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BASIC CONCEPTS

SIDDHARTH EDUCATION SERVICES LTD®

For CS, CA, ICWA [Foundation, Inter, Final] BMS, M.Com 301,Prestige Chambers, Opp. Thane Railway Stn. P.F.2,Thane(W):25334903 4, Vaibhav Soc., 1st Floor, Opp. Municipal Garden, Dombivli (E) Tel: 02443455 2/18, Popatlal Bldg, Opp. Saraswat Bank, Ranade Rd, Dadar(W).Tel: 65540023

MCQ'S - COMPANY LAW

1 The term company is defined under which sec of the Act? a) Sec 3 (1) b) Sec4 (2) c)Sec2(4)d)Sec1(3)2 Property of the company belongs to b) Share holders a) Company c) Members d) Promoters 3 Minimum number of members in case of public company_ b)2 c)5 d)7 a)1 4 Minimum number of members in case of private company is b)2 c)3 a)1 d) 5 Maximum no. of members in case of private company is b)100 c)150 d)200 a) 50 6 Maximum no .of members in case of public company is b) unlimited c) 50 d) 100 a) 0 7 How many months did the company can continue its business u/s 45 b)2 c)5 a)1 d)6 8 Minimum subscription should be received with in _____days a) 120 b) 125 c) 130 d) 135 9 If minimum subscription is not received application money should be refunded with in _days a)20 b)25 c)30 d)10 10 Minimum paid up share capital in case of a private company is _____ b) 2 Lakhs a) 1 Lakh c) 3 Lakhs d) 4 Lakhs 11 Minimum paid up share capital in case of a public company is _____ a) 1 Lakh b) 3 Lakhs c) 5 Lakhs d) 7 Lakhs 12 Minimum no. of Directors in case of a public company is _____ a)1 b)2 d)4 c)3 13 Minimum no. of Directors in case of private company is a)1 b)2 c)3 d)4

14	Age limit of Directors in case of public company isa) 65b)70c)75d)80
15	Age limit of Directors in case of private company isa)65b)70c)75d)No limit
16	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
17	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
18	XYZ Company conducted an AGM on 1 st 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
19	Company's owners are shareholders. So the company property belongs to the share holders. Do you agree with this statement? a)Yes b)No
20	XYZ Company shares are totally held by government. The company will be government. a) True b) False
21	If the company failed to refund application money with in 130 days from the date of issue of prospectus on non receipt of minimum subscription who will be personally liable. a) Company b) Directors c) Shareholders d) None of these
22	Transfer of shares in the company is a) Restricted b) Freely transferablec) Prohibitedd) None of these
23	Generally Company liability is a) Limitedc) Situation does not arise
24	Generally partnership firm liability is a) Limitedc) Situation does not arise
25	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.
26	In the case of Company, Audit is a) Compulsory b) Optional c) None of the above
27	X Company is holding majority of shares in Y company. Will X and Y companies will be the same. a)Yes b)No

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28	Y Co. both are same		a director of Y Comp	any this means X Co. and
	a) True	b) False		
29	Members of a compa a) True	ny can enter contract v b) False	with the company	
30	Generally rights and a) A.O.A	obligations of the com b) M.O.A c) Par		d) None of these
31	Generally rights and a) A.O.A	obligations of the Part b) M.O.A c) Par	nership firm are regula tnership deed.	ted in d) None of these
<u>CL</u>	ASSES OF COMPANIE	<u>S</u>		
1.	A company is named as a) more than 30		nolds% of paid c) more than 50	
2.	Which companies are ex a) Private	empted to add "Ltd" or b) Govt		of their name sociation not for profits
3.	Under which sec. a priva	te company can volunt	tarily converted into pu	iblic company
	a)34	b)44	c)54	d)64
4.	Under which sec. a priva	te company can autom	atically converted into	a public company
	a)34	b)43	c)53	d)35
5.	Central Government per a) Private to public	mission is required in c b) Public to private		
6.	With in how many days a) 30	prospectus or statemen b)40	t in lieu of prospectus c)20	should file with ROC d)50
8	% of share subsidiary	es should be held by a	company in another	company so as to become
	a) more than 50	b) more than 40	c) more than 30	d) more than 20
9.		sec. may be imposed with a view to defraud t		at the companies business
	a) 540	b) 541	c) 542	d) 543
10.	In case of Non –Prof days	it making Companies r	notice of general meeti	ng should be given with in
	a) 14	b)15	c)21	d)22
12.	In case of Non –Pro foryears	fit making Companies	books of accounts ar	e required to be preserved
	a)2	b)4	c)6	d)8

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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
20.	Maximum capital of private company isa) 50 Lakhsb) 1 Crorec) 1.5 Crored) Unlimited.
21.	Transfer of shares in case of private company isa) Prohibitedb) Restrictedc) Freely transferabled) None of these
22.	Maximum members in case of private company a) 50 b) 100 c) 75 d) None of these
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 isa) Prohibitedb) Restrictedc) Acceptabled) None of these
30.	Invitation to public offering shares or debentures in case of private companya) Prohibitedb) Restrictedc) Acceptabled) None of these
31.	Maximum paid up capital in case of public companya) 50 lakhsb) 100 lakhsc) 125 lakhsd) None of these

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- 32. Y Pvt. Co is subsidiary of X Co. which is public company? Mention Y is aa) Private Co.b) Public Co.c) Government Co.d) None of these
- 33. Transfer of shares in the case of public company isa) Prohibitedb) Restrictedc) Freely transferabled) None of these
- 34. Public Company and Public Sector Company both the companies are same.a) Trueb) 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 isa) Government Companyb) Private Companyc) Public Companyd) 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 bea) Government Companyb) Private Companyc) Public Companyd) 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
- 39. X Co. having control on Board of Directors of Y Co. Can we say that Y Co. is subsidiary of X Co.a) Yesb)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
- 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)Yesb)No
- 47. Statutory meeting must be held in case of a public company a) Yes b)No

48.	Statutory meeting must be he a)Yes	ld in case of a privat b)No	e company	
49.	Private company can allot sha a) Yes	ares without receivin b)No	g minimum subs	scription?
50.	Public company can allot sha a)Yes	res without receiving b)No	g minimum subs	cription?
51.	For every special resolution p a) Form no.32	bassed the form attac b) Form no.18		3 d) None of these
53.	In the process of conversion must be issued a) Deemed prospectus d) None of the above		-	ompany which prospectus in lieu of prospectus
INCO	ORPORATION OF COMPANII	<u>ES</u>		
1	How many members should s a)1 b)3	sign the MOA in case	e of public comp c)5	d)7
2	How many members should s a)1 b)2	sign the MOA in case	e of private comp c)3	pany d)4
3	is the conclusive evid complied with a) Certificate of Incorporation c) Both	n b) Ce	-	mencement of Business
4	Private company can start its a) Certificate of commencem c) Both		•	of Incorporation
5	Public company Should start a) Incorporation	business only after g b) Commencement	etting certificate	
MEN	IORANDUM & ARTICLES O	F ASSOCIATION		
1	The doctrine of indoor manag a) Exception b) Exte		to the doctrine of Iternative	f constructive notice d) None of the above
2	A company can change its na a) Ordinary resolution b) Spe		• • •	d) None of the above
3	Any change in the address of with in: a) 15 days b) 30 d	C	must be commu Month	nicated to the registrar d) 12 months

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4	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	
5	Companies are now a) PAN	allotted a in b) SIN	addition to their name c) PIN	d) CIN	
6	In how many days d a)10	id the company have b)20	its registered office afte c)30	r incorporation d)40	
10.	Under which sec. i winding up	f company fails to c	ommence its main obj	ect the court may order	
	a) 403 (f)	b) 413 (f)	c) 423 (f)	d) 433 (f)	
11.	In case of forgeries a) Valid	acts done in the name b) Void	of the company are c) Void ab initio	d) None of the above	
12.	Signature of memor in case of public con		ould be done by	number of persons	
	a) 7	b)5	c)4	d) None of these	
13.	Signature of memor in case of private co		nould be done by	number of persons	
	a)3	b)4	c)2	d) None of these	
15.	Can a Minor be a su a)Yes	bscriber	b)No		
16.	Can Foreigners be s a) Yes	ubscriber	b)No		
17.			a case of company limit	-	
	a) Table A	b) Table B	c) Table C	d) Table D	
18.	MOA should be in f share capital	form in	n case of company limit	ed by guarantee not having	
	a) Table A	b) Table B	c) Table C	d) Table D	
19.	MOA should be in share capital	form in ca	ase of company limited	l by guarantee and having	
	a) Table A	b) Table B	c) Table C	d) Table D	
20.	MOA should be in f a) Table A	form ir b) Table B	n case of a unlimited lia c) Table E	bility d) None of these	
21.		are 6 classes. We can	alter all clauses exped	ct one clause. What is that	
	clause? a) Objects clause	b) Name clause	c) Association claus	e d) None of these	

a) Objects clause b) Name clause c) Association clause d) None of these

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22.	If any body wants to file a case against	the company they s	should file at what place
	a) Company b) Registered Office	c) BOD	d) Books of accounts
24.	Address of the registered office is situated in a) MOA b) AOA	n c) Prospectus	d) None of these
	25		
26.	A company can change its name by passinga) Ordinary resolutionc) Either by special resolution or by ordinar	b) Special resolution	ne of the above
27.	For changing name of a company Central G a) Yes	ovt. permission must t b)No	be taken
28.	If the name of the company is identical wit resolution should be passed to change name		sting company then which
	a) Ordinary resolution	b) Special Resolution	1
29.	Alteration of articles must be done only by j a) Special resolution	passing b) Ordinary resolutio	n
30.	Ultra vires means a) Beyond the power b) with in the power	c) Both d) Nor	ne of the above
31.	Ultra vires loans granted by the company ar a) Void b) Voidable	e 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
34.		special reason only ne of the above	
35.	The capital clause of a company can be chan a) Company law board b) Registrar	nged with the permissi c) Court	on of d) None of the above
<u>PROM</u>	<u>IOTERS</u>		
1	a) Promoters b) Directors	c) Auditors	d) None of the above
2	stands in the fiduciary position of t a) Directors b) Promoters	he company c) Auditors	d) None of the above
3	Contracts made after incorporation but befo Business	re the grant of Certific	ate of commencement of

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	a) Provisional contractsc) Preliminary contracts		eincorporation contract th (b) & (c)	S
4	Pre incorporation contract i a) Provisional	is also known as b) Preliminary	c) illegal	d) legal
6.	A public company can borr a) before incorporation c) after issuing a proposal	b) Soon after		merce business.
7	A private company can bor a) after incorporation c) after holding first annual	b) after obtaining cer	rtificate to commerce b d) None of the above	
	SPECTUS			
1	Private Company need not a) Yes	issue prospectus b)No		
2	Prospectus is required to be a)Yes	e issued when right issu b)No	e are made	
3	Prospectus is not required t employees a) Yes	o be issued when sweat b)No	equity shares are issue	ed to directors and
4	Prospectus is required to be option scheme a) Yes	e issued when issue is fo b)No	or Employees under En	nployee stock
5	Definition of prospectus wa a)2 (30)	as given under which se b)2 (32)	c. c)2 (34)	d)2 (36)
6	Which of the following are a) Private company b) In		ospectus? c) Sweat equity issue	e d) All the above
7		issued instead of full pratement in lieu	c) Shelf	d) Red herring
8	Which one of the following statement in prospectus a) Purchasing shares in Prin c) Subscribers to memo.	-	mpensation for any los b) Secondary Market d) All the above	
10.	• •	ment will be imposed i	in case of issue of pros	spectus with untrue
	a)1 b)2	c)3	d)4	
11.		er, valuationer, account	tant c) Auditor	d) Director

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12.		of an expert for missta b) Imprison – 2 year		d) None of the above
13.				ent in lieu of prospectus b) d) None of the above
14.	-	spectus issued by the i us b) Sh d) No	ssuing house helf prospectus issued bone of the above	y the issuing house
15.	a) Deemed	us were issued in case b) Shelf	securities were issued c) Red herring	-
16.	case shelf prospectu	s are filed: orandum b) Information	tion articles c) Form 1	quent issue of securities in 3
17.	Information memora a) Memorandum		tus together constitutes c) Prospectus	d) None of the above
18.	Validity period of in a) 1 year	formation memorandu b) 2 years		d) 4 years
19.		tus were issued in ord	er to test the market b	efore finalizing issue size/
	price. a) Deemed	b) Shelf	c) Red herring	d) None of the above
20.	If there is any varia application	tion in case of R.H.P	days should l	be given for withdrawal of
	a)1	b)3	c)5	d)7
21.	In case of redherring a)12	g prospectus the refund b)13	l is made with an intere c)15	st @ d)16
22.	When there is a un secondary market ca a)Yes		prospectus. The share b)No	eholder who subscribed in
23.	•	untrue statement in morandum can sue the		shareholder who was A
24.	Because of Misrepre a)Yes	esentation in prospectu	s an expert will be crin b)No	ninally liable.
25.	What is punishmen	t for directors, promo	oters and other person	s for Misrepresentation in

25. What is punishment for directors, promoters and other persons for Misrepresentation in prospectus

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	a) 50,000	b) 2 years imprisonm	ient	c) Both of the above	d) None
26.	When a private compa a) Schedule III		public co	mpany. In which forn c) Schedule VI	
<u>ALLC</u>	DTMENT OF SHARES				
1	The date of the openin the day of the issue of	prospectus.		0 0	
	a) 5 th	b) 3 rd	c) 10 th	d) 20 ¹	n
2	The minimum applica	tion money should be	;	of nominal v	alue.
	a) 5%	b) 3%	c) 2%		ne of these
3	The minimum applica guidelines	tion money should be		of nominal value	as per SEBI
	a) 25%	b) 30%	c) 40%	d) Nor	ne of these
4	Can shares be allotted	immediately after the	e issue of	prospectus	
	a) Yes	b) No		c) None of the	e above
5	The min subscription a) cash only	amount is reckoned w b) kind only		ints payable in as well as kind d) No	
6	All money received in a)Yes	the form of application b)No	on mone	y can be used for busi	ness activities
7	Allotment of shares of			er getting	subscription
	against entire public is a) 80%	ssue as per SEBI guid b) 90%	elines. c) 1009	% d) Noi	ne of these
8	If the refunds are dela liable to repay the mo	• •	•	-	
	a) 10%	b) 15%	c) 20%	-	ne of these
9	Every Company who want to go for public issue and allot shares, they should make an applicant to stock exchange a) Yes b)No				
10	If the manufactor has		4 1!	1 6 6 1'.	
10	If the permission has a stock exchange. The a a) Yes	0		1	0
11	If the company has no of amount delayed by	_			
	a) 4%	b) 3%	c) 2%		d) none of these
12	From the above how r a) 10%	nuch will be maximur b) 12%	m interes c) 15%		d) None of these

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13	After the expiry of h granted a) 11 weeks	ow much time the com b) 12 weeks	ppany must think that the perm c) 10 weeks	uission was not d) None of these
14	,	,	ney should be minimum of c)20	, ,
15	In case minimum sube paid by the comp a)5	-	ed and refund is delayed c)7	_% of interest to d)8
16	As per SEBI applica a) 60	tion money should be b)70	refunded from the end of c)80	day d)90
17	An appeal is made to a) SAI	o whom against stock e b) NCLT	exchange for refusing the perm c) MAT	nission of listing. d) ROC
18	If permission from S a)2	b.E is not obtained amo b)4	unt should be refunded with in c)6	n how many days. 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 mus a)Yes	t go for under writing	b)No	
3	Under writing comm a) Yes	ission payment shall b	e authorized by AOA b)No	
4	In case of shares und	er writing commission	will be	
	a) 2%	b) 3%	c) 5%	d) None of these
5	In case of debentures	underwriting commis	sion will be	
	a) 3%	b) 4%	c) 2.5%	d) None of these
6	If company wants to as brokerage commis	place shares to brokers	s they should give a ma	aximum of
	a) 3%	b) 2%	c) 1.5%	d) None of these

DEPOSITS

Any amount received from Central Government or State Government can be termed as deposit
 a)Yes
 b)No

Siddharth Academy ® 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 Amount received by a company from another company will not be treated as deposit. 4 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 XYZ Company accepted deposits on March 1st 2006 and at the time of acceptance the 7 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 XYZ Company accepted deposits on March 1st 2007 and at the time of acceptance they said 9 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? d) None of these a) 6 months b) 7 months c) 8 months 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 d) None of these a) 1% b) 1.5% c) 2% 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

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	a) 1.5%	b) 2%	c) 2.5%	d) None of these		
16.	If the company failed and imprisonment up		rder of NCLT they will	be punishable with fine		
	a) 2 years	b) 3 years	c) 4 Years	d) None of these		
17.	Public deposit matur a) 17%	es and claimed but ren b) 16%	nains unpaid, penal inte c) 18%	erest will be d) None of these		
18.	Public deposit matur small deposits	es and claimed but ren	nains unpaid, penal inte	erest will be in case of		
	a) 16%	b) 18%	c) 20%	d) None of these		
19.	financial year	-	deposits a sum not exc	-		
	a) 15,000	b) 20,000	c) 18,000	d) None of these		
20.	a) Deposits	es any amount borrow b) Funds	ed by a company. c) Both a) & b)	d) None of the above		
21.	What is the ceiling ir a)10	nposed by the governr b)25	nent on company on ar c)35	ny deposits d)5		
22.	Advertisement given a)3	for deposits is valid for b)6	ormonths c)9	d)12		
23.	Deposits should issue a)2		veeks from the date of t c)6			
24.	Register of deposits a a)2	should be maintained f b)4	for years. c)8	d)16		
25.	Return of deposits is a) 30 th day of June	to be filed on or befor b) 30 th day of July	$\frac{1}{c} = \frac{1}{2} \text{ with RO}$	C y d) 30 th day of May		
26.	Failure to comply v years.	with the order of NC	CLT is punishable with	h an imprisonment upto		
	a)1	b)2	c)3	d)4		
27.	Deposit holder can fi a) 433 (a)	le winding up petition b) 433 (c)	under which sec. c) 433 (e)	d) 433 (f)		
28.	declares a a a) B.I.F.R	company as a sick con b) M.R.T.P	npany. c) FERA	d) None of the above		
29.	U/s 274 (f) (g) direc a)1	ctors are disqualified b)3	for how many c)5	years. d)7		

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30.		$\boldsymbol{\Gamma}$ should be made with how			
	many days. a)10	b)20	c)30	d)40	
31.	A Notice inviting d a) Deposit	eposits from the public b) Fund	c is c) Share	d) None of the above	
<u>MEN</u>	<u>IBERSHIP</u>				
1	When the shares are a) Member	e transferred to X from b) Shareholder	n Y. Y will be a c) Partner	of the company d) None of these	
2	The person who is l a) Member	holding share warrant b) Shareholder	will be a c) Partner	of the company. d) None of these	
3	Can an insolvent be a) Yes	e a member of the com	pany b)No		
4	Can an insolvent vo a) Yes	ote in the company	b)No		
5	Can a partnership b a)Yes	e a member of the cor	npany b)No		
6.	In case of joint shar a)Yes	eholders company wil	ll issue two share certif b)No	ïcates	
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			embers of a company _ auditor c) Right Appoin	nt Director d) All the above	
9	Which of the follov a) Partnership firm	ving is not a member o b) Foreigne		ent d) HUF	
10.	For quorum the Join a) 1	nt holders will be colle b)2	ectively counted as c)3	members. d)4	
11.	In the event of appo a) Singularly	ointing a proxy joint ho b) Jointly	olders shall sign the pro c) None of the above	-	
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 follov a) Every member is c) Both (a) & (b)	ving is not true a contributory	b) Every contribute d) None of the above		

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14.	For calculating number of members	s in a private company joint	holders will be as	
	a) 1 b)2	c)3 d)4		
<u>SHA</u>	<u>RE CAPITAL</u>			
1	A company must inform the registrar a a) 21 days b) 15 days		hares with in None of the above	
2	Share premium amount is treated as the a) issued b) Reserve		y None of the above	
3	-	by passing) a special resolution) None of the above		
4	The capital which is part of the uncalle in the event of its winding up it is calle a) Issued capital b) Nominal capi			
5	XYZ Co. is a holding of XZ Pvt. Comp valid or void a) Valid b) Void	pany. XZ Co. issued deferred sha c) Situation does not arise		
6	What is the maximum period for reden company a) 10 years b) 15 years		es issued by the d) None of these	
7	Capital redemption reserve must be use a) Fully paid bonus shares c) Preference shares	ed for issue of b) Fully paid equity shares d) None of the above.	S	
8	Part of the issued capital taken by publ a) Subscribed b) Called – up capital		aid up capital	
9	Part of authorized capital which is offe a) subscribed b) Issued	red by the company for subscrip c) Un called	tion. d) called up	
10.	Stamp duty on registration of the comp a) Nominal b) Authorized	any is payable based on c) Both (a) & (b)	_	
11.	Deferred shares are also known as a) Founders b) Equity	shares c) Preference	d) None	
12.	Preference shares carry thea) Convertedb) Cumulative	right to cumulate the dividends c) Nonconverted	d) None	
13.	Paying back of capital is called a) Redemption b) Conversion	c) Participation	d) None	

14.	Premium amount on th a) Securities premium			
15.	Maximum rate of disco a)5%	ount that can be allow b)10%	red on issue of shares c)15%	d)20%
16.	To issue the shares at c many years	discount company at l	east how many years s	hould complete how
		b)2	c)3	d)4
17.	are the shares issu other than cash	ied by the company to	o it employees or direc	tors for consideration
	a) Bonus	b) Sweat	c) Right	d) None of the above
18.	-	e share holders have b)2	voting right if divider c)3	nd are in arrears for years d)4
19.	form is to be	find in case of variati	on rights of share hold	ers
	a)23	b)19	c)18	d)20
20.	is an aggre	gate of fully paid sha	re that have been legal	ly consolidated.
	a) Share	b) Stock	c) Both a) & b)	d) None of the above
21.		denomination b) Stock	c) Both a) & b)	d) None of the above
22.	resolution sh a) Special resolution		e company to offer sha n c) C.G	res to outsiders d) None of the above
23.	Company must passa) O.R	for reducing b) S.R	its share capital c) C.G permission	d) None of the above
24.	Court order the compare	ny to add	after reducing its share	e capital
	-	•	h a) or b)	d) None of the above
25.	For reducing its share a better a bette		notice to whom? h a) & b)	d) None of the above
26.	Reduction & diminution a) 100 &94	on is done under whic b)94 &100	h sec. c)100 &96	d)96 &100
27.	Which of the following a) Free reserves c) Proceeds of fresh iss	-	back of sharesb) Securities premiund) All of the above	n
28.	Buy back by board reseable a)15	olution can only be uj b)10	pto c)25	d)20

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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 bea) 1:2b) 2:1c) 3:1d) 1:3				
31.	Every buy back shall be completed with inmonth 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 indays a) 7 b)17 c)21 d)28				
34.	After buy back company can't issue the same kind of shares formonths 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) Registrarb) SEBIc) Both a) & b)d) None of the above				
36.	If buy back is made from free resources then what should be createda) Debenture Redemption Reserveb) Capital Redemption Reservec) 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.		ue sweat equity share ion b) Ordinary reso	s must pass a. lution c) Unanimous	resolution d) No	one of these	
45.	The notice offering right shares must allow the members			to exercise	to exercise their option	
		b) 14 days	c) 15 days	d) 20	days	
<u>SHAF</u>	RE CERTIFICATE	<u>& WARRANT</u>				
1	The company mus company.	st deliver share certifi	cate within	if the shares all	otted by	
		b) 3 months	c) 4 months	d) no	ne of these	
2	The company must transfer.	st deliver share certifi	cate within	if the shares ap	plied for	
		b) 2 months	c) 5 months	d) no	ne of these	
3	Share warrants ca a) Company law b	n be issued with the p poard b) Dept of	prior approval of the of company affairs	c) Registrar	d) None	
1 2	Is the holder of share warrant is eligible for voting? a)Yes b)No To issue a share certificate Central Government permission is necessary? a)Yes b)No					
3	To issue a share warrant Central Government permission is necessary? a) Yes b)No					
4	Private company a)Yes	can issue share warra	nt? b)No			
5	Share certificate can be issued for partly paid up shares. a)Yes b)No					
6	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 a) Yes	can't be transferred	by delivery. b)No			
12.	Share warrant doe a) True	es not contain any nar	ne on face of it. b) False			
13.	Stamp duty to be a) Nominal	paid at the time of iss b) High	ue of share certificate i c) Very high		one of these	

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14.	Stamp duty to be paid at the time of issue of a) Nominal b) High	of share warrant. c) Very high	d) None of these
15.	Voting Rights are available to share certifi a) Yes	cate holders. b)No	
16.	specifies the time limit with in wh a) sec 110 b) sec 111	ich share certificate is t c) sec 112	o be delivered 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 a) Shares b) Debentures c) Bo	-	? one of the above
19.	In case of extension of time limit for is	sue of debenture certi	ficate should be given by
	a) NCLT b) ROC	c) DCA	d) None of the above
20.	The period of extension granted by NCLT a)5 b)7	for issue of debenture of c)9	certificate is d)11
21.	Which of the following can issue the share a) Public b) Private	warrant c) Both (a) & (b)	d) None of the above
22.	are attached to the share warra a) Dividend coupon b) Warrant		d) None of the above
23.	C.G. approval is necessary in case of issue a) Share certificate b) Share warrant	of c) Both (a) & (b)	d) None of the above
24.	In case of duplicate can be ob a) Share warrant b) Share certificate		d) None of the above
25.	Voting Rights are available to share warran a)Yes	nt holders. b)No	
26.	Duplicate certificate obtained if original ce a) Share Certificate b) Share warrant		

CALLS & FORFEITURE/SURRENDER OF SHARES

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	made on 1 st May, 200 Can the company do	02, 1^{st} call made on 1	st June 2002, 2 nd call	1 st April 2002, allotment made on 15 th June 2002.
	a)Yes		b)No	
3	Company to accept ca a) MOA	alls in advance from sh b) AOA	areholders they should c) BOD	have permission in d) None of these
4	Calls in advance have a)Yes	e voting rights	b)No	
5	Consideration shall b a)Yes	e paid if share holder s	urrender his shares b)No	
6	Forfeiture can be mad a) AOA	le only if it is authorize b) MOA	ed by c) ROC	d) C.G
7	Name of the member a) Issue of share certi	is struck off from the r ficate b) Share warra		d) None of the above
8	Days be g	iven for payment of ca b)13	ll money from the date c)12	of service of notice d)11
9	arises in r a) Forfeiture	respect of debt due on s b) Lien	shares as well as on oth c) Both (a) & (b)	er transactions. d) None of the above
10.	Return of partly paid a) Surrender	shares by the sharehold b) Forfeiture	ders to the company is c) Lien	d) None of the above
11.	a) Lien is a short c	b) Surrender	c) Right issue	d) None of the above
12.	No consideration shat a) Lien	ll be paid by the compa b) Forfeited		d) None of the above
13.	Interest out of capital a) MOA	can be paid only if it i b) AOA	s sanctioned by c) NCLT	d) C.G
<u>TRAN</u>	SFER & TRANSMIS	SION OF SHARES		
1	Transfer deed should a)6 B	in form No. b)5 B	c)7 B	d)None of these
2	a) Transfer	ary passage of the right b) Transmission	s and duties of member c) Both (a) & (b)	from a share holder. d) None of the above
3	The person who trans a) Transferee	efer his rights and dutie b) Transferor	s is called c) Promisor	d) Promisee

4	a) Transferee	the rights and duties a b) Transferor		d) Endorsee
5		ment of transfer signed	d by the transferor in w	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			
	a) Forged	b) Blank	c) Both (a) & (b)	d) None of the above
7	-	shares goes to another	• •	
	a) Transfer	b) Transmission	c) Both (a) & (b)	d) None of the above
8	Transfer is effected			
	a) Sales	b) Death	c) Insolvency	d) None of the above
9	Transmission is effe	cted by		
	a) Sale	b) Death	c) Insolvency	d) Both (b) & (c)
10.	In which of the follo	wing stamp duty & co	nsideration not necess	ary
	a) Transfer	b) Transmission	c) Both (a) & (b)	d) None of the above
11.	gets all liab	oilities of original own	er	
11.	a) Transferor	b) Transferee	c) Endorser	d) Endorsee
12.	Consideration is nec a)Yes	cessary in case of trans	smission b)No	
	u) 105		0)110	
13.		essary. In case of trans		
	a) Yes		b)No	
14.		ansferable by		
	a) By Execution of tc) both a) and b)	ransfer deed	b) By deliver d) None of tl	•
			d) None of th	
DEBI	ENTURES			
1	ie ieenad i	in acknowledgement of	f any indebtedness	
1		-	-	rant d) None of the above
2	Own funds are called	d		
2		b) Share capital	c) Loan capital	d) None of the above
3	Incase of allotment	Debenture Certificate i	s to be issued with in	monthe
5	a)1	b)2	c)3	months d)4
4	In and of any lines?	n fou tuorafan D-1	no Contificato is to 1-	and with in
4	in case of applicatio months	ii ior transfer Debentu	re Certificate is to be is	ssued with in
	a)1	b)2	c)3	d)4

Siddharth Academy ® 5 Debenture forms part of _____ b) Loan a) Capital c) Fund d) None of the above Share holders are 6 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 _ b) dividend c) Commission a) Interest d) Tax Which of the following have voting rights _____ 10. a) Share holders b) Debenture holder c) Both (a) & (b) d) None of the above _ is payable even if there are no profits 11. b) Dividend c) Commission d) None of the above a) Interest 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 Debentures which have the charge on the property of the company is _____ 14. 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 _____ c) Both (a) & (b) a) Debt b) Equity d) None of the above DRR is required to be created for debentures issued prior to _____ 18. a) 13.12.2000 b) 13.12.2001 c) 13.12.2002 d) 13.12.03 Amount due on redemption including interest should be claimed with in _____ years. 19. a)10 b)9 c)8 d)7 The amount unclaimed on redemption is transferred to ______fund. 20. a) Investor education & protection b) Children welfare

Siddharth Academy ® 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 Charge includes _____ 1 b) Mortgage c) Security a) Loans 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 _____ is a charge when it is made specifically to cover assets 4 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. d) None of the above a) Fixed b) Specific c) Floating 6 Which of the following charge is not registered with the ROC b) Charge on uncalled share capital a) Charge on immovable propertyc) Charge on called made but not paid a) Charge on immovable property 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 Incase of any default is made in filing the particulars related to charge then penalty is upto thousands a) 5 to 10 b)10 to15 c)15 to20 d)None of the above 9 ____ Sec. contains the provision relating to modification of a charge. a) 130 b) 135 c) 140 d) 145 Any charge is satisfied in full then which form is to be file with ROC_____ 10. a) 17 b)18 c)19 d)20 A charge requiring registration shall be filed with the registrar with in 11. d) None of the above a) 21 days b) 30 days c) 45 days When a charge become void., the money secured there under becomes repayable with in 12. 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 monthsb) 1 to 6 monthsc) 1 to 9 monthsd) None of these
6	Notice of statutory meeting should be given with a period not less than a) 21 clear daysb) 14 clear daysc) 7 clear daysd) None of these
7	Notice of statutory meeting should be attested by at least.a) 3 directorsb) 2 directorsc) 3 directorsd) None of these
8.	Notice of statutory meeting should be attested directors among them one should be CompulsoryM.D. a) Yes b)No
8	A copy of the contents of statutory report should be sent to Registrar also a) Yes b)No
9	If the statutory meeting is not held .The company may be wound up. Is it correct a) Yes b)No
10	AGM should be held by every company a) Yes b)No
11	The time gap between two AGM's shall not exceed.a) 15 monthsb) 18 monthsc) 16 monthsd) None of these
12	First AGM must be held within from the incorporation of the companya) 15 monthsb) 18 monthsc) 12 monthsd) None of these
13	XYZ co, incorporated on 1 st Jan 2005. The AGM should be held on 1 st July 2006. ROC extended that time to 1 st Sep.2006.Is the AGM valid.
14	a) Validb) Invalidc) Situation does not ariseEvery AGM must be held withfrom the date of the Balance Sheet.a) 4 monthsb) 6 monthsc) 9 monthsd) None of these
15	First AGM must be held with in from the date of the balance sheeta) 6monthsb) 9monthsc) 5monthsd) None of these

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16	Any company can't held AGM on a public holiday a) Yes b) No
17	AGM should be held at a) Companyb) Registered officec) Corporate officed) None of these
1	Central Government can exempt company from holding AGM a)Yes b)No
2	Failure to convene AGM u/s 166 penalty will bea) 50,000+250 per every dayb) 75,000+250 per every dayc) 1,00,000+250 per every dayd) 25,000+250 per every day
3	Board of directors has the authority to issue notice of the GM'S a) Yes b)No
4	Notice of the G.M. should be sent to preference share holder also a) Yes b)No
5	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
6	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
7	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
8	In case of Public Company the quorum should be a) 5 members b) 7 members c) 2 members d) None of these
9	In case of private company the quorum should be a) 2 members b) 3 members c) 4 members d) None of these
10	In case of public company towards quorum proxies will also be counted a)Yes b)No
11	In case of private company towards quorum proxies will be counted a) Yes b)No
12	Preference shareholders will be counted towards quorum at General meeting

	a)Yes b)No		
13		s a proxy he will be counted for quorum or not) Not counted		
14	quorum	as a proxy. State whether he will be counted for		
15	President appointed a proxy. State whether that person will be counted towards quorum a) Yes b)No			
16		ther that person will be counted towards quorum		
17	member present in his individual ca corporate. State whether the AGM is v	A. There are 3 members personally present and one pacity and as well as a representative of a body alid) Not valid		
18	company correct	quorum for the company should be 7 member is the		
19	the company correct	t quorum for the company should be 2 members. Is) Wrong		
20	Quorum should be present at thea) Commencement of meetingc) End of the meeting	b) Middle of the meetingd) Any time during meeting.		
1	• •	companies Act. That one member constitute quorum		
2	show of hands	e of memorandum the resolution shall be passed by		
3	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			
4	postal ballot	x of own shares. It should pass resolutions through		
5	meeting given an opportunity formation of the company. a) General b) EGM	to the member to know discuss on promotion &c) Statutoryd) None of the above		

Siddharth Academy ® report is send by the directors to its members. 6 a) Statutory b) Audit c) Annual d) None of the above 7 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) 8 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 9 Who should certify that company allotted the shares and cash received in respect there of a) Auditor b) Director c) Share holder d) Members 10 In the given below who are required to hold A.G.M b) Private company c) Government company a) Public company d) All the three 11 The time period for conduction of AGM is extended by ROC for how many months **b**)2 a)1 c)3 d)4 _____ opined that ROC could grant extension only when application for extension is 12 made before the expiry of period u/s 166 (1) b) NCLT c) Govt a) DCA d) Both (b) & (c) Which of the following company can held the AGM on public holiday_____ 13 a) Public company b) Private company c) Govt company d) Association not for profits 14 ____ may grant exemption to any class of companies with regard to the time & place of AGM. b) ROC a) C.G c) NCLT d) D.C.A 15 In case of failure to convene the AGM fine is upto Rs. b) 50,000 d) 80.000 a) 25,000 c) 75,000 In case of continuing default to convene the AGM fine isRs. _____ for every day. 16 a) 250 b) 300 c) 350 d) 400 The resolution passed at AGM are _____ 17 a) Valid c) Voidable b) Void d) Void abinitio 18 Every business transacted at an EGM is a _____ business c) Both (a) & (b) a) Ordinary b) Special d) None of the above 19. 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 19 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

20	A cost auditor makes his report to: a) Members of company b) Directors of	company c) Reg	gistrar d) C. G.			
21	A company not declare dividend at. a) Statutory meeting b) Annual general meeting c) Extra ordinary G.M d) None of the above					
22	If as a person is present in more than 1 capaci a)1 b)2 c	ity his presence will c)3	be counted as d)4			
23	In the absence of a quorum the proceedings o a) Valid b) Void of	f the meeting will be c) Voidable				
24	If quorum is not present with in tia) $\frac{1}{2}$ Hr.b)1 Hr.	ime the meeting is sta c)1 ½ Hr				
25	In case of adjourned meeting is it necessary to a) Yes b)No	o wait for the quorun	n			
26	In case of class or debenture holders quorum (a) 1 b)2 c	constitutes c)3	members. d)4			
27.	Order to call a EGM even thougha) ROCb) C.G	1 member present in c) NCLT	n person or by proxy. d) D.C.A			
27	a) Body corporate b) President of	h not a member. c) Governor	d) All the above			
28	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			
29	Casting vote can be cast by whom only in cas a) Chairman b) Director	e of equality of vote c) Auditor	s d) Manager			
30	The Chairman on his own motionalsoa) Mustb) Should	order a poll c) May	d) None of the above			
31	Poll is conducted by Chairman with in a)24 b)48 c	hrs from the der c)72	nand. d)36			
32	Proxy need not be a of the company a) Shareholders b) Members c	c) Both a) and b)	d) None of the above			
33	Depositing of proxy with the company should a)24 b)48 c	l be made with in ho c)36	w many hours d)72			
34	If the notice contain a special business then an a) Explanatory b) Enquiry c					
35	Proxies cannot vote on					

Siddharth Academy ® a) Show of hands b) Poll c) Both a) & b) d) None of the above 36 is the official recording of the proceedings of a meeting b) Minutes c) Both a) & b) a) Ouorum d) None of the above Minutes should be recorded with in _____ days from the date of conclusion of every 37 meeting c)30 a)10 b)20 d)40 Loose - leaf minutes to be bound into books at regular intervals of _____ months 38 d)9 b)7 c)8 a) 6 39 With in weeks requisition requiring circulation of a resolution may be deposited with ROC. a) 3 b)6 c)9 d)12 40 Qualification shares for a director are provided in the c) AOA d) Contract b/w Company & Directors a) Company Act b) MOA Directors are _____ of the company 41 a) Employees b) Employers c) Both a) & b) d) None of the above 42 A special resolution is passed with a) Simple majority b) 60% majority of members present c) 75% d) None of the above A poll can be demanded by any member present in person or by proxy if he has voting 43 powers at least equal to: b) 1/10th a) 1/5th c) 1/20th d) 1/30th 44 Which of the following meeting can be held more than once in a calendar year? b) S.G.M c) A.G.M d) None of the above a) E.G.M 45 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 46 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 47 A proxy must bear revenue stamp worth. a) 30 paise b) 15 paise c) 45 paise d) 50 paise Total managerial remuneration cannot exceed ____% of net profit 48 a) 11 b)12 c)13 d)14 49 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
- 50 In which one of the following cases an ordinary resolution may be passed _____
 - a) Commencement of a new business
- b) alteration of articles d) none of the above
- c) Compulsory winding up of the company