

1. : Minimum number of members in

a) Private Company	<i>2 members</i>
b) Public Company	<i>7 members</i>

2. : Maximum number of members in:

a) Private Company	<i>50 members</i>
b) Public Company	<i>Any number of members</i>
c) Partnership Firm	<i>10 in case of banking business, 20 in case of trading business.</i>

3. : Minimum Capital:

a) Private Company	<i>1 lac</i>
b) Public Company	<i>5 lacs</i>

4. :

a) Interest on calls in advance	<i>6% p.a.</i>
b) Interest on calls in arrear	<i>5% p.a.</i>
c) Minimum subscription in case of public company	<i>90% of the entire issue</i>
d) Minimum application money in case of public limited company	<i>5% of the nominal face value</i>
e) Maximum Rate of discount	<i>10% of the nominal value of share</i>

5. relevant sections:

a) Definition of company	<i>Section 3(1)(i)</i>
b) Issue of share at a premium	<i>Section 78</i>
c) Issue of share at a discount	<i>Section 79</i>
d) Books of accounts	<i>Section 209</i>

6. Which of the following statement is false:

a) A company is a legal entity quite distinct from its members.

b) A company can buy its own share

**c) A shareholder is the agent of the company**

d) Same person can agent and creditor of the company

7. Which of the following are the charactersitics of a company

a) Liability of the members is limited upto the face value of shares held by them

b) It is a voluntary association of persons.

c) A company is a separte body can sue and be sued in its own name

d) Perpectual succession

**e) All of the above**

8. The term Company and Body corporate denote the same thing. **False**

9. Body corporate does not include Co- operative society. **True**

10. :

a) Statutory Company	<b><i>Formed by special act of the legislature or parliament.</i></b>
b) Guarantee company	<b><i>Liability of the member is limited upto the amount he guaranteed to contribute in the event of winding up.</i></b>
c) Deemed public company	<b><i>Holds 25% of paid up capital of a pulic company</i></b>
d) Chartered companies	<b><i>Incorporated under special charter by the king or sovereign</i></b>

11. The quorum for a meeting in private company is two and for a public limited company is five.

**True**

12. Minimum number of directors is two for a Pvt. Ltd company and three for a Limited company.

**True**

13. Which of the following capital is not shown in company's balance sheet.

a) Authorised capital

b) Issued and Subscribed capital

c) Called and paid up capital

**d) Reserve Capital**

14. Permission from central government to issue share capital is required if Nominal capital exceeds Rs. 1 crore. **True**

15. A company is said to be Deemed Public company if its Annual Turnover exceeds Rs. 25 crores. **True**

16. Share application and allotment account is a:

a) **Personal account**

b) Real account

c) Nominal account

17. Discount of issue of share shows debit balance and hence shown on the assets side of the balance sheet under the head miscellaneous expenditure. **True**

18. Securities premium account is shown on the liabilities side of the balance sheet under the head:

a) Share capital

**b) Reserves and surplus**

c) Current liabilities

19. As per section 78 of the companies act, amount collected as premium on securities cannot be utilised for:

a) Issuing fully paid bonus shares to the members

**b) Purchase of fixed assets**

c) Writing off preliminary expenses

d) Buy back of its own shares

e) Premium payable on redemption of preference shares

20. The portion of the authorised capital which can be called-up only on the liquidation of the company is called

a) Authorised capital

**b) Reserve capital**

c) Issued capital

d) Called up capital

21. Penalty for delay in refunding application money

a) 6%

b) 5%

**c) 15%**

d) 20%

22. Payment of interest on calls-in-advance is at the discretion of the company. **False**

23. Which of the following statement is false?

a) Declared dividend should be classified in the balance sheet as a current liability.

b) Dividends are usually paid as a percentage of paid-up-capital.

**c) A company can raise funds beyond its Authorised capital.**

d) As per the companies act, only preference shares which are redeemable within 20 years can be issued.

24. Which of the following statements are correct?

a) Subscribed capital is that part of capital which is offered to the public for subscription.

**b) Called-up-capital is that part of the subscribed capital, that has been called up.**

**c) Paid-up-capital = called-up-capital - calls in arrear**

d) Issued capital is that part of authorised capital which is applied by the public and allotted by company.

25. Which of the following statements are incorrect ?

a) A company registered in india issues only Equity and Preference shares.

b) The preference share is that part of share capital which enjoys preferential rights regarding repayment of Capital and payment of Dividend.

c) *A Public limited company can commence business as soon as it is incorporated.*

d) A private company can commence business after getting the certificate of incorporation.

26. Securities premium once received cannot be cancelled. **True**

27. Which of the following is not a statistical book of a company?

a) Share application and allotment book

b) Register of share warrants

c) Register of shares and debentures transferred

**d) Register of debenture holders**

28. Which of the following is not a statutory book of a company?

a) Annual returns

b) Minutes book

c) Register of fixed deposits

**d) Agenda book**

29. Technique used for marketing a public offer of equity shares of a company is called book building process. **True**

30. Free pricing mechanism is used in pricing issue of share. **True**

31. :

a) Rematerialization	<i>Conversion of electronic securities into physical form</i>
b) Dematerialization	<i>Coverision of physical shares into electronic securities</i>
c) Sweat equity shares	<i>Shares issued at a discount or consideration other than cash for providing know how or rights or value addition.</i>
d) Employess stock option schemes	<i>Option given to the whole time directors, officers and employees to purchase securities.</i>

32. Share capital suspense account is opened when:

- a) Balance sheet is not tallied
- b) When dividend is declared but not paid
- c) When shares are forfeited

**d) When application money is received but balance sheet is prepared before allotment of shares.**

33. As per SEBI guidelines, A new company without any track record can issue share at a premium.

**False**

34. A new company set up by existing companies with five year track record can issue share at premium provided:

- a) Participation of existing companies are not less than 50%
- b) Prospectus contains justification for issue price
- c) The issue price is made applicable to all new investors uniformly.

**d) All of the above**

35. Issue of share at a discount must be authorised by a resolution passed by the company in general meeting and duly sanctioned by the central government. **True**

36. A company can issue share at a discount if

- a) One year have been elapsed since the date at which the company was allowed to commence business
- b) Shares issued at a discount must belong to a class of shares already issued
- c) Issue must take place within two months after the date of sanction by the court or within extended time.

**d) All of the above**