R b) S.R c) C.G permission d) None of the above
24. Court order the company to add _____ after reducing its share capital
a) And reduced b) Ltd c) Both a) or b) d) None of the above
25. For reducing its share capital it should give notice to whom?
a) Debtors b) Creditors c) Both a) & b) d) None of the above
26. Reduction & diminution is done under which sec.
a) 100 & 94 b) 94 & 100 c) 100 & 96 d) 96 & 100
27. Which of the following can be used for buy back of shares
a) Free reserves b) Securities premium c) Proceeds of fresh issue of shares d) All of the above
28. Buy back by board resolution can only be upto _____ a) 15 b) 10 c) 25 d) 20
29. Buy back should be less than or equal to _____ % of total paid up capital a) 25 b) 30 c) 35 d) 40
30. In case of buy back debt equity ratio should be _____ a) 1:2 b) 2:1 c) 3:1 d) 1:3
31. Every buy back shall be completed with in _____ month from the date of passing the S.R. a) 6 b) 8 c) 10 d) 12
32. _____ companies are permitted to buy back its shares a) Insolvent b) Solvent c) Both a) & b) d) None of the above
33. Buy back securities should be physically destroyed with in _____ days a) 7 b) 17 c) 21 d) 28
34. After buy back company can't issue the same kind of shares for _____ months a) 6 b) 12 c) 18 d) 24
35. With in 30 days of completion of buy back company shall file the details with whom _____
a) Registrar b) SEBI c) Both a) & b) d) None of the above
36. If buy back is made from free resources then what should be created _____
a) Debenture Redemption Reserve b) Capital Redemption Reserve c) Statutory liquid Ratio. d) None of the above
37. The premium amount that can be charged as per companies Act. a) 10% b) 15% c) 20% d) None of these
38. When shares are issued at premium permission of AOA and NCLT is required. a) Yes b) No
39. Balance in securities premium A/c should be utilized for declaring dividends. a) Yes b) No
40. In case of a company going for public issue premium can be declared by BOD. a) Yes b) No
41. The company can issue shares for a discount at their first issue. a) Yes b) No
42. The company can issue shares for a discount immediately after getting certificate of commencement of business.

a) Yes b) No

43. A Company can issue sweat equity shares as soon as it started business. a) Yes b) No

44. A company to issue sweat equity shares must pass a.

a) Special resolution b) Ordinary resolution c) Unanimous resolution d) None of these

45. The notice offering right shares must allow the members _____ to exercise their option to accept, reject or renounce it

a) 10 days b) 14 days c) 15 days d) 20 days

Share Certificate & Warrant

1. The company must deliver share certificate within _____ if the shares allotted by company.

a) 2 months b) 3 months c) 4 months d) none of these

2. The company must deliver share certificate within _____ if the shares applied for transfer.

a) 3 months b) 2 months c) 5 months d) none of these

3. Share warrants can be issued with the prior approval of the _____

a) Company law board b) Dept of company affairs c) Registrar d) None

4. Is the holder of share warrant is eligible for voting? a) Yes b) No

5. To issue a share certificate Central Government permission is necessary? a) Yes b) No

6. To issue a share warrant Central Government permission is necessary? a) Yes b) No

7. Private company can issue share warrant? a) Yes b) No

8. Share certificate can be issued for partly paid up shares. a) Yes b) No

9. Shares warrant should be issued when shares are fully paid up a) Yes b) No

10. Share warrant can be transferred by delivery. a) Yes b) No

11. Share certificate can't be transferred by delivery. a) Yes b) No

12. Share warrant does not contain any name on face of it. a) True b) False

13. Stamp duty to be paid at the time of issue of share certificate is. a) Nominal b) High c) Very high d) None of these

14. Stamp duty to be paid at the time of issue of share warrant. a) Nominal b) High c) Very high d) None of these

15. Voting Rights are available to share certificate holders. a) Yes b) No

16. _____ specifies the time limit with in which share certificate is to be delivered

a) sec 110 b) sec 111 c) sec 112 d) sec 113

17. _____ is a document showing title a) Share certificate b) Share warrant c) Both (a) & (b) d) None of the above

18. Extension of time limit is possible only in which of the following?

a) Shares b) Debentures c) Both (a) & (b) d) None of the above

19. In case of extension of time limit for issue of debenture certificate should be given by _____

a) NCLT b) ROC c) DCA d) None of the above

20. The period of extension granted by NCLT for issue of debenture certificate is _____ a) 5 b) 7 c) 9 d) 11

21. Which of the following can issue the share warrant a) Public b) Private c) Both (a) & (b) d) None of the above

22. _____ are attached to the share warrant a) Dividend coupon b) Warrant c) Certificates d) None of the above

23. C.G. approval is necessary in case of issue of _____

a) Share certificate b) Share warrant c) Both (a) & (b) d) None of the above

24. In case of _____ duplicate can be obtained if it lost

a) Share warrant b) Share certificate c) Dividend coupon d) None of the above

25. Voting Rights are available to share warrant holders. a) Yes b) No

26. Duplicate certificate obtained if original certificate lost in case of.

a) Share Certificate b) Share warrant c) Dividend warrant d) None of these

Calls & Forfeiture/Surrender of Shares

1. XYZ company goes for a public issue each share of face value Rs.10 the application money is Rs.2 allotment Rs.3, first call Rs.4, final call Rs.1. Is this valid a) Yes b) No

2. XYZ company goes for a public issue application called for on 1 st April 2002, allotment made on 1st May, 2002, 1st call made on 1 st June 2002, 2 nd call made on 15 th June 2002. Can the company do so? a) Yes b) No

3. Company to accept calls in advance from shareholders they should have permission in

a) MOA b) AOA c) BOD d) None of these

4. Calls in advance have voting rights a) Yes b) No

5. Consideration shall be paid if share holder surrender his shares a) Yes b) No

6. Forfeiture can be made only if it is authorized by _____ a) AOA b) MOA c) ROC d) C.G

7. Name of the member is struck off from the register in case of _____

a) Issue of share certificate b) Share warrant c) Forfeiture d) None of the above

8. _____ Days be given for payment of call money from the date of service of notice a) 14 b) 13 c) 12 d) 11

9. _____ arises in respect of debt due on shares as well as on other transactions.

a) Forfeiture b) Lien c) Both (a) & (b) d) None of the above

10. Return of partly paid shares by the shareholders to the company is _____

a) Surrender b) Forfeiture c) Lien d) None of the above

11. _____ is a short cut to forfeiture a) Lien b) Surrender c) Right issue d) None of the above

12. No consideration shall be paid by the company in exchange of _____ shares

a) Lien b) Forfeited c) Surrender d) None of the above

13. Interest out of capital can be paid only if it is sanctioned by _____ a) MOA b) AOA c) NCLT d) C.G

Transfer & Transmission of Shares

1. Transfer deed should in form No. a) 6 B b) 5 B c) 7 B d) None of these

2. _____ is voluntary passage of the rights and duties of member from a share holder.

a) Transfer b) Transmission c) Both (a) & (b) d) None of the above

3. The person who transfer his rights and duties is called _____ a) Transferee b) Transferor c) Promisor d) Promisee

4. The person to whom the rights and duties are endorsed is called _____

a) Transferee b) Transferor c) Endorser d) Endorsee

5. _____ is an instrument of transfer signed by the transferor in which the name & date are not filled.

a) Forged transfer b) Blank transfer c) Both (a) & (b) d) None of the above

6. _____ transfer is null and void a) Forged b) Blank c) Both (a) & (b) d) None of the above

7. If the ownership of shares goes to another by operation of law is called as _____

a) Transfer b) Transmission c) Both (a) & (b) d) None of the above

8. Transfer is effected by _____ a) Sales b) Death c) Insolvency d) None of the above
9. Transmission is effected by _____ a) Sale b) Death c) Insolvency d) Both (b) & (c)
10. In which of the following stamp duty & consideration not necessary _____
a) Transfer b) Transmission c) Both (a) & (b) d) None of the above
11. _____ gets all liabilities of original owner a) Transferor b) Transferee c) Endorser d) Endorsee
12. Consideration is necessary in case of transmission a) Yes b) No
13. Consideration is necessary. In case of transfer a) Yes b) No
14. A share warrant is transferable by _____
a) By Execution of transfer deed b) By delivery c) both a) and b) d) None of the above

Debentures

1. _____ is issued in acknowledgement of any indebtedness
a) Debenture certificate b) Share certificate c) Share warrant d) None of the above
2. Own funds are called _____ a) Debenture capital b) Share capital c) Loan capital d) None of the above
3. In case of allotment Debenture Certificate is to be issued with in _____ months a) 1 b) 2 c) 3 d) 4
4. In case of application for transfer Debenture Certificate is to be issued with in _____ months a) 1 b) 2 c) 3 d) 4
5. Debenture forms part of _____ a) Capital b) Loan c) Fund d) None of the above
6. Share holders are _____ a) Owners b) Creditors c) Debtors d) None of the above
7. Debenture holders are _____ a) Owners b) Creditors c) Debtors d) None of the above
8. Return paid on shares is _____ a) Interest b) Dividend c) Commission d) None of the above
9. Return paid on debentures is _____ a) Interest b) dividend c) Commission d) Tax
10. Which of the following have voting rights _____
a) Share holders b) Debenture holder c) Both (a) & (b) d) None of the above
11. _____ is payable even if there are no profits a) Interest b) Dividend c) Commission d) None of the above
12. Debentures payable to a holder of certificate is called _____ a) Bearer b) Unregistered c) Secured d) Both (a) & (b)
13. Debentures payable to person whose name appears both on Debenture Certificate and company's register is called _____ a) Bearer b) Unregistered c) Registered d) None of the above
14. Debentures which have the charge on the property of the company is _____
a) Secured b) Unsecured c) Registered d) None of the above
15. Debenture which are repayable only on the happening of an event of winding up is called
a) Redeemable b) Irredeemable c) Perpetual d) Both (b) & (c)
16. For the purpose of debt equity ratio Fully Convertible Debentures are classified as _____
a) Debt b) Equity c) Both (a) & (b) d) None of the above
17. In case of Partly Convertible Debentures nonconvertible portion is classified as _____
a) Debt b) Equity c) Both (a) & (b) d) None of the above
18. DRR is required to be created for debentures issued prior to _____
a) 13.12.2000 b) 13.12.2001 c) 13.12.2002 d) 13.12.03
19. Amount due on redemption including interest should be claimed with in _____ years. a) 10 b) 9 c) 8 d) 7
20. The amount unclaimed on redemption is transferred to _____ fund.
a) Investor education & protection b) Children welfare c) Workmen compensation fund d) None of the above
21. Reissued debentures are treated as new debentures for the purpose of _____
a) Debentures certificates b) Income Tax c) Stamp duty d) None of the above

Charges

1. Charge includes _____ a) Loans b) Mortgage c) Security d) Hire
2. Commencement of winding up of a company does not affect the nature of _____
a) A fixed charge b) A floating charge c) Both a) & b) d) None of the above
3. Which of the following authorities is empowered to extent time for registration of charges _____?
a) C.G b) Company law board c) Court d) NCLT
4. _____ is a charge when it is made specifically to cover assets a) Fixed b) Specific c) Floating d) Both (a) & (b)
5. _____ is a charge created on a class of assets related to ordinary course of business.
a) Fixed b) Specific c) Floating d) None of the above
6. Which of the following charge is not registered with the ROC _____
a) Charge on immovable property b) Charge on uncalled share capital
c) Charge on called made but not paid d) Charge on call made but paid
7. Unsecured debentures does not require any registration because it is not secured by _____
a) Fixed b) Floating charge c) Both (a) & (b) d) None of the above
8. In case of any default is made in filing the particulars related to charge then penalty is upto _____ thousands
a) 5 to 10 b) 10 to 15 c) 15 to 20 d) None of the above
9. _____ Sec. contains the provision relating to modification of a charge. a) 130 b) 135 c) 140 d) 145
10. Any charge is satisfied in full then which form is to be file with ROC _____ a) 17 b) 18 c) 19 d) 20
11. A charge requiring registration shall be filed with the registrar with in _____
a) 21 days b) 30 days c) 45 days d) None of the above
12. When a charge become void., the money secured there under becomes repayable with in _____ months
a) 1 b) 2 c) 10 d) immediately

General Meetings

1. Company limited by shares needs to hold statutory meeting a) Yes b) No
2. Company limited by guarantee and having share capital needs to hold statutory meeting a) Yes b) No
3. There is no need to held statutory meeting in case of Government company? a) Yes b) No
4. Statutory meeting shall be conducted immediately after getting the certificate of commencement of business?
a) Yes b) No
5. What is the time limit for conducting statutory meeting?
a) 1 to 5 months b) 1 to 6 months c) 1 to 9 months d) None of these
6. Notice of statutory meeting should be given with a period not less than
a) 21 clear days b) 14 clear days c) 7 clear days d) None of these
7. Notice of statutory meeting should be attested by at least. a) 3 directors b) 2 directors c) 3 directors d) None of these
8. Notice of statutory meeting should be attested directors among them one should be compulsory M.D.a) Yes b) No

9. A copy of the contents of statutory report should be sent to Registrar also a) Yes b) No
10. If the statutory meeting is not held .The company may be wound up. Is it correct a) Yes b) No
11. AGM should be held by every company a) Yes b) No
12. The time gap between two AGM's shall not exceed. a) 15 months b) 18 months c) 16 months d) None of these
13. First AGM must be held within _____ from the incorporation of the company
a) 15 months b) 18 months c) 12 months d) None of these.
14. XYZ co, incorporated on 1st Jan 2005. The AGM should be held on 1st July 2006. ROC extended that time to 1st Sep.2006.Is the AGM valid. a) Valid b) Invalid c) Situation does not arise
15. Every AGM must be held with _____ from the date of the Balance Sheet.
a) 4 months b) 6 months c) 9 months d) None of these
16. First AGM must be held with in _____ from the date of the balance sheet
a) 6months b) 9months c) 5months d) None of these
17. Any company can't held AGM on a public holiday a) Yes b) No
18. AGM should be held at a) Company b) Registered office c) Corporate office d) None of these
19. Central Government can exempt company from holding AGM a) Yes b) No
20. Failure to convene AGM u/s 166 penalty will be
a) 50,000+250 per every day b) 75,000+250 per every day c) 1,00,000+250 per every day d) 25,000+250 per every day
21. Board of directors has the authority to issue notice of the GM'S a) Yes b) No
22. Notice of the G.M. should be sent to preference share holder also a) Yes b) No
23. Length of notice in the case of AGM is 21 clear days. Articles provided 25 clear days for length of notice. Is the AGM valid a) Valid b) Invalid
24. Length of notice in the case of AGM is 21 clear days. Articles provided that 15 clear days for length of notice. Is the AGM valid a) Valid b) Invalid
25. A shareholder appointed a proxy. The proxy must be a member of the company. Do you agree with this statement.
a) Agree b) Disagree
26. All special business can only be transected by passing a special resolution. Do you agree with this statement
a) Agree b) Disagree
27. In case of Public Company the quorum should be a) 5 members b) 7 members c) 2 members d) None of these
28. In case of private company the quorum should be a) 2 members b) 3 members c) 4 members d) None of these
29. In case of public company towards quorum proxies will also be counted a) Yes b) No
30. In case of private company towards quorum proxies will be counted a) Yes b) No
31. Preference shareholders will be counted towards quorum at General meeting a) Yes b) No
32. A body corporate appointed a person as a proxy he will be counted for quorum or not a) Counted b) Not counted
33. Joint shareholders appointed a person as a proxy. State whether he will be counted for quorum a) Yes b) No
34. President appointed a proxy. State whether that person will be counted towards quorum a) Yes b) No
35. Governor appointed a proxy. State whether that person will be counted towards quorum a) Yes b) No
36. XYZ is a company conducting an AGM. There are 3 members personally present and one member present in his individual capacity and as well as a representative of a body corporate. State whether the AGM is valid
a) Valid b) Not valid
37. XYZ company provided in articles that quorum for the company should be 7 member is the company correct
a) Correct b) Not correct
38. XYZ Company provided in articles that quorum for the company should be 2 members. Is the company correct
a) Correct b) Wrong
39. Quorum should be present at the a) Commencement of meeting b) Middle of the meeting c) End of the meeting d) Any time during meeting.
40. State whether there is any provision in companies Act. That one member constitute quorum a) Yes b) No
41. In case of alteration in the object clause of memorandum the resolution shall be passed by show of hands a) Yes b) No
42. In case of alternation of AOA to deletion or insertion of provisions defining private company shall be passed by resolution through postal ballot. a) Yes b) No
43. In case of company opting for buy back of own shares. It should pass resolutions through postal ballot. a) Yes b) No
44. _____ meeting given an opportunity to the member to know discuss on promotion & formation of the company.
a) General b) EGM c) Statutory d) None of the above
45. _____ report is send by the directors to its members. a) Statutory b) Audit c) Annual d) None of the above
46. In the given below who are not required to hold Statutory General Meeting
a) Private company b) Government Company c) Public company d) Both (a) & (b)
47. In case of Statutory General Meeting receipts & payments are prepared up to _____ days before the date of report
a) 3 b) 5 c) 7 d) 9
48. Who should certify that company allotted the shares and cash received in respect there of _____
a) Auditor b) Director c) Share holder d) Members
49. In the given below who are required to hold A.G.M _____
a) Public company b) Private company c) Government company d) All the three
50. The time period for conduction of AGM is extended by ROC for how many months a) 1 b) 2 c) 3 d) 4
51. _____ opined that ROC could grant extension only when application for extension is made before the expiry of period u/s 166 (1) a) DCA b) NCLT c) Govt d) Both (b) & (c)
52. Which of the following company can held the AGM on public holiday _____ a) Public company b) Private company c) Govt company d) Association not for profits
53. _____ may grant exemption to any class of companies with regard to the time & place of AGM.
a) C.G b) ROC c) NCLT d) D.C.A
54. In case of failure to convene the AGM fine is upto Rs. _____ a) 25,000 b) 50,000 c) 75,000 d) 80,000
55. In case of continuing default to convene the AGM fine isRs. _____ for every day.a) 250 b) 300 c) 350 d) 400
56. The resolution passed at AGM are _____ a) Valid b) Void c) Voidable d) Void abinitio
57. Every business transacted at an EGM is a _____ business
a) Ordinary b) Special c) Both (a) & (b) d) None of the above
58. M.M. Obtained, the incorporation on Jan 1, 1993 and C.C.B on June 1, 1993. The earliest date on which it can hold the statutory meeting is _____ a) Feb 1, 1993 b) March 1, 1993 c) July 1, 1993 d) August 1, 1993

59. Majority rule is not applicable when a) The act done is illegal b) The act done is ultra vires the company c) The act done constitutes a fraud d) all the above
60. A cost auditor makes his report to: a) Members of company b) Directors of company c) Registrar d) C. G.
61. A company not declare dividend at
a) Statutory meeting b) Annual general meeting c) Extra ordinary G.M d) None of the above
62. If as a person is present in more than 1 capacity his presence will be counted as _____ a) 1 b) 2 c) 3 d) 4
63. In the absence of a quorum the proceedings of the meeting will be _____
a) Valid b) Void c) Voidable d) None of the above
64. If quorum is not present with in _____ time the meeting is stand dissolved. a) ½ Hr. b) 1 Hr. c) 1 ½ Hr d) 2 Hr.
65. In case of adjourned meeting is it necessary to wait for the quorum a) Yes b) No
66. In case of class or debenture holders quorum constitutes _____ members. a) 1 b) 2 c) 3 d) 4
67. _____ Order to call a EGM even though 1 member present in person or by proxy.
a) ROC b) C.G c) NCLT d) D.C.A
68. _____ can vote at the meeting even though not a member.
a) Body corporate b) President c) Governor d) All the above
69. Voting right can't be exercised in case of _____
a) Calls in advance b) Calls in arrears c) Both a) & b) d) None of the above
70. Casting vote can be cast by whom only in case of equality of votes a) Chairman b) Director c) Auditor d) Manager
71. The Chairman on his own motion _____ also order a poll a) Must b) Should c) May d) None of the above
72. Poll is conducted by Chairman with in _____ hrs from the demand. a) 24 b) 48 c) 72 d) 36
73. Proxy need not be a _____ of the company a) Shareholders b) Members c) Both a) and b) d) None of the above
74. Depositing of proxy with the company should be made with in how many hours a) 24 b) 48 c) 36 d) 72
75. If the notice contain a special business then an _____ statement shall be enclosed:
a) Explanatory b) Enquiry c) Both a) and b) d) None of the above
76. Proxies cannot vote on _____ a) Show of hands b) Poll c) Both a) & b) d) None of the above
77. _____ is the official recording of the proceedings of a meeting
a) Quorum b) Minutes c) Both a) & b) d) None of the above
78. Minutes should be recorded with in _____ days from the date of conclusion of every meeting a) 10 b) 20 c) 30 d) 40
79. Loose – leaf minutes to be bound into books at regular intervals of _____ months a) 6 b) 7 c) 8 d) 9
80. With in _____ weeks requisition requiring circulation of a resolution may be deposited with ROC. a) 3 b) 6 c) 9 d) 12
81. Qualification shares for a director are provided in the _____
a) Company Act b) MOA c) AOA d) Contract b/w Company & Directors
82. Directors are _____ of the company a) Employees b) Employers c) Both a) & b) d) None of the above
83. A special resolution is passed with a) Simple majority b) 60% majority of members present c) 75% d) None of the above
84. A poll can be demanded by any member present in person or by proxy if he has voting powers at least equal to:
a) 1/5th b) 1/10th c) 1/20th d) 1/30th
85. Which of the following meeting can be held more than once in a calendar year?
a) E.G.M b) S.G.M c) A.G.M d) None of the above
86. The expenses of holding an E.G.M by the requisitionists will be ultimately borne by _____
a) Company b) Requisitionists c) all directors in default d) None of the above
87. In which one or more of the following company a member does not have a right to appoint proxy:
a) Public company having share capital b) Public company not having share capital
c) Private company not having a share capital d) None of the above
88. A proxy must bear revenue stamp worth. a) 30 paise b) 15 paise c) 45 paise d) 50 paise
89. Total managerial remuneration cannot exceed _____% of net profit a) 11 b) 12 c) 13 d) 14
90. Which one or more of the following resolution need not be filed with the registrar
a) Special resolution b) A resolution of Board relating to appointment of a managing director c) A resolution approving the appointment of a sole selling agent d) An ordinary resolution
91. In which one of the following cases an ordinary resolution may be passed _____
a) Commencement of a new business b) alteration of articles
c) Compulsory winding up of the company d) none of the above
92. Notice of Adjourn meeting is not required of a meeting is
a) Adjourn for want of quorum b) Adjourn sine die
c) Adjourn for more than 30 days d) None
93. M.M. Ltd is incorporated on Jan 1, 2007. It must hold its first AGM before.
a) Dec 31,2007 b) Dec 31,2008 c) June 30,2007 d) June 30, 2008

Answers

Company Basic Concepts

1. a , 2. a , 3. a , 4. d , 5. b , 6. a , 7. b , 8. d , 9. a , 10. d , 11. c , 12. a , 13. a , 14. c , 15. c , 16. b , 17. a , 18. d , 19. b , 20. b , 21. a , 22. a , 23. b , 24. b , 25. b , 26. b , 27. b , 28. a , 29. a , 30. b , 31. b , 32. c , 33. b , 34. b , 35. a , 36. b , 37. b , 38. a , 39. b , 40. c , 41. a

Classes of Companies

1. c , 2. d , 3. c , 4. b , 5. b , 6. b , 7. a , 8. a , 9. c , 10. a , 11. c , 12. b , 13. d , 14. c , 15. b , 16. c , 17. a , 18. a , 19. b , 20. d , 21. b , 22. a , 23. b , 24. a , 25. c , 26. b , 27. b , 28. b , 29. a , 30. a , 31. d , 32. b , 33. c , 34. b , 35. c , 36. a , 37. c , 38. a , 39. a , 40. b , 41. b , 42. a , 43. b , 44. b , 45. a , 46. b , 47. a , 48. b , 49. a , 50. b , 51. c , 52. a , 53. c , 54. a

Incorporation of Companies

1. d , 2. b , 3. a , 4. a , 5. b , 6. b , 7. a ,

Memorandum & Articles of Association

1. b , 2. d , 3. b , 4. c , 5. c , 6. a , 7. a , 8. d , 9. c , 10. d , 11. c , 12. a , 13. c , 14. a , 15. b , 16. a , 17. b , 18. c , 19. d , 20. c , 21. c , 22. b , 23. b , 24. b , 25. d , 26. d , 27. a , 28. a , 29. a , 30. a , 31. a , 32. a , 33. b , 34. b , 35. c

- Promoters: 1. a , 2. b , 3. d , 4. c , 5. b , 6. d , 7. a

- Prospectus: 1. a , 2. b , 3. a , 4. a , 5. a , 6. d , 7. d , 8. a , 9. a , 10. b , 11. a , 12. a , 13. a , 14. a , 15. b , 16. a , 17. c , 18. a , 19. c , 20. d , 21. c , 22. b , 23. b , 24. b , 25. c , 26. b

- Allotment of Shares: 1. a , 2. a , 3. a , 4. b , 5. a , 6. b , 7. b , 8. b , 9. a , 10. a , 11. a , 12. c , 13. c , 14. d , 15. b , 16. a , 17. a , 18. d , 19. -, 20. -

Underwriting: 1. a, 2. b, 3. a, 4. c, 5. c, 6. c

Deposits: 1. b, 2. b, 3. a, 4. a, 5. b, 6. b, 7. b, 8. a, 9. b, 10. a, 11. c, 12. b, 13. a, 14. a, 15. b, 16. b, 17. a, 18. c, 19. b, 20. a, 21. c, 22. b, 23. d, 24. c, 25. a, 26. c, 27. c, 28. a, 29. c, 30. c, 31. a

Membership: 1. b, 2. b, 3. a, 4. a, 5. b, 6. b, 7. d, 8. d, 9. a, 10. a, 11. b, 12. a, 13. b, 14. a

Share Capital: 1. c, 2. b, 3. b, 4. d, 5. b, 6. c, 7. a, 8. a, 9. b, 10. c, 11. a, 12. b, 13. a, 14. d, 15. b, 16. a, 17. b, 18. b, 19. b, 20. b, 21. a, 22. a, 23. b, 24. a, 25. b, 26. a, 27. d, 28. b, 29. a, 30. b, 31. d, 32. b, 33. a, 34. a, 35. a, 36. b, 37. d, 38. b, 39. b, 40. b, 41. b, 42. b, 43. b, 44. a, 45. c

Share Certificate & Warrant: 1. b, 2. b, 3. c, 4. b, 5. b, 6. a, 7. b, 8. b, 9. a, 10. a, 11. a, 12. a, 13. a, 14. c, 15. a, 16. d, 17. c, 18. b, 19. a, 20. c, 21. a, 22. a, 23. b, 24. b, 25. b, 26. a

Calls & Forfeiture/Surrender of Shares: 1. b, 2. b, 3. b, 4. b, 5. b, 6. b, 7. b, 8. a, 9. b, 10. a, 11. b, 12. c, 13. b

Transfer & Transmission of Shares: 1. c, 2. a, 3. b, 4. a, 5. b, 6. a, 7. b, 8. a, 9. d, 10. b, 11. b, 12. b, 13. a, 14. b

Debentures: 1. a, 2. b, 3. c, 4. b, 5. b, 6. a, 7. b, 8. b, 9. a, 10. a, 11. a, 12. a, 13. c, 14. a, 15. d, 16. b, 17. a, 18. a, 19. d, 20. a, 21. c

Charges: 1. b, 2. c, 3. d, 4. b, 5. c, 6. a, 7. c, 8. a, 9. b, 10. a, 11. b, 12. d

General Meetings: 1. a, 2. a, 3. a, 4. b, 5. b, 6. a, 7. b, 8. a, 9. a, 10. a, 11. a, 12. a, 13. b, 14. b, 15. c, 16. b, 17. b, 18. b, 19. b, 20. a, 21. a, 22. a, 23. a, 24. b, 25. b, 26. b, 27. a, 28. a, 29. b, 30. a, 31. b, 32. a, 33. b, 34. a, 35. a, 36. a, 37. a, 38. b, 39. a, 40. a, 41. b, 42. a, 43. a, 44. c, 45. c, 46. d, 47. c, 48. a, 49. a, 50. c, 51. a, 52. d, 53. a, 54. b, 55. a, 56. a, 57. b, 58. d, 59. d, 60. b, 61. a, 62. b, 63. b, 64. a, 65. a, 66. a, 67. b, 68. d, 69. b, 70. a, 71. c, 72. b, 73. c, 74. b, 75. a, 76. a, 77. b, 78. c, 79. a, 80. a, 81. a, 82. d, 83. c, 84. b, 85. a, 86. a, 87. b, 88. b, 89. a, 90. c, 91. c, 92. a, 93. c