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SINCE 1997

MCQ'S - COMPANY LAW

BASIC CONCEPTS

- 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 _____
a) Company b) Share holders c) Members d) Promoters
- 3 Minimum number of members in case of public company _____
a)1 b)2 c)5 d)7
- 4 Minimum number of members in case of private company is
a)1 b)2 c)3 d)
- 5 Maximum no. of members in case of private company is
a) 50 b)100 c)150 d)200
- 6 Maximum no .of members in case of public company is
a) 0 b) unlimited c) 50 d) 100
- 7 How many months did the company can continue its business u/s 45 _____
a)1 b)2 c)5 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 _____
a) 1 Lakh b) 2 Lakhs 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 c)3 d)4
- 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 is _____
a) 65 b)70 c)75 d)80
- 15 Age limit of Directors in case of private company is _____
a)65 b)70 c)75 d)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 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
- 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 transferable c) Prohibited d) None of these
- 23 Generally Company liability is
a) Limited b) Unlimited c) Situation does not arise
- 24 Generally partnership firm liability is
a) Limited b) Unlimited c) 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

- 28 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
- 29 Members of a company can enter contract with the company
a) True b) False
- 30 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
- 31 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

CLASSES OF COMPANIES

1. A company is named as govt. company if it is 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. Under which sec. a private company can voluntarily converted into public company
_____ a)34 b)44 c)54 d)64
4. Under which sec. a private company can automatically converted into a public company
_____ a)34 b)43 c)53 d)35
5. 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
6. 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
a) more than 50 b) more than 40 c) more than 30 d) more than 20
9. Liability under _____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 _____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 _____years
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 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
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

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32. Y Pvt. Co is subsidiary of X Co. which is 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
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
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

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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 allotted a _____ in addition to their name
a) PAN b) SIN c) PIN d) CIN
6. 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
15. Can a Minor be a subscriber
a)Yes b)No
16. Can Foreigners be subscriber
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 expect one clause. What is that clause?
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 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 c) Prospectus d) None of these
25. .
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) with in 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
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 Contracts made after incorporation but before the grant of Certificate of commencement of Business _____

12. What is the liability of an expert for misstatement _____
a) 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
a) 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
a) 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 b) 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:
a) Information memorandum b) Information articles c) Form 13
d) None of the above
17. Information memorandum + shelf prospectus together constitutes _____
a) Memorandum b) Articles c) Prospectus d) None of the above
18. Validity period of information memorandum is _____
a) 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 c) 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 d)7
21. In case of redherring prospectus the refund is made with an interest @ _____
a)12 b)13 c)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 b)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 b)No
24. Because of Misrepresentation in prospectus an expert will be criminally liable.
a)Yes b)No
25. What is punishment for directors, promoters and other persons for Misrepresentation in prospectus

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- a) 50,000 b) 2 years imprisonment c) 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 b) 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.
 a) 5th b) 3rd c) 10th d) 20th
- 2 The minimum application money should be _____ of nominal value.
 a) 5% b) 3% c) 2% d) None of these
- 3 The minimum application money should be _____ of nominal value as per SEBI guidelines
 a) 25% b) 30% c) 40% d) None of these
- 4 Can shares be allotted immediately after the issue of prospectus
 a) Yes b) No c) None of the above
- 5 The min subscription amount is reckoned with amounts payable in _____
 a) 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 b) No
- 7 Allotment of shares or debentures must be made after getting _____ subscription against entire public issue as per SEBI guidelines.
 a) 80% b) 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% b) 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
 a) 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
 a) 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

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- 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

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- 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

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- 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) 30th day of June b) 30th day of July c) 30th day of January d) 30th 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

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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 it 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

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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 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

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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
- 1 Is the holder of share warrant is eligible for voting?
 a) Yes b) No
- 2 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 can issue share warrant?
 a) Yes 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 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

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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

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2. XYZ company goes for a public issue application called for on 1st April 2002, allotment made on 1st May, 2002, 1st call made on 1st June 2002, 2nd call made on 15th 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

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- 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 Incase 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

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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

- 16 Any company can't held AGM on a public holiday
a) Yes b) No
- 17 AGM should be held at
a) Company b) Registered office c) Corporate office d) 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 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
- 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

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- 6 _____ report is send by the directors to its members.
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 _____
a) Public company b) Private company c) Government company d) All the three
- 11 The time period for conduction of AGM is extended by ROC for how many months
a)1 b)2 c)3 d)4
- 12 _____ 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)
- 13 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
- 14 _____ 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
- 15 In case of failure to convene the AGM fine is upto Rs. _____
a) 25,000 b) 50,000 c) 75,000 d) 80,000
- 16 In case of continuing default to convene the AGM fine isRs. _____ for every day.
a) 250 b) 300 c) 350 d) 400
- 17 The resolution passed at AGM are _____
a) Valid b) Void c) Voidable d) Void abinitio
- 18 Every business transacted at an EGM is a _____ business
a) Ordinary b) Special c) Both (a) & (b) 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) Registrar 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 capacity his presence will be counted as _____
a)1 b)2 c)3 d)4
- 23 In the absence of a quorum the proceedings of the meeting will be _____
a) Valid b) Void c) Voidable d) None of the above
- 24 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.
- 25 In case of adjourned meeting is it necessary to wait for the quorum
a) Yes b)No
- 26 In case of class or debenture holders quorum constitutes _____ members.
a) 1 b)2 c)3 d)4
27. _____ 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
- 27 _____ can vote at the meeting even though not a member.
a) Body corporate b) President 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 case of equality of votes
a) Chairman b) Director c) Auditor d) Manager
- 30 The Chairman on his own motion _____also order a poll
a) Must b) Should c) May d) None of the above
- 31 Poll is conducted by Chairman with in _____ hrs from the demand.
a)24 b)48 c)72 d)36
- 32 Proxy need not be a _____ of the company
a) Shareholders b) Members c) Both a) and b) d) None of the above
- 33 Depositing of proxy with the company should be made with in how many hours
a)24 b)48 c)36 d)72
- 34 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
- 35 Proxies cannot vote on _____

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- 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
a) Quorum b) Minutes c) Both a) & b) d) None of the above
- 37 Minutes should be recorded with in _____ days from the date of conclusion of every meeting
a)10 b)20 c)30 d)40
- 38 Loose – leaf minutes to be bound into books at regular intervals of _____ months
a) 6 b)7 c)8 d)9
- 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 _____
a) Company Act b) MOA c) AOA d) Contract b/w Company & Directors
- 41 Directors are _____ of the company
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
- 43 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
- 44 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
- 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
- 48 Total managerial remuneration cannot exceed _____% of net profit
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
- c) Compulsory winding up of the company
- d) none of the above