

Chapter 1 : PRELIMINARY AND BASICS OF COMPANY

1.	Property of the Company belongs to -----.			
	a. Company	b. Shareholders	c. Members	d. Promoters
2.	Mr. X, shareholder of A Ltd. used the property of the Company for his personal use, he did not enter into any contract with the Company for such sale, whether the shareholder of the Company can use the property of the Company for their own personal purpose?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
3.	The term Company is defined under which section of the Companies Act, 2013?			
	a. Section 2 (20)	b. Section 2 (10)	c. Section 2 (4)	d. Section 2 (3)
4.	Minimum number of partners required under Partnership Firm?			
	a. 2	b. 7	c. 3	d. None of the above
5.	Partnership firm is separate legal entity from its partners. True or False.			
	a. True	b. False	c. Partly True	d. Partly False
6.	How to dissolve Partnership Firm under Partnership Act, 1932?			
	a. By agreement of partners	b. By mutual consent of partners and by court order	c. By insolvency and by certain contingencies	d. All of the above
7.	Registration of Partnership Firm is optional. True or False.			
	a. True	b. False	c. Partly True	d. Partly False
8.	Mr. M, assessee earned huge income from dividend, he formed 2 private companies and contributed his income as capital against shares of the Company, and he took back all the contributed by him in company as capital by way of pretended loan. Whether assessee is exempted from tax? Or he will be liable for the tax?			
	a. Liable for the tax	b. Exempted from tax	c. Partly exempted	d. None of the above
9.	Company registered under Companies Act, 2013 is separate legal entity from its members?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
10.	How to dissolve Company under Companies Act, 2013?			
	a. Voluntary	b. Order of National Company Law Tribunal	c. Either a or b	d. None of the above
11.	Minimum number of members in case of Public Company?			
	a. 1	b. 2	c. 5	d. 7
12.	Minimum number of members in case of Private Company?			
	a. 1	b. 7	c. 2	d. 4
13.	Maximum number of members in case of Public Company?			
	a. 0	b. Unlimited	c. 50	d. 100

14.	Maximum number of members in case of Private Company?			
	a. Unlimited	b. 50	c. 200	d. 7
15.	Which company shares can be freely transferable?			
	a. Private Company	b. Public Company	c. Both a and b	d. None of the above
16.	Minimum number of directors in case of a Public Company is-----.			
	a. 1	b. 2	c. 3	d. 4
17.	Minimum number of directors in case of a Private company is-----.			
	a. 1	b. 2	c. 3	d. 4
18.	Maximum paid up share capital in case of Private Company-----.			
	a. Rs. 50 Lakhs	b. Rs. 1 Crore	c. Unlimited	d. None of the above
19.	Maximum paid up share capital in case of Public Company-----.			
	a. Rs. 50 Lakhs	b. Unlimited	c. Rs. 1 Crore	d. None of the above
20.	Maximum paid up share capital in case of One Person Company-----.			
	a. Rs. 50 Lakhs	b. Rs. 1 Crore	c. Unlimited	d. None of the above
21.	Maximum paid up share capital in case Small Company-----.			
	a. Rs. 50 Lakhs to Rs. 5 Cr.	b. As per Central Govt.	c. Either a or b	d. None of the above
22.	M/s ABC, is a Private Limited Company is desirous for inviting the public for subscription of its issue. Can the Company do so?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
23.	Which Company is free to invite public for subscription?			
	a. Public Company	b. Private Company	c. One Person Company	d. Small Company
24.	Maximum annual turnover in case of One Person Company-----.			
	a. Rs. 2 Crore	b. 1 Crore	c. Rs. 10 Crore	d. 5 Crore
25.	The Private Company which is the subsidiary of the Public Company will also be considered as the Public Company under Section 2 (71) of the Companies Act, 2013. True or False.			
	a. True	b. False	c. Partly True	d. Partly False
26.	"M" is Private Limited Company, subsidiary of the Public Limited Company. Whether M Private Limited is considered as Private Limited and also deemed Public Limited Company?			
	a. Yes	b. No		
27.	Minimum number of directors in case of a One Person Company is-----.			
	a. 2	b. 4	c. 3	d. 1
28.	Minimum number of members in case of One Person Company?			
	a. 1	b. 2	c. 7	d. None of the above

29.	A Company is a legal entity but not a citizen. Is this statement true?			
	a. True	b. False	c. Partly True	d. Partly False
30.	Punishment for improper use of word "Limited" or "Private Limited".			
	a. Rs. 500 per day during use of such name	b. Rs. 2000 per day during use of such name	c. Rs. 500 to Rs.2000 per day during use of such name	d. None of the above
31.	Mr. A wants to incorporate One Person Company individually. Can he do so?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
32.	Mr. Superman is a truck driver formed company for testing trucks. The name of the company is Thhok Diya Ltd. Mr. Superman was also an employee having a contract of compensation with Thhok Diya Ltd. in case of damage to him or his life. At one day Mr. Superman drove a truck and went into accident with bicycle and lost his life. Now his widow want to claim compensation from Thhok Diya Ltd. Whether wife of the Superman can receive the compensation from the company?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
33.	MN Limited Company, desirous for inviting the public for subscription of its issue. Can the Company do so?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
34.	As per Section 2(87) of the Companies Act, 2013, Subsidiary Company in relation to any other company means a company in which the holding company-----.			
	a. Controls the composition of the board of directors	b. Exercises or controls more than one – half of the total voting power either at its own or together with one or more of its subsidiary companies	c. Either option a or b	d. None of the above
35.	H Ltd. holds more than 52% voting rights of S Ltd., Whether S Ltd. is a subsidiary of H Ltd.?			
	a. Yes	b. No	c. Partly Yes	d. Can't say
36.	S Ltd. Controls the composition of the board of directors of H Ltd., whether H Ltd. is a subsidiary of H Ltd.?			
	a. Yes	b. No	c. Partly Yes	d. Can't say
37.	As per Section 2(6) of the Companies Act, 2013, ----- Company means a company in which other company has a significant influence (control of at least 20% of total voting power), but which is not a subsidiary company of the company having such influence			
	a. Associate	b. Holding	c. Subsidiary	d. None of the above
38.	As per Section 2(45) of the Companies Act, 2013, Government Company means any company in which not less than 51% of the paid up share capital is held by-----			
	a. By the Central Government	b. By any state Government or Governments	c. Partly by the Central Government and partly by one or more state Governments	d. All of the above
39.	As per Section 2(45) of the Companies Act, 2013, Government Company means any company in which not less than 51% of the paid up share capital is held by the Central Government only. True or false.			
	a. True	b. False		

40.	H is public limited company in which 52% of paid up share capital held by Central Government, whether H limited is government company as per Section 2(45) of the Companies Act, 2013.			
	a. Yes	b. No	c. Partly Yes	d. Partly No
41.	MN is public limited company in which 52% of paid up share capital held by State Government, whether MN limited is government company as per Section 2(45) of the Companies Act, 2013.			
	a. Yes	b. No	c. Partly Yes	d. Partly No
42.	MNN is public limited company in which 30% of paid up share capital held by Central Government and 30% of the paid share capital held by State Government, whether MNN limited is government company as per Section 2(45) of the Companies Act, 2013.			
	a. Yes	b.No	c. Partly Yes	d. Partly No
43.	Whether Foreign LLP are also considered under Foreign Company under the Companies Act, 2013			
	a.Yes	b. No	c. Partly yes	d. Partly No
44.	Whether shares held in fiduciary capacity are to be counted for making company a subsidiary?			
	a. Yes	b.No	c. Partly Yes	d. Partly No
45.	Whether shares held by virtue of provisions of any debentures are to be counted for making company a subsidiary?			
	a. Yes	b.No	c. Partly Yes	d. Partly No
46.	What will be the status of the Private Company which is subsidiary of the foreign Company?			
	a. Private Company	b. Public Company	c. Option a or b	d. Can't say
47.	SS Private Limited is subsidiary of the TMT Company which is foreign Company, can SS Private Limited company considered as Private Limited?			
	a. Yes	b.No	c. Partly Yes	d. Partly No
48.	According to Section 2(42) of the Companies Act, 2013, Foreign Company means any company or body corporate incorporated outside India which-----			
	a. Company or body corporate incorporated outside India and majority of shareholders are out of India	b. Conduct any business activity in India in any manner	c. Has a place of business in India whether by itself or through agent, physically or through electronic mode	d. All of the above
49.	If the foreign Company have place of business in India but does not conduct the business from such place, whether that Company is considered as Foreign Company according to Section 2(42) of the Companies Act, 2013?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
50.	The subsidiary Company hold shares in the holding company before the holding company becomes the holding company of such subsidiary. True or False.			
	a. True	b. False	c. Partly True	d. Partly False
51.	The company can take away ownership from management?			
	a. Yes	b. No	c. Partly Yes	d. Partly No

52.	The investor need not enter in to day to day transaction of the Company or management of the Company. True or false.			
	a. True	b. False	c. Partly True	d. Can't say
53.	The Company is an artificial judicial person, it is not a natural person. True or False.			
	a. True	b. False	c. Partly True	d. Can't say
54.	The Company has to right to enter into contract on its own name. True or False			
	a. True	b. False	c. Partly True	d. Partly False
55.	The term Public Company is defined under which Section of the Companies Act, 2013?			
	a. Section 2 (71)	b. Section 2 (10)	c. Section 2 (4)	d. Section 2 (3)
56.	Everything which is done in the company will be known by the name of the company?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
57.	Which Company do not have capital clause?			
	a. Limited by shares	b. Limited by Guarantee	c. Both a and b	d. None of the above
58.	There can be a transfer of property from a company to the ----- & vice- versa.			
	a. Member	b. Employee	c. Promoter	d. None of the above
59.	The Limited company have subtypes namely -----			
	a. Company limited by shares	b. Company limited by Guarantee	c. Company limited by shares as well as Guarantee	d. All of above
60.	A person can be a member, director, employee and creditor of the company same time?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
61.	Mr. A is a director of the ABC Limited, he wants to hold secured debentures from company. Can he do so?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
62.	A company is not an agent of members or directors. True or False.			
	a. True	b. False	c. Partly True	d. Can't say
63.	Mr. Kiran is a director and employee of the KBC Limited, he wants to purchase the equity shares of the company. Whether he can do so?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
64.	M. K is an engineer, formed manufacturing company. The name of the company is KE Ltd. Mr. K was also an employee having a contract of compensation with KE Ltd. in case of damage to him or his life. At one day he met with accident during testing of machine and he died, whether wife of the K can receive the compensation from the company?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
65.	Shares of listed companies are freely tradable. True or False.			
	a. True	b. False	c. Partly True	d. Partly False

66.	Shares of unlisted companies are not freely tradable. True or False.			
	a. True	b. False	c. Partly True	d. Partly False
67.	An----- is a company whose main business is holding securities for investment purpose.			
	a. Banking Company	b. Producer Company	c. Investment Company	d. Financial Company
68.	The Company by its main object in its MOA involved in primary production stated in Section 581 B of Company Act, 1956 is a			
	a. Banking Company	b. Producer Company	c. Investment Company	d. Financial Company
69.	Section 8 of the Companies Act, 2013 deals with which type of company -----			
	a. Banking Company	b. Investment Company	c. Financial Company	d. Non Profit Company
70.	Main object of Non Profit Company			
	a. Promote art, commerce, science	b. Social welfare	c. Protection of environment	d. All of above
71.	The term Private Company is defined under which section of the Companies Act, 2013?			
	a. Section 2 (71)	b. Section 2 (85)	c. Section 2 (4)	d. Section 2 (68)
72.	The term One Person Company is defined under which section of the Companies Act, 2013?			
	a. Section 2 (71)	b. Section 2 (62)	c. Section 2 (85)	d. Section 2 (68)
73.	The term Small Company is defined under which section of the Companies Act, 2013?			
	a. Section 2 (71)	b. Section 2 (62)	c. Section 2 (85)	d. Section 2 (68)
74.	Which types of resolutions passed in General Meeting?			
	a. Ordinary	b. Special	c. Unanimous	d. All of the above
75.	Creditors Meeting are not normally conducted in the company on very special cases like-----			
	a. Winding Up of the Company	b. Amalgamation, Merger and Reconstruction of the Company	c. Reduction of capital and changes in Object clause of MOA	d. All of the above
76.	All the votes of present & voting members shall be in favor of resolution, that resolution is called -----			
	a. Ordinary	b. Special	c. Unanimous	d. None of the above
77.	Which of the following businesses are ordinary business?			
	a. Appointment & remuneration of BOD	b. Appointment & remuneration of Auditor	c. Acceptance of Accounts and declaration of dividend	d. All of the above
78.	Meeting of board of directors is called as -----			
	a. General meeting	b. Creditor meeting	c. Board meeting	d. None of the above
79.	Any business other than ordinary business is special business. True or False.			
	a. True	b. False	c. Partly True	d. Partly False

80.	Statutory meeting is held after ----- month but before ----- months from incorporation.			
	a. 1, 6	b. 2, 4	c. 3,4	d. 1, 5
81.	Mr. M held all the shares of the ABC Ltd. except 1. He insured the product C of the company in his own name. Product C is destroyed by fire. Mr. M wants to claim the compensation for the product C destroyed from the company. Whether Mr. M can claim the compensation from the insurance company for loss?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
82.	Legal position of a promoter of a company is.....			
	a. That of an agent	b. That of a trustee	c. That of a solicitor	d. In a fiduciary capacity
83.	P InfoTech Ltd. was registered as a public Limited. There are 76 members in the Company, directors and their relatives 36 members, employees – 12, ex- employees 8, 7 couples holding shares jointly 14, and others 6. The board of directors of the company propose to convert it into a private company to public company. State reduction in the number of members?			
	a. 49	b. 62	c. 70	d. 76
84.	Rajiv owns a garments shop with his two brothers. They decided to diversify their business by creating a company that will manufacture garments. They are facing some financial difficulties in this regard. They collectively have just Rs. 80,000 as capital. Furthermore, they wish to limit their liabilities because of such financial shortcomings. Can they form a private company under such conditions?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
85.	Mr. P from the company Y Ltd. and invested in the share capital as well as debenture, the debenture are amounting to Rs. 20 Crore. Y Ltd also took loan from B Bank Ltd of Rs. 60 Crore. Company went to into liquidation and realized Rs. 35 Crore. B Bank Ltd claim entire 35 Crore as P and Y Ltd. are not different. Whether claim of bank is true?			
	a. Yes	b. No		
86.	Life Insurance Company is which type of company?			
	a. Statutory Company	b. Chartered Company	c. Registered Company	d. None of the above
87.	ABC Pvt. Ltd., company is a private limited having 5 members only. All the members of the company were going by car in relation to some business. An accident took place and all of them died. Whether existence of the company has also come to the end?			
	a. Yes	b. No	c. Partly Yes	d. Can't say
88.	The 'common seal' of the company should have.....			
	a. The company's name	b. The words 'corporate seal'	c. The place of the company	d. All the above
89.	Power to use official seal of the company outside India is to be authorized by.			
	a. Article of Association	b. Memorandum of Association	c. Both Memorandum and Article of Association	d. Central Government
90.	East India Company is an example of.....			
	a. Statutory Company	b. Registered company	c. Chartered company	d. None of these

91.	H Ltd. holds more than 51% voting power of S Ltd. and also controls composition of R Ltd. Both S and R Ltd. are subsidiaries of H Ltd. S Ltd Holds 30% voting power of P Ltd. and R Ltd. holds 30% voting power of P Ltd. Whether P Ltd. is also subsidiary of H Ltd.?
	a. Yes b. No c. Partly Yes d. Partly No
92.	H Ltd. holds more than 51% voting power of S Ltd. and also controls composition of R Ltd. Both S and R Ltd. are subsidiaries of H Ltd. S Ltd Holds 20% voting power of P Ltd., R Ltd. also holds 20% voting power of P Ltd. and also H Ltd. holds 20% voting power of P Ltd. Whether P Ltd. is also subsidiary of H Ltd.?
	a. Yes b. No c. Partly Yes d. Partly No
93.	H Ltd. holds more than 51% voting power of S Ltd. and also controls composition of R Ltd. Both S and R Ltd. are subsidiaries of H Ltd. S Ltd controls composition of P Ltd. and R Ltd. also Controls composition of P Ltd. Whether P Ltd. is also subsidiary of H Ltd.?
	a. Yes b. No c. Partly Yes d. Partly No
94.	H Ltd. holds more than 50% voting power of S Ltd. and R Ltd controls composition of S Ltd. Whether S Ltd. is subsidiary of both H Ltd. and R Ltd.?
	a. Yes b. No c. Partly Yes d. Partly No
97.	H Ltd. holds more than 51% voting power of S Pvt. Ltd. and also controls composition of R Pvt. Ltd. Whether S Pvt. Ltd. and R Pvt. Ltd. are deemed public company?
	a. Yes b. No c. Partly Yes d. Partly No
98.	H Ltd. holds more than 51% voting power of S Pvt. Ltd. and also controls composition of R Pvt. Ltd. S Pvt. Ltd. and R Pvt. Ltd. are considered deemed public company. S Pvt. Ltd Holds 30% voting power of P Pvt. Ltd. and R Pvt. Ltd. holds 25% voting power of P Pvt. Ltd. Whether P Pvt. Ltd. is deemed public company?
	a. Yes b. No c. Partly Yes d. Partly No
99.	H Ltd. holds 30% voting power of S Pvt. Ltd. and also holds 30% voting power of R Pvt. Ltd. S Pvt. Ltd. holds 30% voting power of M Pvt. Ltd. and R Pvt. Ltd. holds 30% voting power of M Pvt. Ltd. Whether M Pvt. Ltd. is deemed public company?
	a. Yes b. No c. Partly Yes d. Partly No
100	Way of holding shares in Holding company by subsidiary company through?
	a. Trustee b. Nominee c. Past holding d. All of the above
101	Subsidiary company of Government company is also Government company. True or False.
	a. True b. False c. Partly True d. Partly False
102	Government company can be Public Limited Company only. True or False.
	a. True b. False c. Partly True d. Partly False
103	Whether electronic place of business is also considered as place of business?
	a. True b. False c. Partly True d. Partly False
104	Agent of Foreign Company is doing a business from hotel room in India. Whether that room is considered as place of business?

	a. Yes	b. No	c. Partly Yes	d. Partly No
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Answer

1.	a (Hint: As per Section 9 of Companies Act, 2013, (Property of the Company is not the property of the shareholders, it is property of the Company because Company is separate legal entity from shareholders)
2.	b (Hint: As per Section 9 of Companies Act, 2013, Property of the Company is not the property of the shareholders, it is property of the Company because Company is separate legal entity from shareholders)
3.	a
4.	a
5.	b (Hint: Partnership firm is not a separate legal entity from its partners)
6.	d
7.	a (Hint: As per Partnership Act, registration of Partnership Firm is optional)
8.	a (Lifting of corporate veil- Company is formed just for the purpose of avoid tax)
9.	a(Hint: As per Section 9 of Companies Act, 2013, Company have its own identity, its own legal entity like other human)
10.	c
11.	d (Hint: Public Company is incorporated by minimum 7 members)
12.	c (Hint: Private Company is incorporated by minimum 2 members)
13.	b (Hint: there is no max limit on members of the company)
14.	c (Hint: there is max limit on members of the company)
15.	b (Hint: members of the Company have right to transfer their share)
16.	c (Hint: As per section 149 (1) of the companies Act, 2013)
17.	b (Hint: As per section 149 (1) of the companies Act, 2013)
18.	c (Hint: there is no max limit on capital of the company)
19.	b (Hint: there is no max limit on capital of the company)
20.	a (Hint: there is max limit on capital of the company)
21.	c
22.	b(Hint: right of members to transfer the shares can be restricted by article)
23.	a
24.	a(Hint: there is max limit on turnover of the company)
25.	a
26.	a
27.	d (Hint: s per section 149 (1) of the companies Act, 2013)
28.	a (Hint: One member is also sufficient for incorporation of One Person Company)
29.	a (Hint: the citizenship in India is available for Individual only. As the company is not an individual)
30.	c
31.	a (Hint: One member is also sufficient for incorporation of One Person Company)
32.	a (Hint: There was valid contract between the company and Mr. Superman)
33.	a(Hint: Public Company is free to invite public for subscription)
34.	c
35.	a(Hint: Exercises or controls more than one – half of the total voting power either at its own or together with one or more of its subsidiary companies)
36.	a (Hint: Controls the composition of the board of directors)
37.	a
38.	d

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39.	b
40.	a (Hint: any company in which not less than 51% of the paid up share capital is held by central Government Company is called Government company)
41.	a (Hint: any company in which not less than 51% of the paid up share capital is held by any state Government or Governments)
42.	a (Hint: any company in which not less than 51% of the paid up share capital is Partly by the Central Government and partly by one or more state Governments)
43.	a (Hint: because it is body corporate)
44.	a
45.	a
46.	a
47.	a
48.	d
49.	b (Hint: One of the basic condition is to conduct the business from India)
50.	a (Hint: Section 19 of the Companies Act prohibits the subsidiary company from holding the shares in the Holding Company except in above situation)
51.	a (Hint: As per Section 9 of Companies Act, 2013, the Company is combination of separate 3 pillar i.e. Investor, Management and Auditor. Investor invest the money which is used by management to run business and auditor checked whether money is being properly used or not)
52.	a (Hint: As per Section 9 of Companies Act, 2013, the Company is combination of separate 3 pillar i.e. Investor, Management and Auditor. Investor invest the money which is used by management to run business and auditor checked whether money is being properly used or not)
53.	a(Hint: As per Section 9 of Companies Act, 2013, Company is created by human, it's not natural)
54.	a
55.	a
56.	a
57.	b
58.	a
59.	d
60.	a (Hint: A person can be a member, director, employee and creditor of the company at the same time)
61.	a (Hint: A person can be a member, director, employee and creditor of the company at the same time)
62.	a
63.	a (Hint: A person can be a member, director, employee and creditor of the company at the same time)
64.	a (Hint: There was valid contract between the company and Mr. K)
65.	a
66.	a
67.	c
68.	b
69.	d
70.	d
71.	d
72.	d
73.	c
74.	d
75.	d
76.	c
77.	d
78.	c
79.	a

80.	a
81.	b (Hint: As per Section 9 of Companies Act, 2013, (Property of the Company is not the property of the shareholders, it is property of the Company because Company is separate legal entity from shareholders. Insurance company is also at the fault of giving insurance to Mr. M then Mr. M can claim the damages but compensation cannot be claimed)
82.	d
83.	a(Hint: Where 2 or more persons hold one or more shares jointly, they be treated as single member and also person who are in the employment and person who having been formerly in the employment are excluded from membership)
84.	a (Hint: Although the Companies Act had previously prescribed a minimum capital requirement of Rs. 1 lakh, this is now omitted. Considering the second condition, they can opt for a company limited by shares or guarantee)
85.	b (Hint: One of the character is separate legal entity i.e. members are separate and company is separate. A member can also be creditor of company at same time. Mr. P is a creditor as well as member of Company and will get his debts)
86.	a
87.	b (Hint: One of the character is separate legal entity i.e. members are separate and company are separate. The stability and perpetuity to the company form business organization)
88.	d
89.	a
90.	c
91.	a (Hint: As per Section 2(87) of the Company Act, 2013, Company in which holding company exercises or controls more than one- half of the total voting power either its own or together with one or more of its subsidiary companies.(30% +30%= 60%)
92.	a (Hint: As per Section 2(87) of the Company Act, 2013, Company in which holding company exercises or controls more than one- half of the total voting power either its own or together with one or more of its subsidiary companies. (20%+20%+20%=60%
93.	a (Hint: As per Section 2(87) of the Company Act, 2013, Company in which holding company controls the composition of the Board of Director or exercises or controls more than one- half of the total voting power either its own or together with one or more of its subsidiary companies.
94.	a (Hint: Holding Company have many subsidiary Company at the same time, and also subsidiary Company also have many Holding Company at the same time
95.	a (Hint: As per Section 2(87) of the Company Act, 2013, Company in which holding company controls the composition of the Board of Director or exercises or controls more than one- half of the total voting power either its own or together with one or more of its subsidiary companies. Subsidiary Companies of Subsidiary company of Holding Company are also the Subsidiary company of Holding company
96.	c (Hint: means a company in which other company has significant influence(20% of total voting or of business decision under an agreement)
97.	a (Private Limited Company which is a subsidiary of the Public Limited Company considered as deemed Public Limited Company)
98.	a (Hint: As per Section 2(87) of the Company Act, 2013, Company in which holding company exercises or controls more than one- half of the total voting power either its own or together with one or more of its subsidiary companies. (30%+25%=55%) Private Limited Company which is a subsidiary of the Public Limited Company considered as deemed Public Limited Company)
99.	b (Hint: both S Pvt. Ltd. and R Pvt. Ltd. are not the subsidiary of H Ltd
100.	d
101.	a (Hint: As per Section 2(45) of the Companies ACT, 2013, Government Company includes Subsidiary company of such a Government company)
102.	b (Hint: Government company can be a Public Limited Company as well as Private Limited Company)
103.	a

104. a (Hint: No registration of place of business is required)

1.12

Chapter 2 : FORMATION AND INCORPORATION OF COMPANIES

2.1

1.	A person shall be eligible to incorporate One Person Company, if he is.....			
	a. Only natural person who is an Indian citizen	b. Resident in India more than 182 days during the immediately preceding one calendar year.	c. Not Minor	d. Any of the above
2.	Mr. Ramesh is an Indian citizen and he has stayed in India for a period of 170 days during the last immediately preceding calendar year, does he is eligible to incorporate One Person Company?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
3.	Mr. Rajesh(age 17 years) is an Indian citizen and he also resident in India more than 182 days, does he shall become member of the One Person Company?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
4.	A person shall be a nominee for the sole member of a One Person Company, if he is.....			
	a. Indian citizen	b. Resident in India more than 182 days	c. Not Minor	d. Any of the above
5.	Mr. Sohel is an Indian citizen and he has stayed in India for a period of 179 days during the last immediately preceding calendar year, does he shall be a nominee for the sole member of a One Person Company?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
6.	Mr. Rajesh(age 17 years) is an Indian citizen and he also resident in India more than 182 days, does he shall be a nominee for the sole member of a One Person Company?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
7.	One Person Company cannot be converted into ----- company.			
	a. Private	b. Public	c. Section 8	d. All of the above
8.	One Person Company cannot carry out Non-Banking Financial Investment activities including investment in securities of anybody corporate. True or False			
	a. True	b. False	c. Partly True	d. Partly False
9.	One Person Company cannot convert voluntarily into any kind of company unlessyears have expired from the date of incorporation , except where the paid up share capital is increase beyond Rs.50 lakhs and its average annual turnover during the relevant period exceed Rs.2 Cr.			
	a. 1	b. 2	c. 3	d. 4
10.	One Person Company cannot convert voluntarily into any kind of company unless 2 years have expired from the date of incorporation, except where the paid up share capital is increase beyond Rs. ----- and its average annual turnover during the relevant period exceed Rs. -----			
	a. Rs.50 lakhs, Rs.2 Cr.	b. Rs.40 lakhs, Rs.2 Cr.	c. Rs.50 lakhs, Rs. 1 Cr.	d. Rs.25 lakhs, Rs.3 Cr
11.	As per schedule I, form of Memorandum of Company Limited by Shares is mentioned in which Table?			
	a. Table A	b. Table B	c. Table C	d. Table D
12.	Whether the member of the One Person company has right to change the name of Nominee as and when he think fit only by giving notice of such change in name. True or False.			

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	a. True	b. False	c. Partly True	d. Partly False
13.	In case of One Person Company, name of another person as also be mentioned in the Memorandum who will not be the subscriber of the company but who agrees to become subscriber of the company in case of death or incapacity of the subscriber.			
	a. Creditor	b. Member	c. Promoter	d. Nominee
14.	As per schedule I, form of Memorandum of Company Limited by Shares and not having share capital (Guarantee Company) is mentioned in which Table?			
	a. Table A	b. Table B	c. Table C	d. Table D
15.	In case of One Person Company, as per Section 3(1) of the companies Act, 2013, written consent of nominee has to be filed with ROC in which E form at the time of filing Memorandum and Article of association			
	a. INC 3	b. INC 6	c. INC 4	d. INC 2
16.	A company is said to have been registered when?			
	a. It files Memorandum of association and Articles of Association	b. It gets incorporation certificate with the Registrar of Companies.	c. It gets certificate for commencement of business.	d. It actually starts its business.
17.	As per schedule I, form of Memorandum of Company Limited by Shares and having share capital is mentioned in which Table?			
	a. Table A	b. Table B	c. Table C	d. Table D
18.	Clauses of Memorandum of Association			
	a. Name Clause	b. Object Clause	c. Registered office Clause	d. All of the above
19.	Clauses of Memorandum of Association			
	a. Capital Clause	b. Subscription Clause	c. Liability Clause	d. All of the above
20.	As per schedule I, form of Memorandum of Unlimited Company not having share capital is mentioned in which Table?			
	a. Table A	b. Table B	c. Table C	d. Table D
21.	Name of Companies according to Object?			
	a. Non Profit company	b. Financial and investment company	c. Producer company	d. All of the above
22.	XYZ Ltd. is Limited company having share capital wants to alter its share capital, whether company will alter its share capital?			
	a. Yes	b. No	c. Partly Yes	d. Partly Yes
23.	As per schedule I, form of Memorandum of Unlimited Company having share capital is mentioned in which Table?			
	a. Table A	b. Table B	c. Table D	d. Table E
24.	Power to alter share capital is available only to Company.			
	a. Company Limited by	b. Unlimited Company	c. Company Limited by Shares	d. None of

	Shares and not having share capital	not having share capital	and having share capital	the above
25.	Any document can be officially handed over to the company or an officer of the company by sending them to the registered office of the company through.....			
	a. Registered/Speed post or courier	b. Leaving such document at registered office	c. Electronic mode or any other mode as prescribed	d. All of the above
26.	In case of officially handing over the documents to registrar, they can be sent to him by			
	a. Registered/Speed post or courier	b. Deliver to his office/ address	c. Electronic mode or any other mode as prescribed	d. All of the above
27.	In case of members of company they can demand delivery of documents in mode of their choice and such member will be liable to pay for expenses borne by company in respect of such delivery. True or False.			
	a. True	b. False	c. Partly True	d. Can't say
28.	A subsidiary company cannot hold any shares in its own capacity or through its nominees in its holding company & if holding company does any transfer or allotment of shares to its subsidiary or their nominees then transfer or allotment will not be valid, except in case when subsidiary			
	a. Holds such shares holding company in as a legal representative of a deceased member of holding company	b. Holds shares as trustee	c. It was shareholder before becoming subsidiary of that company	d. All of the above
29.	Net Income of Non-Profit Organization from business and donation shall be used only for.....			
	a. Charitable purpose	b. Dividend to members	c. All of the above	d. None
30.	M/S XYZ Ltd. is Limited company having share capital wants to alter its share capital, how company will alter its share capital as per Section 61 of the Companies Act, 2013?			
	a. Alteration of share capital can be done only if AOA authorizes it.	b. Alteration to be done by alteration of MOA in general meeting	c. Ordinary resolution passed for such alteration	d. All of the above
31.	Name of Companies according to ownership.....			
	a. Government company	b. Foreign company	c. Company regulated by 3 rd person or others	d. All of the above
32.	Mr. Keshav and Mr. Madhav are members of company. They want to check the Profit and Loss Account and Balance Sheet of past 2 financial years of the Company. They can demand delivery of such documents in mode of their choice. Whether they have right to do that?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
33.	Where a company has been got incorporated by furnishing false or incorrect information or representation or by suppressing any material fact or information in any of the documents or declaration filed or made incorporating such company or by any fraudulent action, the Tribunal may, on an application made to it, on being satisfied that the situation so warrants, Tribunal can take action of.....			
	a. Pass such orders, as it may think fit, for regulation of the management of the company including changes ,	b. Direct that liability of the members shall be unlimited or direct	c. Pass an order for the winding up of the company	d. All or any one of

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	if any, in its memorandum and articles, in public interest or in the interest of the company and its members and creditors.	removal of the name of the company from the register of companies	or pass such orders as it may deem fit.	the above
34. Is legal & constitutional document of the company which states the matters like Name, Place of business, Object, Capital, Liability, Subscription of the company			
	a. Article of Association	b. Memorandum of Association	c. Certificate of incorporation	d. None of the above
35.	East India Company is an example of.....			
	a. Statutory Company.	b. Registered company.	c. Chartered company.	d. None of these.
36	Name of Companies according to incorporation.....			
	a. Chartered company	b. Statutory company	c. Registered company	d. All of the above
37	Minimum number of members required to apply for incorporation certificate in Public Limited company.			
	a. 3	b. 2	c. 7	d. 50
38.	Article of Association needs to be signed by.....			
	a. All proposed director	b. Registrar	c. Subscribers of memorandum	d. None of the above
39.	If KBS Pvt. Ltd is instructed to change its name which resembles the name of an existing company in the name of the Central Government, then the company can change the name by.....			
	a. Passing a special resolution	b. Obtaining permission from central government	c. Passing an ordinary resolution	d. Both a and b
40.	The application for registration of a company should be presented to of the state appointed under Companies Act.			
	a. Controller	b. Registrar	c. Governor	d. Registration officer
41.	Among the following which documents are not mandatory to be submitted to the registrar along with incorporation application by a Private company?			
	a. Address of registered office and undertaking statement of capital	b. Undertaking and statement of capital	c. statement of capital and list of capital	d. list of capital and statement of capital
42.	The company will be considered as separate person and different from its members from the date (when the).....			
	a. Start of business	b. Apply for registration	c. Receive incorporation certificate	d. Mentioned in certificate of incorporation
43.	Which of the following is not a clause of Memorandum of Association.			
	a. Situation clause	b. Capital clause	c. subscription clause	d. Director clause
44.	M/S Jai Shree Ram Ltd. is Limited company having share capital wants to increase authorized share capital by issuing fresh shares, how company will alter its share capital as per Section 61 of the Companies Act, 2013?			

	a. Alteration of share capital can be done only if AOA authorizes it.	b. Alteration to be done by alteration of MOA in general meeting	c. Ordinary resolution passed for such alteration	d. All of the above
45.	How Limited company having a share capital will increase its authorized share capital by issuing fresh shares as per Section 61 of the Companies Act, 2013?			
	a. Alteration of share capital can be done only if AOA authorizes it.	b. Alteration to be done by alteration of MOA in general meeting	c. Ordinary resolution passed for such alteration	d. All of the above
46.	Convert or reconvert only fully paid up shares into stock and such stock into fully paid up shares of any denomination?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
47.	M/S Humming Bird Ltd. is Limited company having share capital wants to convert its paid up shares into stock, how company will alter its share capital as per Section 61 of the Companies Act, 2013?			
	a. Alteration of share capital can be done only if AOA authorizes it.	b. Alteration to be done by alteration of MOA in general meeting	c. Ordinary resolution passed for such alteration	d. All of the above
48.	How Limited company having a share capital will sub divide all or any of its shares into shares of smaller amount than fixed by MOA as per Section 61 of the Companies Act, 2013?			
	a. Alteration of share capital can be done only if AOA authorizes it.	b. Alteration to be done by alteration of MOA in general meeting	c. Ordinary resolution passed for such alteration	d. All of the above
49.	If the Central Government permits, then only a public company can be converted into a private company. True or False			
	a. True	b. False	c. Partly True	d. Partly False
50.	M/S Krushn Radha Ltd. is Limited company having share capital wants to sub divide its 1 share of Rs. 100, Rs. 60 paid up into 10 shares of Rs. 10, Rs. 6 paid up, how company will alter its share capital as per Section 61 of the Companies Act, 2013?			
	a. Alteration of share capital can be done only if AOA authorizes it.	b. Alteration to be done by alteration of MOA in general meeting	c. Ordinary resolution passed for such alteration	d. All of the above
51.	A certificate of incorporation issued by the Registrar of Companies is not valid if all the signature of the subscribers to Memorandum of association have been forged. True of false.			
	a. True	b. False	c. Partly True	d. Partly false
52.	M/S ABC Ltd. is Limited company having share capital wants to cancel shares which have not taken or agreed to be taken by any person, how company will alter its share capital as per Section 61 of the Companies Act, 2013?			
	a. Alteration of share capital can be done only if AOA authorizes it.	b. Alteration to be done by alteration of MOA in general meeting	c. Ordinary resolution passed for such alteration	d. All of the above
53.	Every company which is registered under Companies Act, 2013, need not have their own Article of Association. True of False.			

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	a. True	b. False	c. True	d. false
54.	Under the Article of Association of ABC Ltd. Company directors had power to borrow up to Rs. 50, 000 without consent of the general meeting. The directors themselves lent Rs. 70,000 to the company without such consent and took debenture of the company. Whether the company is liable?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
55.	Change of registered office of company from one place to another within state requires confirmation by the central Government. True of False.			
	a. True	b. False	c. Partly True	d. Partly False
56.	Alteration of object clause of Memorandum of association of a company requires.....			
	a. Special resolution	b. Approval of Register of companies	c. Approval of Company Law board	d. Special resolution and Approval of Company Law board
57.	Article of a public company stated that Mr. Ram will be the solicitor of the company. The company in its general meeting of the shareholders resolved unanimously to appoint Mr. Shyam in place of Mr. Ram as the solicitor of the company by altering Article of association. Whether the company can do so?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
58.	The Article of association of a company can be altered by passing an ordinary resolution in the shareholders meeting. True of False.			
	a. True	b. False	c. Partly True	d. Partly False
59.	The model of Article of association contained in Table 'F' relates to a Company limited by.....			
	a. Guarantee	b. Shares	c. Shares and Guarantee	d. None of the above
60.	Every Alteration of the Article of association and a copy of the Tribunal approving the alteration, shall be filed with Registrar, together with printed copy of the altered article , within a period of Days.			
	a. 20 days	b. 15 days	c. 25 days	d. 10 days
61.	Persons who take the procedural steps to set up a company and who make business preparations for the company are known as:			
	a. Director	b. Promoter	c. Shareholders	d. Registrar
62.	The name shall not be identical with or resemble too nearly to the name of an existing company registered under company Act, 2013 or any previous company law. True or false.			
	a. True	b. False	c. Partly True	d. Partly False
63.	In which E form, a person may make an application for the reservation of a name of the proposed company or company propose to change its name			
	a. INC 2	b. INC 1	c. INC 3	d. INC 4
64.	All persons are eligible to incorporate One Person Company?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
65.	The first directors are usually named in the			
	a. Prospectus	b. Article of association	c. Memorandum of association	d. None
66.	All persons are eligible to incorporate Private Company?			
	a. Yes	b. No	c. Partly Yes	d. Partly No

67.	All persons are eligible to incorporate Public Company?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
68.	An affidavit from each subscriber and from each person named as first director in the articles stating that.....			
	a. he is not convicted if any offence in connection with promotion, formation or management of any company	b. he is not been found guilty of any fraud or misfeasance or of any breach of duty to any company during preceding five years	c. All the documents filed with the Registrar contain correct, complete and true information to the best of his knowledge and belief	d. All of the above
69.	According to the Rule 15 of the Companies (Incorporation) Rule 2014, the affidavit shall be submitted by each of the subscribers to the memorandum and each of the first directors named in the articles in Form			
	a. INC 8	b. INC 9	c. INC 10	d. INC 11
70.	Mr. Ram furnishes false information and he is aware of the document filed with Registrar in relation to the registration of a company. Whether he shall be liable for his action?			
	a. Yes	b. No	c. Partly Yes	d. Can't say
71	If any person furnishes any false or incorrect particulars of any information or suppresses any material information, of which he is aware in any of the documents filed with the Registrar in relation to the registration of a company, he shall be liable for action under section 447 of the Companies Act, 2013.....			
	a. 6 months to 10 years jail	b. penalty from amount of fraud to 3 times of amount of fraud	c. 6 months to 10 years jail and/or penalty from amount of fraud to 3 times of amount of fraud	d. None of the above
72.	Mr. Ram is member of Ram Pvt. Ltd. (OPC) and he wants to incorporate another One Person Company. Whether he can do so?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
73.	Mr. Shyam is member of Shyam Pvt. Ltd. (OPC) and he wants to appoint as nominee in another One Person Company. Whether he can do so?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
74.	Mr. Shyamlal is appointed as nominee of ABC Pvt. Ltd. (OPC) and he wants to appoint as member in another One Person Company. Whether he can do so?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
75.	Mr. Shyamlal is appointed as nominee of ABC Pvt. Ltd. (OPC) and he wants to appoint as nominee in another One Person Company. Whether he can do so?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
76.	Whether one Individual can be appointed as member in more than One Person Company?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
77.	Whether member of One Person Company can be appoint as nominee in another One Person Company.			
	a. Yes	b. No	c. Partly Yes	d. Partly No

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78.	Whether nominee of One Person Company can be appoint as member in another One Person Company.			
	a. Yes	b. No	c. Partly Yes	d. Partly No
79.	Whether nominee of One Person Company can be appoint as nominee in another One Person Company.			
	a. Yes	b. No	c. Partly Yes	d. Partly No
80.	A contract entered into by person or promoter before incorporating a company are			
	a. Pre incorporation contract	b. Provisional contract	c. Both a and b	d. None of the above
81.	Contract entered after incorporation of company but before commencement of business areContract			
	a. Pre incorporation Contract	b. Provisional contract	c. Both a and b	d. None of the above
82.	As per ICAI, Pre incorporation contract are void ab initio as company is not existing at the time of contract and company cannot ratify the same. True or False.			
	a. True	b. False	c. Partly True	d. Partly False
83.	Provisional contract shall be binding on the company from the date, company commences the business. True or False.			
	a. True	b. False	c. Partly True	d. Partly False
84.	Provisional contract will be only be executed when company commences the business. True or False.			
	a. True	b. False	c. Partly True	d. Partly False
85.	Within days from the date of submission of documents (Application of incorporation), Certificate of Incorporation is received?			
	a. 30 days	b. 15 days	c. 40 days	d. 20 days
86.	Mr. Ram make an application of incorporation at 1 st June, 2025, he received Certificate of Incorporation at 30 th June, 1025. Mr. Ram made an allotment and issue shares to Mr. Shyam at 20 th June, 2018. After that Mr. Ram realize that, in Certificate of Incorporation, date of incorporation is wrongly printed. Instead of 1 st June, 2025, 1 st July, 2025 mentioned. Whether allotment made by Mr. Ram is void?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
87.	Mr. Ram make an application of incorporation at 1 st June, 2025, he received Certificate of Incorporation at 30 th June, 2025. Mr. Ram made an allotment and issue shares to Mr. Shyam at 20 th July, 2025. After that Mr. Ram realize that, in Certificate of Incorporation, date of incorporation is wrongly printed. Instead of 1 st July, 2025, 1 st July, 2026 mentioned. Whether Mr. Ram can make application for change of Certificate of Incorporation?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
88.	Mr. Ram make an application of incorporation at 1 st June, 2025, he received Certificate of Incorporation at 30 th June, 2025. Mr. Ram made an allotment and issue shares to Mr. Shyam at 20 th June, 2025. After that Mr. Ram realize that, the name of company wrongly printed in Certificate of Incorporation, Instead of Jolly Ltd., it is wrongly printed Lolly Ltd. Mr. Ram already issue shares of the company in name of Jolly Ltd. Whether allotment made by Mr. Ram is void?			

	a. Yes	b. No	c. Partly Yes	d. Partly No
89.	Mr. Ram make an application of incorporation at 1 st June, 2025, he received Certificate of Incorporation at 30 th June, 2025. Mr. Ram realize that, CIN of Company is already issued to another company and it is wrongly printed the same CIN in Certificate of Incorporation, Whether Mr. Ram can make application for change of CIN?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
90.	The name of the Company shall not be allowed.....			
	a. Identical or similar name and constitute offence under any law	b. Undesirable as per CG and any connection with CG/EG or local authority	c. The words prohibited by CG to be used without its approval	d. All of the above
91.	Registrar of Companies will accept name application and reserve name for days from the date of reservation of name of company.			
	a. 60 days	b. 40 days	c. 30 days	d. 10 days
92.	Promoter will file all the documents to incorporate a company days from the date of reservation of name of company.			
	a. 60 days	b. 40 days	c. 30 days	d. 10 days
93.	M/S ABC Ltd. wants to change its name, whether company can do so?			
	a. Yes	b. No		
94.	State Procedure for voluntary alteration of name as per section 13 of the Companies Act, 2013?			
	a. GM- SR shall be passed	b. Prior CG approval shall be obtained	c. Apply in Form INC 24	d. All of the above
95.	Procedure for compulsory alteration/ ratification of name as per section 16 of the Companies Act, 2013?			
	a. Ratification order by CG	b. GM- GM shall be passed	c. Ratify name within 3 months of order of CG	d. All of the above
96.	Registrar of Companies will fresh Certificate of Incorporation in new name in Form			
	a. INC 11	b. INC 24	c. INC 1	d. INC 25
97.	Object clause means an area in which main business and ancillary business of the company will be conducted. True or False.			
	a. True	b. False	c. Partly True	d. Partly False
98.	The Registrar has to register the proposed change in object clause within days of receipt of special resolution by company being published contents as mentioned in section 13 (6(a) of the Companies Act, 2013.			
	a. 30 days	b. 15 days	c. 60 days	d. 10 days
99.	Memorandum of Association and Article of Association are public documents. True or False			
	a. True	b. False	c. Partly True	d. Partly False

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100.	The AOA provides that directors selling good beyond Rs. 1 Crore shall be signed by MD of the Company. The director sold the goods of Rs. 1.20 Crore without approval of MD. The contract is valid or Invalid.			
	a. Valid	b. Invalid	c. Partly Valid	d. Partly Invalid
101.	The AOA provides that a bill of exchange must be signed by two directors, if the bill is actually signed by one director only, the holder thereof cannot claim payment thereon. The contract is valid or Invalid.			
	a. Valid	b. Invalid	c. Partly Valid	d. Partly Invalid
102.	If Mr. Rajaram supplies medicine to ABC Ltd. in which it cannot deal according to its object clause, he will not be able to recover the price from the company. The contract is valid or Invalid.			
	a. Valid	b. Invalid	c. Partly Valid	d. Partly Invalid
103.	The bank has policy to issue bond after passing ordinary resolution in board meeting. The Director of the Bank issued bonds to Mr. Ram without passing resolution. He assumed that ordinary resolution is passed board meeting by Company. The Bank demanded the bonds back contending the issue is invalid as resolution is not passed. Whether the company is doing valid or in valid?			
	a. Valid	b. Invalid	c. Partly Valid	d. Partly Invalid
104.	Any act done beyond the Memorandum of Association and Article of Association will be considered as void -ab - intio is called as.....			
	a. Doctrine of Ultra Virus	b. Doctrine of Constructive Notice	c. Doctrine of Indoor Management	d. None of the above
105.	MOA and AOA are public documents. The outsider or the 3 rd party dealing with the company shall have knowledge of the MOA and AOA of the Company, is called as.....			
	a. Doctrine of Ultra Virus	b. Doctrine of Constructive Notice	c. Doctrine of Indoor Management	d. None of the above
106.	The outsider or the 3 rd party dealing with the company shall have knowledge of the MOA and AOA of the Company but they need not have knowledge process of Company, is called as.....			
	a. Doctrine of Ultra Virus	b. Doctrine of Constructive Notice	c. Doctrine of Indoor Management	d. None of the above
107.	An ultra vires transaction will not affect the right of a company to acquire property. True or False.			
	a. True	b. False	c. Partly True	d. Partly False
108.	M/S ABC Ltd is incorporated at 1 st June 2015 then within how many days Registered office formed to be compulsorily from the date of incorporation.			
	a. 30 days	b. 60 days	c. 15 days	d. 10 days
109.	Registered office of the company should be verified and such verification should be sent to registrar within Days of incorporation.			
	a. 30 days	b. 60 days	c. 15 days	d. 10 days
110.	Registered office formed to be compulsorily within Days of incorporation that will form medium for all the communication to be made with or by Company.			
	a. 30 days	b. 60 days	c. 15 days	d. 10 days

111.	M/S ABC Ltd. a company registered in the Pune city, desires to shift its registered office within a city. Whether Company can do so?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
112.	M/S ABC Ltd. a company registered in the Pune city, desires to shift its registered office from Pune to Solapur. Whether Company can do so?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
113.	M/S ABC Ltd. a company registered in the Pune city, desires to shift its registered office from Pune to Mumbai. State the process of change?			
	a. Resolution of Board of Directors	b. Special resolution in General meeting	c. Both ROC approval	d. All of the above
114.	M/S ABC Ltd. a company registered in the state of Maharashtra, desires to shift its registered office to state of West Bengal. State the process of change?			
	a. Resolution of Board of Directors and Special resolution in General meeting	b. Both ROC approval	c. Prior approval of CG	d. All of the above
115.	Which alteration clause of Memorandum of Association required ordinary resolution in General meeting instead of special resolution?			
	a. Change in name clause	b. Change in Registered Office	c. Alteration of capital	d. None of the above
116.	M/S ABC Ltd. a company desires for alteration of capital, which type of resolution is required for this alteration?			
	a. Special resolution of general meeting	b. Ordinary resolution of general meeting	c. Unanimous resolution	d. None of the above
117.	State the Object of the Non – Profit Organization?			
	a. Charitable object- Education, Research, social welfare, Environment Protection, charity Religious, donation	b. Income usage- Net income from the business and donations shall be used only for the charitable object	c. Restriction on Dividend- The company shall not pay dividend to members however it can pay interest on Debenture, Deposits, etc.	d. All of the above
118.	State the consequences of contravention of Section 8 (Non-Profit Organization) of the companies Act, 2013.			
	a. Penalty – For Company minimum 10 lacs For officer Rs. 25000-Rs. 25 Lacs + 3 yrs. of jail	b. Revocation of license of Section 8 Company.	c. Company will be wound up or amalgamated with other Section 8 Company	d. All of the above
119.	Section 8 company will be either public or private. True or False.			
	a. True	b. False	c. Partly True	d. Partly False
120.	Application for grant of license under section 8 of the Companies Act, 2013 in Form No.....			
	a. Form INC 12	b. Form INC 13	c. Form INC 14	d. Form INC 15

120	Where a license is revoked, the Central Government may, by order, if it is satisfied that it is essential in the public interest, direct that the company to be.....under this Act or amalgamated with another company registered under Section-8.			
	a. wound up	b. Liquidate	c. Convert Into Govt. co.	d. None of the above
121	In case of Doctrine of Ultra vires who can sue upon whom?			
	a. Company can sue Contracting party	b. Contracting party can sue company	c. Any of the above	d. None of these
122	Section-8 Company shall alter its Memorandum or Articles with the previous approval of.....			
	a. Registrar of Companies	b. Directors	c. Members	d. Central Government
123	No company should be allowed to be registered with the word.....as part of its title unless it is a government company and the Central/State government has stake in it.			
	a. Bharat	b. National	c. Hindustan	d. All of these
124	Section-8 Company can convert itself into any other kind by approving it in?			
	a. Special Resolution In Board Meeting	b. Special Resolution In General Meeting	c. Ordinary Resolution In Board Meeting	d. Ordinary Resolution In General Meeting
125	At time of revocation of license of Section-8 Company, Central government to such company must give.....			
	a. Written notice to its intension of revoke	b. Opportunity to be heard in the matter	c. Both of the above	d. None of the above
126	In which clause the name of federal State in which registered office is to be situated is stated?			
	a. Subscription Clause	b. Name Clause	c. Board of Directors Clause	d. Domicile Clause
127	What enables Stakeholders to know the Powers and Activities of any Company?			
	a. Memorandum of association	b. Articles of Association	c. Both of the above	d. None of the above
128	Section-8 company in its name shall require suffix such as.....			
	a. Pvt. Ltd.	b. Ltd	c. Any of the above	d. None of Above
129	The MOA of Company shall not state.			
	a. Name of Company	b. Provision of Entrenchment	c. State of Registered office of company	d. objects of company
130	In case of a company having Share Capital , at time of incorporation, the number of share which the " Subscribers to the memorandum" agree to subscribe which shall not be less than.....			
	a. 5 shares	b. 1 share	c. 10 shares	d. 25 shares
131	When a person is a member in one OPC and becomes member in another such company by virtue of his being a nominee in that OPC , then such person shall meet eligible criteria for being member in only one OPC in.....			

	a. 180 days	b. 181 days	c. 182 days	d. 183 days
132	Minor shall become			
	a. Member of OPC	b. Nominee of OPC	c. Any of the above	d. None of these
133	Which of the following will not attract process for alteration of the Memorandum of Association?			
	a. change In name of company	b. Change in registered office of company to another state	c. Change in nominee of OPC	d. Any of the above
134	OPC shall be compulsorily convert Into Private or Public company, if its paid-up Share capital exceeds.....or average annual turnover during the relevant period exceeds.....			
	a. 70 lakhs and 2 Crores respectively	b. 50 lakhs and 10 crores respectively	c. 70 lakhs and 10 crores respectively	d. 50 lakhs and 2 crores respectively
135	Section-8 Company can convert itself into which kind of company, complying it with conditions as may be prescribed?			
	a. Private Company	b. Public company	c. Any of the above	d. None of above
136	Which of the following suffix is required by government company in its name?			
	a. Pvt. Ltd.	b. Ltd.	c. OPC	d. None of these
137	The central government may by order revoke the license of the Section-8 Company in situation where there is.....			
	a. Fraudulent Conduct of Affairs of Company	b. Violation of objects of Company	c. Prejudicial to interest of public	d. Any of these
138	Who can call its General meeting by giving 14 days clear notice instead of 21 days?			
	a. OPC	b. Private Company	c. Section-8 Company	d. Public Company
139	OPC cannot convert voluntarily into any kind of company unless.....years have expired from its date of incorporation.			
	a. one	b. two	c. three	d. four
140	Minimum number of persons required for formation of private and public company respectively are?			
	a. 5 and 7 respectively	b. 7 and 5 respectively	c. 2 and 7 respectively	d. 7 and 2 respectively
141	Who can allow any other company to convert into Section-8 Company after satisfaction of certain conditions?			
	a. SEBI	b. Registrar of Companies	c. Central Government	d. Regional director
142	On revocation of license of Section-8 Company by Central Government, on winding up of such Company excess remains of assets after satisfying liabilities can be utilized by.....			
	a. Transfer to another Section-8 company having similar objects	b. Selling assets and crediting it to Insolvency and Bankruptcy Fund	c. Any of the above	d. None of the above

Chapter 2 FORMATION AND INCORPORATION OF COMPANIES

2.14

143	Which type of company is Section-8 company?			
	a. Company with limited liability	b. Company with unlimited liability	c. Can be any of the above	d. None of above
144	The Doctrine of Ultravires was first enunciated by House of Lords in classic case.			
	a. Rajendra Nath Dutta V/s Shilendra Nath Mukherjee	b. Ashbury Railway Carriage and Iron co Vic Riche	c. Salomon V/s Salomon	d. Rex V/s Lord Kylsant
145	On revocation of license of Section-8 Company by Central Government, the central government may direct it to?			
	a. Convert Its status and change Its name	b. Wind up	c. Amalgamate with another Section-8 Company	d. Any of above
146	A Company which has Unutilized money so raised from Public and wants to change its objects shall do so by passing Special Resolution through Postal Ballot and Publish such in			
	a. English Newspaper	b. Vernacular Newspaper	c. Both of Above	d. Any of the above
147	From the.....day of its incorporation and at all times thereafter a company shall have a registered office capable of receiving and acknowledging all communications and notices as may be addressed to it.			
	a. 12 th day	b. 13 th day	c. 14 th day	d. 15 th day
148	By which way the provision for entrenchment in Articles of Association be included in Private and Public company respectively??			
	a. Majority Members Consent and Special Resolution Respectively	b. All Members Consent and Ordinary Resolution Respectively	c. Majority Members Consent and Ordinary Resolution Respectively	d. All Members Consent and Special Resolution Respectively
149	What Is the full form of CIN?			
	a. Company Incorporation Number	b. Corporate Incorporation Number	c. Company Identity Number	d. Corporate Identify Number
150	Doctrine of Indoor Management of Companies Act 2013 is in the favour of?			
	a. Employees	b. Directors	c. Internal Control System	c. External Stakeholders
151	If company name is identical with or too nearly resembles the "Trademark" of other company in existence then Central Government may direct such company to change name within period of.....days from issue of such direction.			
	a. 1 month	b. 2 months	c. 3 months	d.6 months
152	Where company change its name in accordance of Section-16 "Rectification of name of company of Companies Act-2013- The company shall within period of.....days from date of such change give notice of change to Registrar.			
	a. 15 days	b. 30 days	c. 45 days	d. 60 days
153	Alteration of memorandum for change of name of company can be done with approval of central government but central government has delegated his power tosubject to conditions.			
	a. Regional directors	b. Registrar of companies	c. Board of directors	d. State government

Answer

2.15

1.	d
2.	b (Hint: Only natural person who is an Indian citizen and Resident in India(stayed in India for a period of 182 days during the last immediately preceding one calendar year shall be eligible to incorporate One Person Company)
3.	b (Hint: No minor person shall become member of the OPC)
4.	d
5.	b(Hint: Only natural person who is an Indian citizen and Resident in India(stayed in India for a period of 182 days during the last immediately preceding one calendar year shall be a nominee for the sole member of a One Person Company)
6.	b (Hint: No minor person shall become nominee of the OPC)
7.	c
8.	a
9.	b
10.	a
11.	a
12.	a (Hint: As per Section 3(1) of the Companies Act, 2013, Member can change the name of Nominee by giving notice of such change in such name and intimate ROC in E- Form INC 4.)
13.	d
14.	b
15.	a
16.	b
17.	c
18.	d
19.	d
20.	d
21.	d
22.	a(Hint: Power to alter share capital is available only to Limited Company having share capital Company)
23.	d
24.	c
25.	d(Hint: In case where securities are held by depository, the record of beneficial owner will be handed over in Electronic or any other mode only.)
26.	d
27.	a
28.	d
29.	a(Hint: Section 8 company is made only for charitable purpose)
30.	d
31.	d
32.	a(Hint: such member will be liable to pay for expenses borne by company in respect of such delivery)

33.	d
34.	b
35.	c
36.	d
37.	c
38.	c
39.	c
40.	b
41.	a
42.	c
43.	d
44.	d
45.	d
46.	a (Hint: As per Section 61 of the Companies Act, 2013, only fully paid up shares Convert or reconvert into stock and such stock into fully paid up shares)
47.	d
48.	d
49.	b(Hint: if any company wishes to convert itself to private company then along with alteration in article it has to get approval of Tribunal)
50.	d
51.	b(Hint: Being fundamental right under the Constitution of India to go for legal proceeding , the registration of the company can be challenged but it will not in any way affect or cancel the registration of the company and MOA & AOA, section 7 of the Companies act, 2013)
52.	d
53.	b (Hint: As per section 3 & 7 company need to file Article of Association before incorporation)
54.	b (Hint: As per section 5 of the Companies Act, 2013, the Article of Association are bye laws of the company according to which directors and other officers are required to performs as regard the management of the company)
55.	b (Hint: a change in the location of its registered office from one place to another within the same state does not result in the alteration of its MOA and requirement under Section 13 of the Companies Act, 2013 will not apply)
56.	a(Hint: SR is required in terms of Section 13 of the Companies Act, 2013
57.	a(Hint: As per section 10 and 14 of the Companies Act, 2013, the company altered the Articles by a unanimous resolution of the members passed at a general meeting of the shareholders)
58.	b (Hint: altered by passing special resolution in GM of shareholders)
59.	b
60.	b
61.	b
62.	a
63.	b
64.	b(Hint: Only natural person who is an Indian citizen and Resident in India(stayed in India for a period of 182 days during the last immediately preceding one calendar year shall be eligible to incorporate One Person Company)

65.	b
66.	a(Hint: All persons eligible to incorporate Private Company including Individual, HUF, Firm, AOP/BOI, Artificial judicial person, local authorities , municipal corporation and its branches offices and agents)
67.	a (Hint: All persons eligible to incorporate Private Company including Individual, HUF, Firm, AOP/BOI, Artificial judicial person, local authorities , municipal corporation and its branches offices and agents)
68.	d
69.	b
70.	a(Hint: As per Section 447 of the Companies Act, 2013 he shall liable for 6 months to 10 years jail and/or penalty from amount of fraud to 3 times of amount of fraud)
71.	c
72.	b (Hint: One individual cannot be member of more than one OPC)
73.	b (Hint: member of OPC cannot be appointed as nominee in another OPC)
74.	b (Hint: nominee of OPC cannot be appointed as member in another OPC)
75.	a (Hint: nominee of OPC can be appointed as nominee in another OPC)
76.	b (Hint: One individual cannot be member of more than one OPC)
77.	b (Hint: member of OPC cannot be appointed as nominee in another OPC)
78.	b (Hint: nominee of OPC cannot be appointed as member in another OPC)
79.	a (Hint: nominee of OPC can be appointed as nominee in another OPC)
80.	a
81.	b
82.	a
83.	a
84.	a
85.	a
86.	a(Hint: Any defect or error in a certificate will be deemed to be reasonably right and no one can question validity of such error)
87.	a(Hint: Any defect or error in a certificate will be deemed to be reasonably right and no one can question validity of such error but it is not an reasonably right then certificate become invalid and need to be correct.)
88.	a(Hint: Any defect or error in a certificate will be deemed to be reasonably right and no one can question validity of such error)
89.	a(Hint: Any defect or error in a certificate will be deemed to be reasonably right and no one can question validity of such error but it is not an reasonably right then certificate become invalid and need to be correct.)
90.	d
91.	a
92.	a
93.	a (Section 13 of the Companies Act, 2013)
94.	d
95.	d
96.	d
97.	a
98.	a

99.	a (Hint: Every person need to knowledge of MOA and AOA of the company. That the dealing with the company may know without reasonable doubt whether the contractual relationship which he is proposing to enter into with the company is one relating to matters within its corporate object. The outsider or the 3 rd party dealing with the Company shall have the knowledge of the MOA and AOA of the company)
100.	b (Hint: The Company shall not work beyond the power of its MOA and AOA. Any act done beyond the MOA and AOA will be considered as void- ab -initio, called as Doctrine of Ultra Virus. If the contract beyond the limit of MOA and AOA it will be void and 3 rd party or outsider cannot claim any compensation for the same as it is assumed that he had knowledge of contravention through MOA or AOA, called as Doctrine of Constructive Notice)
101.	b (Hint: The Company shall not work beyond the power of its MOA and AOA. Any act done beyond the MOA and AOA will be considered as void- ab -initio, called as Doctrine of Ultra Virus. If the contract beyond the limit of MOA and AOA it will be void and 3 rd party or outsider cannot claim any compensation for the same as it is assumed that he had knowledge of contravention through MOA or AOA, called as Doctrine of Constructive Notice)
102.	b (Hint: The Company shall not work beyond the power of its MOA and AOA. Any act done beyond the MOA and AOA will be considered as void- ab -initio, called as Doctrine of Ultra Virus. If the contract beyond the limit of MOA and AOA it will be void and 3 rd party or outsider cannot claim any compensation for the same as it is assumed that he had knowledge of contravention through MOA or AOA, called as Doctrine of Constructive Notice)
103.	b (Hint: As per Doctrine of Indoor Management, 3 rd party need not have knowledge process of Company. Contract is invalid for the protection of 3 rd party)
104.	a
105.	b
106.	c
107.	a(Hint: The property represents corporate capital, though acquired wrongly. Where the payment foe an ultra vires acquired property has not been made, the vendor can obtain a tracing order to recover the property from the hands of the company. A company cannot be benefit from such transaction at the cost of the property)
108.	a(Hint: As per Companies Amendment act, 2017, the registered office will be set up at or before 30 th June, 2015)
109.	a(Hint: As per Companies Amendment act, 2017)
110.	a(Hint: As per Companies Amendment act, 2017)
111.	a(Hint: Such change will require the ordinary resolution of Board of Directors(Section 13 of the Companies Act, 2013)
112.	a(Hint: Such change will require the ordinary resolution of Board of Directors and special resolution in General meeting(Section 13 of the Companies Act, 2013)
113.	d
114.	d
115.	c (Hint: Section 61 of the Companies Act, 2013 is specific and Section 13 of the Companies Act, 2013 is general for all clauses. Thus section 61 will override the Section 13 for alteration of capital clause which required Ordinary resolution in General meeting)
116.	b
117.	d

118.	d
119.	a
120.	a
120.	A(Hint: Where a license is revoked, the Central Government may, by order, if it is satisfied that it is essential in the public interest, direct that the company be wound up under this Act or amalgamated with another company registered under Section-8.)
121.	d (Hint: Neither the contracting party or company can sue)
122.	d (Hint: As per Section-8 of Companies act 2013, company registered under this section shall not alter the provisions of its memorandum or articles except with the previous approval of the Central Government.)
123.	b (Hint: Clarification: Vide General Circular No. 02/2014, dated 11.02.2014 a clarification was Issued on the use of word 'National' in the names of Companies or LLP. According to which no company should be allowed to be registered with the word National' as part of its title unless it is a government company & the Central/State Government has a stake in it.)
124.	b (Hint: As per Section-8 of Companies act 2013 , A company registered under section 8 which Intends to convert itself into a company of any other kind shall pass a special resolution at a general meeting for approving such conversion)
125.	c (Hint: The Central Government may by order revoke the license of the company where the company contravenes any of the requirements or the conditions of this sections subject to which a license is issued or where the affairs of the company are conducted fraudulently, or violative of the objects of the company or prejudicial to public interest, and on revocation the Registrar shall put 'Limited' or 'Private Limited' against the company's name in the register. But before such revocation, the Central Government must give it a written notice of its intention to revoke the license and opportunity to be heard in the matter.)
126.	d(Hint: V. Domicile Clause the name of federal state is mentioned where the registered office is to be situated)
127.	a (Hint: MOA enables shareholders, creditors and all those who deal with company to know what its powers are and what activities It can engage In.)
128.	d(Hint: Section-8 of companies act allows the Central Government to register such person or association of persons as a company with limited liability without the addition of words 'Limited' or 'Private limited' to its name, by Issuing license on such conditions as It deems fit.)
129.	b (Hint: II. The memorandum of a company shall state— (a) The name of the company with the last word 'Limited" in the case of a public limited company, or the last words "Private Limited" in the case of a private limited company. Exception: This clause is not applicable on the companies formed under section 8 of the Act. (b) the State in which the registered office of the company is to be situated; (c) the objects for which the company is proposed to be incorporated and any matter considered necessary in furtherance thereof.)
130.	b(Hint: in the case of a company having a share capital— the amount of share capital with which the company is to be registered and the division thereof into shares of a fixed amount and the number of shares which the subscribers to the memorandum agree to subscribe which shall not be less than one share)
131.	c
132.	d (Hint: No minor shall become member or nominee of the OPC or can hold share with beneficial interest.)

133.	c(Hint: As per provisions of companies act, 2013. the change In nominee of OPC will not attract an alteration in MOA)
134.	d (Hint: OPC cannot convert voluntarily into any kind of company unless two years have expired from the date of incorporation, except where the paid up share capital is increased beyond fifty lakh rupees or its average annual turnover during the relevant period exceeds two crone rupees.)
135.	c(Hint: As per Section-8 of Companies act 2013, a company registered under this section may convert itself into company of any other kind only after complying with such conditions as may be prescribed.)
136.	d(Hint: For Government Companies, suffix "Pvt. Ltd / Ltd" not required (Notification dated 5 th June 2015))
137.	d (Hint: The Central Government may by order revoke the license of the company where the company contravenes any of the requirements or the conditions of this sections subject to which a license Is Issued or where the affairs of the company are conducted fraudulently, or violative of the objects of the company or prejudicial to public interest, and on revocation the Registrar shall put 'Limited' or 'Private Limited' against the company's name In the register. But before such revocation, the Central Government must give It a written notice of Its Intention to revoke the license and opportunity to be heard in the matter.)
138.	c (Hint: Section 8 company can call its general meeting by giving a clear 14 days' notice instead of 21 days.)
139.	b(Hint: OPC cannot convert voluntarily into any kind of company unless two years have expired from the date of Incorporation,)
140.	c (Hint: Section 3of the Companies Act, 2013 deals with the basic requirement with respect to the constitution of the company. In the case of a public company with or without limited liability any 7 or more persons can form a company for any lawful purpose by subscribing their names to memorandum and complying with the requirements of this Act In respect of registration. In exactly the same way, 2 or more persons can form a private company and one person where company to be formed Is one person company)
141.	c(Hint: As per Section-8 of Companies act 2013-Where it is proved to the satisfaction of the Central Government that a limited company registered under this Act or under any previous company law has been formed with any of the objects and with the restrictions and prohibitions it may, by license. allow the company to be registered under section subject 8 to such conditions as the Central Government deems fit)
142.	c (Hint: If on the winding up or dissolution of a company registered under this section, there remains, after the satisfaction of its debts and liabilities, any asset, they may be transferred to another company registered under this section and having similar objects, subject to such conditions as the Tribunal may impose, or may be sold and proceeds thereof credited to the Insolvency and Bankruptcy Fund formed under section 224 of the Insolvency and Bankruptcy Code, 2016.)
143.	a (Hint: Privileges of limited Company: On registration, the Section-8 company shall enjoy same privileges and obligations as of a limited company.)
144.	b(Hint: The doctrine of ultra-virus was first enunciated by the House of Lords in a classic case, Ashbury Railway Carriage and Iron Co. Ltd. v. Riche, (1878) L.R. 7 H.L. 653)
145.	d(Hint: Thus on revocation Central government may direct it to – Convert its status and change its name or wind up or amalgamate with another company having similar objects.)
146.	c
147.	d(Hint: Registered office: From the 15th day of its incorporation and at all times thereafter a company shall have a registered office capable of receiving and acknowledging all communications and notices

	as may be addressed to it.)
148.	d(Hint: Manner of inclusion of the entrenchment provision :The provisions for entrenchment shall only be made either• on formation of a company, or by an amendment in the articles agreed to by all the members of the company In the case of a private company and by a special resolution in the case of a public company)
149.	d(Hint: Allotment of Corporate Identity Number (CIN) :On and from the date mentioned In the certificate of incorporation, the Registrar shall allot to the company a corporate identity number, which shall be a distinct Identity for the company and which shall also be included in the certificate.)
150.	d(Hint: Doctrine of Indoor Management: According to this doctrine, persons dealing with the company need not inquire whether internal proceedings relating to the contract are followed correctly, once they are satisfied that the transaction is in accordance with the memorandum and articles of association)
151.	d
152.	a
153.	b(Hint: Notification: Notification S.O. 1353(E), dated 9 th of July, 2014 in excess of powers conferred by Section 458 of the Companies Act, 2013 the Central Government, hereby delegates to the ROC the power & functions vested in it under this section (i.e. Section 13(2)) of the said Act, subject to the condition that the Central Government may revoke such delegations of power or may itself exercise the power & functions under the said sections, if in its opinion, such course of action is necessary in the public interest.)

Chapter 3 : PROSPECTUS AND ALLOTMENT OF SECURITIES

1.	Section 23 of the Companies Act, 2013 deals with the ways a Public company can issue its securities namely.....			
	a. To public through Prospectus(IPO and FPO)	b. Private Placement	c. By right or bonus issue	d. All of the above
2.	M/s ABC Ltd., is a Public Limited company desires to issue its securities. States the ways a company can issue its securities?			
	a. To public through Prospectus(IPO and FPO)	b. Private Placement	c. By right or bonus issue	d. All of the above
3.	Section 23 of the Companies Act, 2013 deals with the ways a Private company can issue its securities namely.....			
	a. By right issue	b. By bonus issue	c. Private Placement	d. All of the above
4.	M/s ABC Pvt. Ltd., is a Private Limited company desires to issue its securities. States the ways a Private company can issue its securities?			
	a. By right issue	b. By bonus issue	c. Private Placement	d. All of the above
5. Company is prohibited from access to the public in raising its capital.			
	a. Public company	b. Private company	c. All of the above	d. None of the above
6.	In case of Listed Company or a company who propose to get its securities listed, issue shall be governed by the Companies Act, 2013 as well as provision of SEBI Act, 1992. True or False.			
	a. True	b. False	c. Partly True	d. Partly False
7.	Can issue of Prospectus compulsory for a company?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
8.	M/s ABC Pvt. Ltd., is a Private Limited company desires to issue prospectus for public offer. Whether Company can do so?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
9.	Any document by which the offer for sale to the public is made, where a company allots or agrees to allot any securities of the company with a view to all or any of those securities being offered for sale to the public, shall be Prospectus issued by the company			
	a. Deemed Prospectus	b. Red herring Prospectus	c. Shelf Prospectus	d. Abridged Prospectus
10.	Deemed Prospectus shall be signed by.....			
	a. By 2 directors in case of Company and by not less than one-half of the partners in case of Firm	b. By 3 directors in case of Company and by not less than one of the partners in case of Firm	c. By 1 directors in case of Company and by not less than 2 of the partners in case of Firm	d. By 2 directors in case of Company and by not less than one of the partners in case of Firm
11.	States the non-applicability of Section 26 of the companies Act, 2013			
	a. Not applicable to	b. is not applicable to issue of shares or	c. Both a and	d. None of the

	existing shareholders or debentures	debentures of similar nature which are already issue by the company	b	above
12.	States the procedure of alteration of contents of prospectus?			
	a. General meeting – Special resolution shall be passed	b. The prescribed details of the notice shall be published in two newspaper, one in English and other vernacular language, circulating in the city in which the registered office of the company is situated	c. Both a and b	d. None of the above
13.	Restriction on use of money through prospectus shall not be used For buying, trading or otherwise dealing in equity shares of any other listed company. True or False.			
	a. True	b. False	c. Partly True	d. Partly False
14.	State the Section of companies Act, 2013 for alteration of content of prospectus.			
	a. Section 27	b. Section 25	c. Section 26	d. Section 28
15.	State the circumstances, under which issue of prospectus is not necessary under the provision of the Companies Act, 2013			
	a. Private Placement through issue a Private Placement letter	b. Securities are offered to existing holders under a right issue	c. Securities are offered to existing holders under a bonus issue	d. All of the above
16.is a public offer made by a company to subscribe for its securities by the public through prospectus.			
	a. Initial Public offer/ Further Public Offer	b. Offer for sale	c. Private Placement	d. Right issue
17. prospectus means a prospectus in which a permanent or constant information of earlier year is given for numerous number of issue over such period.			
	a. Deemed Prospectus	b. Red herring Prospectus	c. Shelf Prospectus	d. Abridged Prospectus
18.	Shelf Prospectus is valid for Years.			
	a. 1 Year	b. 2 Year	c. 3 Year	d. 5 Year
19.	Section 29 of the Companies act, 2013, dematerialization is mandatory for every company making public offer. True or False.			
	a. True	b. False	c. Partly True	d. Partly False
20.	M/s ABC Ltd., is a Public Limited company desires to go for an Initial public offer. Whether Dematerialization is mandatory for such company?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
21.	If a company or any other person has received application for allotment of securities along with advance payment then the company or any other person shall intimate the changes if any, to such applicant, and an option to withdraw their application shall be given to such applicants. True or False.			
	a. True	b. False		
22.	If a company or any other person has received application for allotment of securities along with advance payment then the company or any other person shall intimate the changes to such applicant, and an option to withdraw their application shall be given to such applicants and if such applicants			

	desire to withdraw their application, all monies received them shall be refunded within Days.			
	a. 20 days	b. 10 days	c. 30 days	d. 15 days
23.	A Prospectus issued by the financial institutions or bank for one or more issue of the securities or class of securities specified in the prospectus is called			
	a. Deemed Prospectus	b. Red herring Prospectus	c. Shelf Prospectus	d. Abridged Prospectus
24.	Mr. Ram applies for share on the basis of a prospectus which contain misstatement. The shares are allotted to him, who afterwards transfer them to Mr. Shyam. Can Mr. Shyam bring an action for a rescission on the ground of misstatement?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
25.	No allotment of any securities of a company offered to the public for subscription shall be made unless....			
	a. The amount stated in the prospectus as the minimum amount has been subscribed	b. the sum payable on application for the amount so stated have been paid to and received by the company by cheque or other instrument	c. Both a and b	d. a or b
26.	Amount payable on application on every security shall be.....			
	a. Not less than 5 % of nominal amount	b. such other amount or % as specified by SEBI	c. a or b	d. None of the above
27.	If Company fails to issue regular prospectus, if any person is not satisfied with Abridged Prospectus and he can demand regular prospectus from the Company. State the penalty for non-compliance.			
	a. Rs. 50,000/-	b. Rs. 1,00,000/-	c. Rs. 5,00,000	d. None of the above
28. Means a prospectus contained summary of original Prospectus so as to save cost and time.			
	a. Deemed Prospectus	b. Red herring Prospectus	c. Shelf Prospectus	d. Abridged Prospectus
29.	It is compulsory for every company to issue Abridged Prospectus with			
	a. Regular Prospectus	b. Application Form	c. Red herring Prospectus	d. Shelf Prospectus
30. Prospectus is estimated worth of the company in open market			
	a. Deemed Prospectus	b. Red herring Prospectus	c. Shelf Prospectus	d. Abridged Prospectus
31.	Red herring Prospectus shall be filed by the company with the ROC at least days prior to the opening of the subscription and the offer			
	a. 10 days	b. 20 days	c. 30 days	d. 60 days
32.	The company shall file actual prospectus with ROC & SEBI containing details of.....			
	a. Total capital raised	b. Closing and final price of shares	c. Any other details not included in Red Herring Prospectus	d. All of the above
33.	Public will place bidding on the basis of Prospectus in given price band and bidding will be converted into offer.			

Chapter 3 PROSPECTUS AND ALLOTMENT OF SECURITIES

3.4

	a. Deemed Prospectus	b. Red herring Prospectus	c. Shelf Prospectus	d. Abridged Prospectus
34.	Any changes between Red Herring Prospectus and a Prospectus shall be highlighted as 'variations' in actual Prospectus. True or False.			
	a. Yes	b. No	c. Partly Yes	d. Partly No
35.	Mr. Ram is not satisfied with Abridged Prospectus of M/s ABC Ltd. He demand the regular prospectus from M/s ABC Ltd. Whether he can do so?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
36.	The Article of Association of ABC Ltd. contained a provision that up to 4% of issue price of the shares may be paid as underwriting commission to the underwriters. The Board of directors of ABC Ltd. decided to pay 5% underwriting commission. State the validity.			
	a. Valid	b. Invalid	c. Neutral	d. Can't say
37.	After allotment, a Return of allotment in Form PAS 3 containing details shall be filed with ROC.....			
	a. List of security holder	b. Full name and address of security holder	c. Number of securities allotted and other relevant information prescribed	d. All of the above
38.	The underwriting commission on shares must not exceed.....			
	a. 2.0 % of the issued price of shares	b. 2.5 % of the issued price of shares	c. 5.0 % of the issued price of shares	d. 5.5 % of the issued price of shares
39.	If a company does not receive the minimum subscription, it should refund money received from applicants within 120 days of issue of prospectus. True or False.			
	a. True	b. False	c. Partly True	d. Partly False
40.	If amount of a minimum subscription has not received within 30 days from prospectus date or any other period prescribed by SEBI, then amount received shall be returned within Days from the closure of issue.			
	a. 30 days	b. 15 days	c. 60 days	d. 120
	Section 39(1) of the Companies act, 2013			
41.	The underwriting commission on Debenture must not exceed.....			
	a. 2.0 % of the issued price of shares	b. 2.5 % of the issued price of shares	c. 5.0 % of the issued price of shares	d. 5.5 % of the issued price of shares
42.	ABC Ltd. offered to the public for subscription but the minimum subscription has not been received within 30 days from prospectus date, in how many days company can returned the amount received?			
	a. 30 days	b. 15 days	c. 60 days	d. 120
43. Is an instrument through which Indian company can issue its shares across the globe?			
	a. Global Depository Receipt	b. American Depository Receipt	c. Indian Depository Receipt	d. None of the above
	Section 41 of the Companies act, 2013.			
44. Is an instrument through which Indian company can issue its shares in America?			
	a. Global Depository	b. American Depository	c. Indian Depository	d. None of

	Receipt	Receipt	Receipt	the above
45.	Any foreign company who wish to issue the shares in India can apply to any foreign custodian by issuing their shares, is called as			
	a. Global Depository Receipt	b. American Depository Receipt	c. Indian Depository Receipt	d. None of the above
46.	A Private placement offer or invitation shall not be made, in one financial year, to more than Persons and not more thanpersons in aggregate in a financial year.			
	a. 50, 200	b. 100, 200	c. 50, 100	d. 100, 500
47.	Can a Public Company make Private placement?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
48.	The Company shall not accept any cash towards subscription of securities?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
	Section 42 of the Companies Act, 2013, cash not to be accepted towards subscription.			
49.	XYZ Pvt. Ltd. is a Private Limited Company desires to issue shares through private placement to 35 group of persons. At the same time Company also offered securities to 10 employee under ESOP u/s 62(1)(b). While calculating number of persons for private placement under section 42 of the companies Act, 2013, can company also considered numbers of employees to whom the securities has been offered under ESOP u/s 62(1)(b)?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
50.	ABC Pvt. Ltd. is a Private Limited Company desires to issue shares through private placement to 50 group of persons. At the same time Company also offered securities to 2 Qualified Institutional buyer. While calculating number of persons for private placement under section 42 of the companies Act, 2013, can company also considered numbers of Qualified Institutional buyer to whom the securities has been offered?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
51.	No further offer under section 42 of the Companies Act, 2013 shall not be made unless the earlier offer or invitation, if any			
	a. the allotment have been completed	b. such offer or invitation has been withdrawn or abandoned by the company	c. Either a or b	d. None of the above
52.	MNS Pvt. Ltd. is a Private Limited company desires to offer shares under private placement but the earlier allotment of company have not been completed. Whether Company can do so?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
53.	Any offer which is in contravention to Section 42 of the Companies Act, 2013 shall be treated as public offer?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
54.	MNS. Ltd. is a Public Limited company desires to offer shares 60 persons under private placement. Whether Company can do so?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
55.	Issue of offer letter to investor under private placement in Form number.....			

	a. PAS 1	b. PAS 2	c. PAS 3	d. PAS 4
56.	Under Private Placement, if the application money not refunded, company shall pay interest 12% p.a. from the end of Days.			
	a. 30 days	b. 40 days	c. 60 days	d. 90 days
57.	Under Private Placement, if the application money not refunded, company shall pay interest p.a. from the end of 60 Days.			
	a. 10%	b. 12%	c. 20%	d. 30%
58.	MNS. Ltd. is a Public Limited company, is failed to allot securities under Private Placement within 60 days from the date of submission application money. Whether it is necessary for company to refund the application money along with interest?			
	a. Yes	b. No	c. Only application money	d. Only interest
59.	Company shall maintain records of Private Placement in Form number.....			
	a. PAS 4	b. PAS 2	c. PAS 3	d. PAS 5
60.	Company shall file return of Private Placement in Form number.....			
	a. PAS 4	b. PAS 2	c. PAS 3	d. PAS 5

1. d (Hint: As per Section 23(1) of the Companies Act, 2013.)
2. d, (Hint: As per Section 23(1) of the Companies Act, 2013.)
3. d, (Hint: As per Section 23(2) of the Companies Act, 2013.)
4. d, (Hint: As per Section 23(2) of the Companies Act, 2013.)
5. b, (Hint: As per Section 2(68) of the Companies Act, 2013, Private company prohibits any invitation to the public to subscribe for any securities for any securities of the Company.)
6. a. (Hint: Section 24 of the Companies Act, 2013, Powers of SEBI to regulate Issue & Transfer of Securities.)
7. b, (Hint: As per Section 23(1) of the Companies Act, 2013, it is issued by a public company which is seeking to raise the required funds from the public by means of issue of shares and debentures. It is not necessary for every company to file a prospectus. ... Private companies are not required to file a prospectus.)
8. b, (Hint: As per Section 23(2) of the Companies Act, 2013, a Private Company is prohibited from inviting the public for subscription of its shares, i.e. a Private Company cannot issue Prospectus, whereas a Public Company is free to invite public for subscription i.e., a Public Company can issue a Prospectus.)
9. a. (Hint: As per Section 25 of the Companies Act, 2013)
10. a, (Hint: As per Section 25 of the Companies Act, 2013)
11. c. (Hint: As per Section 26 of the Companies Act, 2013, Contents of prospectus.)
12. c. (Hint: As per Section 27 of the Companies Act, 2013, Alteration of contents of prospectus.)
13. a. (Hint: 2 nd Proviso to subsection 1 of the Section 27 of the Companies Act, 2013, restriction on use of money raised.)
14. a.
15. d. (Hint: Section 23 and 25 of the Companies Act, 2013.)
16. a
17. c. (Hint: Section 31 of the Companies Act, 2013)
18. a. (Hint: Section 31 of the Companies Act, 2013, validity of Shelf Prospectus is one year.)
19. a, (Hint: As per section 29(1) of the Companies act, 2013, every company making Initial public offer must go for Dematerialization.)
20. a, (Hint: As per section 29(1) of the Companies act, 2013, makes it mandatory every company making Initial public offer.)
21. a, (Hint: As per section 31 of the Companies act, 2013, any person who have advanced the money for issue before realize of Information Memorandum can demand the refund of the same.)
22. d, (Hint: Section 31 of the Companies act, 2013)

23. c, (Hint: Section 31 of the Companies act, 2013, Shelf prospectus means a prospectus in respect of which the securities or class of securities are issued for subscription in one or more issue over a certain period without the issue of a further prospectus.)
24. b, (Hint: As per Section 37 of the Companies act, 2013, Mr. Shyam cannot bring an action for rescission of the contract to buy shares from Mr. Ram on the ground of misstatement. A suit may be filed or any other action may be taken under Section 34 or Section 35 or Section 36 only by any person, group of persons or any association of persons affected by any misleading statement or the inclusion or omission of any matter in the prospectus.)
25. c (Hint: Section 39 of the Companies Act, 2013, no allotment without subscription)
26. c (Hint: Section 39 of the Companies Act, 2013, Minimum application money to be paid)
27. a (Hint: Section 33 of the Companies Act, 2013.)
28. d (Hint: Section 33 of the Companies Act, 2013.)
29. b (Hint: Section 33 of the Companies Act, 2013.)
30. b (Hint: Section 32 of the Companies Act, 2013.)
31. a (Hint: Section 33 of the Companies Act, 2013, time limit for filing with ROC.)
32. d (Hint: Section 33 of the Companies Act, 2013, issue of actual prospectus.)
33. b (Hint: Section 33 of the Companies Act, 2013.)
34. a (Hint: Section 33 of the Companies Act, 2013, Red Herring Prospectus shall carry the same obligations as applicable to the actual Prospectus. If found any changes between them, same shall highlighted.)
35. a (Hint: As per section 33 of the companies act, if any person is not satisfied with Abridged Prospectus and he can demand regular prospectus from the Company. It is the duty of the company to provide the same.)
36. b (Hint: As per Rule 13 of Companies(Prospectus and allotment of securities) Rules, 2014 the rate of commission paid or agreed to be paid shall not exceed 5% of the price at which the shares are issued or a rate authorized by the article, whichever is less.)
37. d (Hint: Section 42 of the Companies Act, 2013.)
38. c (Hint: As per Rule 13 of Companies (Prospectus and allotment of securities) Rules, 2014)
39. b (Hint: As per Section 39(3) of the Companies act, 2013 if the amount of subscription has not received within 30 days from prospectus date then the amount received under sub section (1) shall be returned within 15 days from the closure of the issue)
40. b (Hint: Section 39(1) of the Companies act, 2013)
41. b (Hint: As per Rule 13 of Companies (Prospectus and allotment of securities) Rules, 2014)
42. b (Hint: Section 39(1) of the Companies act, 2013.)
43. a (Hint: Section 41 of the Companies act, 2013.)
44. b (Hint: Section 41 of the Companies act, 2013.)

45. c
46. a (Hint: Section 42 of the Companies act, 2013, condition for Private Placement.)
47. a (Hint: Private placement is a common method of raising business capital through offering equity shares. Private placements can be done by either private companies wishing to acquire a few select investors or by publicly traded companies as a secondary stock offering)
48. a (Hint: Section 42 of the Companies Act, 2013, cash not to be accepted towards subscription.)
49. b (Hint: Section 42 of the Companies Act, 2013, Qualified Institutional buyer and employees to whom the securities has been offered under ESOP u/s 62(1)(b) are excluded while computing the number of persons.)
50. b (Hint: Section 42 of the Companies Act, 2013, Qualified Institutional buyer and employees to whom the securities has been offered under ESOP u/s 62(1) (b) are excluded while computing the number of persons.)
51. c (Hint: Section 42 of the Companies Act, 2013, no further offer pending the earlier offer.)
52. b (Hint: Section 42 of the Companies Act, 2013, company shall made offer after completion of earlier allotment or such earlier offer or invitation has been withdrawn or abandoned by the company)
53. a (Hint: Section 42 of the Companies Act, 2013, consequences of contravention of section.)
54. b (Hint: Section 42 of the Companies Act, 2013, A Private placement offer or invitation shall not be made, in one financial year, to more than 50 Persons and not more than 200 persons in aggregate in a financial year. Any offer which is in contravention to Section 42 of the Companies Act, 2013 shall be treated as public offer)
55. d (Hint: Section 42 of the Companies Act, 2013 and Companies (Prospectus And Allotment of Securities) Rules, 2014)
56. c (Hint: Section 42 of the Companies Act, 2013.)
57. b (Hint: Section 42 of the Companies Act, 2013.)
58. a (Hint: Section 42 of the Companies Act, 2013, if the application money not refunded, company shall refund application money along with interest of 12% p.a.)
59. d (Hint: Section 42 of the Companies Act, 2013 and Companies (Prospectus And Allotment of Securities) Rules, 2014)
60. c (Hint: Section 42 of the Companies Act, 2013 and Companies (Prospectus And Allotment of Securities) Rules, 2014)

Chapter 4 : SHARE CAPITAL & DEBENTURE

1. M/s ABC Pvt. Ltd, is a Private Limited Company is desirous to issue prospectus for inviting the public for subscription of its issue. Can the Company do so?			
a. Yes	b. No	c. Partly Yes	d. Partly No
2. Which rights are attached with Equity shares with Differential rights?			
a. Different dividend	b. Different face value	c. Different voting rights and Different advantages and disadvantages etc.	d. All of the above
3. The company will repay the amount of share capital to the holders of shares after the fixed period or even earlier at the discretion of the company is called as..... shares			
a. Redeemable Preference shares	b. Convertible Preference shares	c. Participating Preference shares	d. Non-Participating Preference shares
4. A Public Company cannot issue Equity shares with Differential rights as to dividend. True or False.			
a. True		b. False	
5. A Public Company can issue either redeemable or irredeemable Preference shares. True or False.			
a. True		b. False	
6. Share certificates are to be issued by a company within..... Months.			
a. one month after allotment	b. Two months after allotment	c. Six months after allotment	d. Three months after allotment
7. M/s ABC Ltd. made an allotment at 1 st January, 2016. Company desires to issue share certificate of that allotment after 6 months. Whether company can do?			
a. Yes		b. No	
8. A transferee become a member of the Company when the instrument of transfer is submitted with the company. True or False.			
a. True	b. False	c. Partly True	d. Partly False
9. A share warrant is a bearer instrument and the bearer is entitled to the shares specified in the share warrant. True or False.			
a. True	b. False	c. Partly True	d. Partly False
10. A holder of share- warrant of a company is not a member of the company. True or False.			
a. True		b. False	
11. New shares cannot be issued to outsiders without prior offer to the existing shareholders. True or False.			
a. True		b. False	
12. A public Company need not offer further shares to existing shareholders, if.....			
a. Ordinary resolution is passed to that effect by the company in General Meeting	b. Special resolution is passed to that effect by the company in General Meeting	c. Resolution is passed by Board of Directors and approved by Company Law Board	d. Special resolution is passed by the company in General Meeting and approved by Registrar of Companies.

13. Sources of funds for buy back of shares are.....			
a. Free reserve or securities	b. the securities premium account	c. the proceeds of any shares or other specified securities	d. Both a and b
14. Can a Private Company issue unsecured debenture under the Companies Act, 2013?			
a. Yes		b. No	
15. Can a directors refuse to register a transfer of shares?			
a. Yes		b. No	
16. Is it compulsory to pay dividend to preference shareholders?			
a. Yes		b. No	
17. Can a Private Limited Company issue preference shares?			
a. Yes	b. No	c. Partly Yes	d. Partly No
18. Can a Private Limited Company issue debenture as per Companies Act, 2013?			
a. Yes	b. No	c. Partly Yes	d. Partly No
19. M/s XYZ Ltd., is a public limited company desires to issue debenture with voting rights, Can company do so?			
a. Yes	b. No	c. Partly Yes	d. Partly No
20. Can a Private Limited Company issue prospectus?			
a. Yes	b. No	c. Partly Yes	d. Partly No
21. As per Section 44 of the Companies Act, 2013, Shares, debenture and other interest of any manner in a company shall be movable property in the manner provided be the article of the company?			
a. Yes	b. No	c. Partly Yes	d. Partly No
22. Whether the mandatory requirement of registration shall be applicable to shares in D- mat form also?			
a. Yes	b. No	c. Partly Yes	d. Partly No
23. Who has the authority to declare dividends?			
a. Board committee	b. Board of Directors	c. Creditors	d. Members
24. Which of the following companies shall not buy back its own securities unless the consequent reduction of share capital is effected under the Section 67 of the companies Act, 2013?			
a. Limited by shares (Private and Public)	b. Limited by guarantee	c. Unlimited co.	d. Both a and b
25. M/s XYZ Ltd., is a Public Limited Company desires to give to Mr. Ramnath a loan of Rs. 10 Crore for purchase of its own shares. Whether Company can do so?			
a. Yes	b. No	c. Partly Yes	d. Partly No
26. M/s ABC Pvt. Ltd., is a Private Limited Company desires to give to Mr. Shyam a loan of Rs. 5 Crore for purchase of its own shares. Whether Company can do so?			
a. Yes	b. No	c. Partly Yes	d. Partly No
27. M/s MNC Ltd., is a Public Limited Company desires to give to Mr. Tukaram a guarantee for his loan with Bank OF Maharashtra of Rs. 50 Lakhs for purchase of its own shares. Whether Company can do so?			

a. Yes	b. No	c. Partly Yes	d. Partly No
28. Every buyback shall be completed within Years from the date of passing of special resolution/Board resolution.			
a. 2 years	b.1 Year	c.5 Years	d.3 Years
29. M/s ABC Limited desires to buy back its shares. Company passed the special resolution at 1 st January, 2016. As per Section 68(4) of the companies Act, 2013, up to which date company need to be completed the process of buy back?			
a. 5 th January, 2016	b.30 th December, 2017	c.30 th September, 2016	d. None of the above
30. The Securities Premium account cannot be utilized.....			
a. In writing off the preliminary expenses of the company	b. In writing off the expenses of commission paid on issue of share of the company	c. For redemption of redeemable preference shares	d. In providing for the premium payable on the redeemable preference shares
31. Only Public Limited Companies have the right to issue share warrant. True or False.			
a. True	b. False	c. Partly True	d. Partly False
32. All the Companies limited by shares irrespective of public or Private have the right to issue share Certificate.			
a. True	b. False	c. Partly True	d. Partly False
33. M/s ABC Pvt. Ltd., is a Private Limited Company desires to give share warrant. Whether company can do so?			
a. Yes	b. No		
34. If any share certificate is lost or destroyed, what is the provision of getting new share certificate?			
a. . Board Resolution	b. issued on payment of Rs. 50 for each certificate	c. Both a & b	d. None of the above
35. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, duplicate share certificate shall be issued on payment of Rs. 20 for each certificate?			
a. Yes	b. No	c. Partly Yes	d. Partly No
36. Mr. Ram is a member of a company. He applied to the company regarding duplicate share certificate after having an original share certificate. Whether he can do so?			
a. Yes	b. No	c. Partly Yes	d. Partly No
37. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, duplicate share certificate shall be issued on payment of Rs. 20 for each certificate?			
a. Yes	b. No	c. Partly Yes	d. Partly No
38. If the dividend in respect of a class of preference shares has not paid doe a period of years or more, such class of preference shareholders shall have a right to vote on all the resolutions placed before the company.			
a. 1 Years	b. 2 Years	c. 3 Years	d.. 4 Years

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39. State the conditions for variation of Rights of any class.			
a. Consent in writing of the holders of not less than 75% of the issued shares of that class is obtained or Special resolution is passed at a separate meeting of holders of that meeting	b. Authorized by Memorandum of Association and Article of Association or if no such Authorization is there , as per the terms of issue of that class	c. variation by one class of shareholders should not affect the rights of any class of shareholders, if it affects then Special resolution of that class of shareholders	d. All of the above
40. Number of dissenting shareholders to the variation or in favour of the special resolution for the variation, should not be less than% of the issued shares of that class			
a. 10%	b. 20%	c. 25%	d. None of the above
41. M/s Sunstar Ltd. is authorized by its Article of Association to accept whole or any part of the amount of remaining unpaid calls from any member although no parts of that amount has been called up. A, a shareholder of the Sunstar Ltd. deposits in advance the remaining amount due on his shares without any calls made by Sunstar Ltd. State the Section of the Companies Act, 2013?			
a. Section 49	b. Section 50	c. Section 51	d. Section 52
42. Mr. A, a shareholder of the Moonstar Ltd. wants to deposits in advance the remaining amount due on his shares without any calls made by Moonstar Ltd. Whether Moonstar Ltd. can accept his advance share amount?			
a. Yes	b. No	c. Partly Yes	d. Partly No
43. No concept of call for bonds and debenture as per Companies Act, 2013?			
a. Yes	b. No	c. Partly Yes	d. Partly No
44. M/s Sunstar Ltd. desires to issue partly paid bonds and debentures. Whether company can do so?			
a. Yes	b. No	c. Partly Yes	d. Partly No
45. Preference shares are always fully paid up?			
a. Yes	b. No	c. Partly Yes	d. Partly No
46. M/s Sunstar Ltd. desires to issue partly paid preference shares. Whether company can do so?			
a. Yes	b. No	c. Partly Yes	d. Partly No
47. M/s Sunstar Ltd. desires to issue equity shares at discount. Whether company can do so?			
a. Yes	b. No	c. Partly Yes	d. Partly No
48. M/s ABC Ltd. desirous to issue new class of shares in the name of 'Sweat Equity'. Whether company can do so?			
a. Yes	b. No	c. Partly Yes	d. Partly No
49. M/s XYZ Ltd. is desirous to utilized Capital Redemption Reserve for the purpose of issuing partly paid bonus shares to the members. Whether company can do so?			
a. Yes	b. No	c. Partly Yes	d. Partly No
50. State the conditions for redemption of Unredeemed Preference shares?			
a. Replacing old Preference shares with new	b. Special resolution of such class of shareholders	c. Approval of Tribunal obtained	d. All of the above

51. As per Section 62 of the Companies Act, 2013, further issue shall be offered to.....			
a. Existing shareholders through a letter of offer	b. Employees under ESOP	c. Any person either for cash or kind	d. All of the above
52. Time limit given to existing shareholders to accept the offer of right issue shall not be less than Days but not more than..... days of offer			
a. 15 and 30	b. 15 and 20	c. 5 and 30	d. 10 and 60
53. M/s Sunstar Ltd. is given offer to employees of the company for right issue. Mr. Ram is employee of company accept the offer of company but later he realize that he has not able to take that shares then he renounce his shares to Mr. Shyam. Whether Mr. Ram can do so?			
a. Yes	b. No	c. Partly Yes	d. Partly No
54. Fully paid up shares shall be issued by a company out of			
a. its free reserves	b. the securities Premium account	c. the capital redemption reserve	d. All of the above
55. The bonus shares shall not issue in lieu of dividend. True or False.			
a. True	b. False	c. Partly True	d. Partly False
56. No issue of bonus shares shall be made by capitalizing reserves created by the revaluation of assets?			
a. True	b. False	c. Partly True	d. Partly False
57. M/s ABC Ltd. desires to issue fully paid up bonus shares. The company have its free reserve, the securities premium account and the capital redemption reserve account. Suggest the sources with their priority?			
a. 1. Free reserve 2. The securities Premium Account 3. The Capital Redemption Reserve Account	b. 1. The Capital Redemption Reserve Account 2. The securities Premium Account 3. Free reserve	c. 1. The securities Premium Account 2. The Capital Redemption Reserve Account 3. Free reserve	d. 1. Free reserve 2. The Capital Redemption Reserve Account 3. The securities Premium Account
58. Nature of reduction of share capital as per section 66 of the Companies Act, 2013			
a. Extinguish the liability of unpaid capital	b. Cancellation of lost or unrepresented capital for asset	c. Paying off excess capital then required	d. All of the above
59. S Ltd. has announced to issue of dividend to all shareholders. Due to change in plan, Company decided to issue bonus share instead of dividend. Can the Company do so?			
a. Yes	b. No	c. Approval of shareholders	d. Approval of BOD
60. M/s ABC Ltd. has enough amounts in revaluation reserve. Can the Company issue bonus shares out of it?			
a. Yes	b. No	c. Approval of shareholders	d. Approval of BOD
61. XYZ Ltd proposes to issue bonus shares to all shareholders. But the Company has failed to pay gratuity to its shareholders since 5 years. Can the Company make such issue?			
a. Yes	b. No	c. Partly Yes	d. Partly No
62. XYZ Ltd has a huge amount of reserve in store and proposes to issue bonus shares to the shareholders. Company had not paid interest since post 3 years. Is the Company eligible to issue Bonus?			

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a. Yes	b. No	c. 6 m + SR	d. Application of SEBI
63. XYZ Ltd has a huge amount of reserve in store and proposes to issue bonus shares to the shareholders. Company had not paid interest since post 3 years. Is the Company eligible to issue Bonus?			
a. Yes	b. No	c. 6 m + SR	d. Application of SEBI
64. Sweat equity shares allotted to employees shall be locked it for.....			
a. 6 Months	b. 1 Year	c. 2 Years	d. 3 Years
65. What is the cooling period after the buyback of securities for the same type of securities-			
a. 1 year from the date of buy back	b. 6 months from the date of buyback	c. No such cooling period as per Companies Act, 2013 but exists as per companies act, 1956	d. 2 years from the date of buyback
66. A company wants to give loan of Rs. 750000 to Mr. Ram, its employee for purchase of his shares. Salary of Mr. Ram is Rs. 45000 per month-			
a. Company cannot give financial assistance to buy its own shares	b. Company can give financial assistance up to Rs. 600000 only being Rs. 50000 per month is the limit as said by companies Act.	c. Company can give up to Rs. 270000 only.	d. Company can give up to Rs. 540000 only.
67. In the case of transfer or transmission of shares, company need to deliver certificates of the securities transferred or transmitted within a period of -			
a. 1 month from the receipt of instrument of transfer	b. 2 month from the receipt of instrument of transfer	c. 1 month from the date when shares are actually transferred or transmitted.	d. 2 month from the date when shares are actually transferred or transmitted.
68. An exception to the rule that no company can provide financial assistance for purchase or subscription of its own shares is-			
a. Financial assistance is by a banking company in ordinary course of business	b. Financial assistance is given at an higher rate of interest	c. Financial assistance is given to the related parties at an higher interest rate	d. Financial assistance can be given to Board of directors to control the minority interest.
69. Redemption of shares can be made for only.....			
a. Bonus shares	b. Right shares	c. Fully paid shares	d. Partly paid shares
70. In case of allotment of debenture, company need to deliver certificate of debenture allotted within a period of			
a. 6 months from the date of application for debentures	b. 6 months from the date of allotment	c. 2 months from the date of allotment	d. 2 months from the date of application for debentures
71. A company can issue new redeemable preference shares in lieu of dividend and non-payment of amount of payable for redemption provided-			
a. Approval of the tribunal has been taken	b. Unanimous consent of the holders has been taken	c. consent of the shareholders who hold three fourth value in such shares	d. Both a and c

72. Buy back can be from-			
a. Open market	b. Existing shareholders	c. shares issued as stock option to employees	d. All of the above
73. Shares and debentures of a company are-			
a. Movable property	b. immovable property	c. both of them	d. Movable property only when they are maintained in physical form and not in electronic form.
74. The capital which is authorized by the memorandum of the company to be the maximum amount of share capital is called-			
a. authorized share capital of the company	b. Nominal share capital of the company	c. Paid up share capital of the company	d. Both a and b
75. In case of allotment of shares, company need to deliver certificates of the securities allotted within a period of-			
a. 2 months from the date of allotment	b. 2 months from the date of application	c. 3 months from the date of application	d. 3 months from the date of allotment
76. A company can issue redeemable preference shares for a period exceeding 20 years in case of-			
a. Agricultural companies	b. Infrastructural companies	c. Coal and electric projects	d. Hydro electric companies
77. A company can issue redeemable preference shares for a period exceeding 20 years in case of Infrastructural projects provided-			
a. Company pays certain amount to ROC as a fee	b. Company takes permission of the Central government	c. Company starts redeeming at least 10% from the 21 st year	d. Company cannot issue preference shares for a term exceeding 20 years.
78. Capital redemption reserve can be used for-			
a. Writing off preliminary expenses	b. Writing off capital losses	c. Writing off negative reserves	d. Issue of bonus shares
79. Letter of offer should be dispatched to shareholders within days after registration of ROC.			
a. 21 days	b. 15 days	c. 14 days	d. 30 days
80. Buyback should be completed within a period of -			
a. 1 year from the date of passing special resolution	b. 1 year from the date of passing ordinary resolution	c. 6 months from the date of passing ordinary resolution	d. 6 months from the date of passing special resolution
81. Securities Premium account can be used for-			
a. In writing off the expenses related to issue of shares	b. for the Buyback of shares as per Sec. 68	c. In providing for the premium payable on the redemption of any redeemable preference shares or of any debenture of the company	d. All of the above
82. A company cannot issue			

a. A. Redeemable preference shares	b. B. Irredeemable preference shares	c. Convertible preference shares	d. Non-convertible preference shares
83. A company can give loans to persons in the employment for the purchase or subscription of its shares-			
a. Yes, can give loan up to a limit of Rs. 250000	b. Yes, can give loan up to an amount not exceeding 6 months salaries and wages of employees	c. Yes, can give loan up to an amount not exceeding 4 months salaries and wages of employees	d. Yes, can give loan up to a limit of 350000
84. The pre-emptive subscription rights to buy additional securities to the existing shareholders is called-			
a. Initial public issue	b. Right issue	c. Buy back of shares	d. None of the above
85. As per companies act 2013, a company should maintain debt equity ratio post buyback is-			
a. 1:1	b. 2:1	c. 3:1	d. 1:2:1
86. The preference shares should be redeemed with in a period of-			
a. Not exceeding 10 years	b. Not exceeding 15 years	c. Not exceeding 20 years	d. Not exceeding 5 years
87. A infrastructure project can issue redeemable preference shares for a period exceeding 20 years-			
a. A company cannot issue redeemable preference shares for a period exceeding 20 years as per the provisions of the companies act	b. Can Issue but the period should not be more than 30 years.	c. A company cannot issue redeemable preference shares for a period exceeding 30 years as per the provisions of the companies act	d. Can Issue but the period should not be more than 40 years
88. Preference Shares can be redeemed out of-			
a. Reserve for debenture redemption reserve only	b. Profits only	c. Secret reserve made out of capital profits and charging low depreciation	d. It is the discretion of the company and its share holders
89. Amount required for redemption of preference shares can be used from			
a. Profits only	b. Amount received through fresh issue	c. Both a and b	d. Amount which is foregone by the equity share holders since it is the amount related to the share holders
90. In the case of subscribers to the memorandum company need to deliver certificates of the securities allotted within a period of-			
a. 3 Months from the date of incorporation	b. 3 Months from the date of commencement	c. 2 months from the date of incorporation	d. 2 Months from the date of commencement
91. A company want to redeem 12000 shares whose face value is 10 each at a redemption value of Rs. 15 each. The company wants to redeem shares out of profits. Amount required to be transferred to CRR is-			
a. 120000	b. 150000	c. 60000	d. 900000
92. When application for transfer is given by the transferor alone the transferee can give his objection within-			

a. 7 days from the receipt of notice from the company	b. 15 days from the receipt of notice from the company	c. 1 week from the receipt of notice from the company	d. 2 week from the receipt of notice from the company
93. When preference shares are redeemed out of profits an amount equal to nominal value of shares shall be transferred to an account called-			
a. Securities premium account	b. Capital appreciation account	c. Capital redemption reserve	d. Capital paid-up reserve
94. Following is/are the company(ies) which Issued equity shares with differential voting rights-			
a. Future Motors	b. Future Retails	c. Future Innovators	d. All of the above
95. As per companies act share includes a share in the share capital and also Includes:-			
a. Debentures	b. Stocks	c. Bunch of debentures	d. Both a and b
96. Company cannot issue differential shares if it has been penalised during the last three years of any offence under-			
a. RBI and SEBI	b. SEBI and SCRA	c. RBI, SEBI, SCRA and FEMA	d. Only FEMA
97. In order to issue Differential right shares, It need to conduct voting through postal ballot-			
a. Yes every company need to conduct postal ballot voting	b. Only by a company whose shares are listed in recognised stock exchange	c. A company which has track record of continuous profits for 3 years	d. A company which is defaulted in the payment of dividend to Preference share holders
98. A company need to have Consistent track record of distributable profits for.....in order to issue Equity shares with differential voting rights.			
a. Last 3 years preceding the Issue	b. Last 5 years preceding the Issue	c. Any 3 Years	d. Any 5 Years
99. An eligible company as per Section 76, which is accepting deposits within the limits specified under Section 180 (1) (c) may accept deposits by means of.....			
a. ordinary resolution	b. unanimous resolution	c. Special resolution	d. Special resolution and approval of Central Government
100. Preference shares will carry preferential right with respect to-			
a. Payment of dividend before interest to debenture holders	b. Payment of dividend before payment to equity Share holders In the form of dividend	c. Repayment of capital during the event of winding up	d. Both b and c
101. In order to Issue Differential right shares, company should not have defaulted in filling.....in last 3 financial years immediately preceding the year In which it is decided to issue the shares.			
a. Annual returns	b. Financial statements	c. Both Annual returns and financial statements	d. Need not file anything
102.and.....are the return for the Debenture holders and preference share Respectively.			
a. Interest and Dividend	b. Dividend and interest	c. Interest and Interest	d. Any of the above
103. No deposits are repayable earlier than.....from the date of such deposits or renewal thereof			
a. 3 months	b. 6 months	c. 12 months	d. 1 year

4.10

104. What is the cooling period for the default made by the company in case of issue of shares with differential rights?			
a. Six years	b. Three years	c. Five years	d. Seven Years
105. Company Should pay Interest to the Debenture holders:-			
a. As and when debenture holders demand	b. Only in the year in which company earns profit	c. Irrespective of the earnings of the company, they should to make payment to Debenture holders every year	d. Both a and c
106. Equity shares with Differential rights can be issued with Differences with respect to-			
a. Voting rights	b. Dividend	c. Both voting and Dividend	d. Dividends or Voting rights or Otherwise
107. Which among the below are termed as securities as per companies act 2013?			
a. Shares	b. Preference share	c. Debentures	d. Both a and c
108. Every company shall pay a penal rate of interest.....for the overdue period in case of deposits, whether secured or unsecured, matured and claimed but remaining unpaid.			
a. 9% p.a.	b. 10% p.a.	c. 12% p.a.	d. 18% p. a
109. According to companies act 2013, shares with differential rights should not exceed-			
a. Twenty five percentage of total paid up equity excluding differential right shares	b. Twenty six percent of total pre issue paid up equity including differential right shares	c. Twenty six percent of total post issue paid up equity Including differential right shares	d. Twenty five percentage of total paid up equity including differential right shares
110. A reserve account that shall not be used by the company for any purpose other than repayment of deposits is called:			
a. Debenture redemption reserve	b. Deposit repayment reserve	c. Capital redemption reserve	d. Free reserve
111. Shares with Same voting rights and Differential voting right are the further division of-			
a. Equity shares	b. Preferential shares	c. No such further division	d. Equity and preference put together
112. In order to Issue equity shares with differential rights, company has not defaulted in repayment of term loan or interest thereon from a-			
a. Public financial institution	b. Scheduled bank	c. State level financial institution	d. Any of the above
113. A company can issue Equity shares with differential voting rights only when-			
a. AOA authorises the issue and Special resolution has passed at General meeting	b. AOA authorises the issue and ordinary resolution has passed at General meeting	c. Only with AOA authorisation and Inclusion of matter in MOA	d. Special resolution at the General meeting is enough
114. Statutory payment relating to employees to any authority and.....should not be defaulted to Issue equity shares with differential rights.			
a. Payment to whistle blower committee	b. Payment to Investor education and protection fund	c. Payment of remuneration to board	d. Payment to Grievances Committee

115.depicts lenders interest in the company with limited risks and returns			
a. Preference shares	b. Debentures	c. Equity shares	d. Both a and b
116. As per section 43 of the Companies Act, 2013 What are the types of share capital-			
a. Equity	b. Debentures	c. Preference	d. Both a and b
117. Where depositors so desire, deposits may be accepted in joint names not exceeding.....			
a. 2	b. 3	c.5	d.7
118. Plain Vanilla shares is the other name of.....shares			
a. Equity shares with same voting rights	b. Equity shares with differential voting rights	c. Preference shares	d. Cumulative Preference shares

Answer

4.12

1. b (Hint: A Private Company is prohibited from inviting the public for subscription of its shares, i.e. a Private Company cannot issue Prospectus, whereas a Public Company is free to invite public for subscription i.e., a Public Company can issue a Prospectus.)	2. d	3.a (Hint: As per Section 55(2) Companies Act, Issue Preference shares which are liable to be redeemed within a period not exceeding 20 years from the date of their issue subject to such conditions as may be prescribed., but in case of infrastructure company, Period of redemption is period exceed 20 years but not 30 years as specified under schedule VI.)	4.b(Hint: Public Company can issue shares those with voting rights, or those with Differential rights as to dividend, voting or otherwise in accordance with rules as may be prescribed. (Section 43 of the Companies Act, 2013)
5.b(Hint: Section 55(1) of the Companies Act, 2013, Issue of Irredeemable Preference shares is prohibited i.e. only redeemable Preference shares can be issued by a Company.)	6.b(Hint: Section 46 of the companies Act, 2013 read with Rule 5,6 & 7 of the Companies(Share Capital & Debentures)Rules, 2014)	7.b(Hint: Section 46 of the companies Act, 2013 read with Rule 5, 6 & 7 of the Companies (Share Capital & Debentures) Rules, 2014, Share certificates are to be issued by a company within Two months after allotment.)	8.b(Hint: Section 56 of the companies Act, 2013, A transferee become a member of the company when the transfer is registered with the company.)
9.a(Hint: In terms of the companies Act, 2013, A share warrant is a bearer documents stating that the holder is entitled to certain number of shares specified therein.)	10. a(Hint: In terms of RBI Circular on share-warrant July 2014.)	11. a(Hint: Company can offer the new shares to the outsiders as per provision of the Companies Act, 2013 contained in Section 62.)	12. b(Hint : Section 62 of the Companies Act, 2013)
13. d(Hint: Section 68 of the Companies Act, 2013.)	14. a(Hint: Section 71 of the Companies Act, 2013, a Private Limited Company can issue unsecured debentures with an option to convert such debentures into shares, either in whole or in part at the time of redemption. Yes, it can issue secured as well as unsecured debenture but through private placement basis only.)	15. a(Hint: In certain circumstances, the directors of the company may refuse to register a transfer of certificated shares. It is common for the articles of association of a private company limited by shares to give its directors the power to refuse to register a transfer of shares.)	16. b (Hint: it is not compulsory to pay any dividend to Preference shareholders in case, there is Profit but company does not want to pay any dividend. But if company wishes to pay dividend to Equity shareholders it can do so only after paying dividend to Preference shareholders.)
17. a(Hint: As per Companies Act, 2013, an Indian Private Limited Company or Limited Company can issue preference shares, if authorized by the articles of association of the company. All preference shares issued by a company in	18. a(Hint: As per Section 71 of the Companies Act, 2013, Issue of debentures is governed by the Companies Act, 2013, SEBI regulations and RBI regulations. The Companies Act, 2013 allows both private and public	19. b(Hint: As per Section 71 (2) of the Companies Act, 2013, issue of debentures which carry any voting	20. b(Hint: A Private Company is prohibited from inviting the public for subscription of its shares, i.e. a Private Company cannot issue Prospectus, whereas a Public Company is free to invite public for subscription i.e., a

India must be redeemable and should be redeemed within a period of 20 years from the date of its issue.)		companies to issue any type of debentures as long as they do not carry any voting rights.)		right is prohibited.)	Public Company can issue a Prospectus.)
21. a(Hint: Goods means every kind of movable property includes stock and shares which are agreed to be severed before sale or under the contract of sale.)	22. b(Hint: The mandatory requirement are not applicable where both transferor and transferee have D mat accounts. That is why the words "other than the records of a depository" have been added to Subsection (1) of Section 56 of the Companies act, 2013.)		23. b(Hint: When the board of directors makes such a decision and declares a dividend for payment to stockholders, the retained earnings account on the company's balance sheet is reduced by the amount of the declared dividend. The retained earnings is an account of equity that shows the net balance of a company's earnings.)		24. d(Hint: As per Section 67(1) of the companies Act, 2013)
25. b(Hint: As per Section 67(2) of the companies Act, 2013, a Public Limited Company shall not, whether directly or indirectly give to any person a loan, guarantee, security or any other financial assistance for purchase of its own shares or shares in its Holding Company)		26. a(Hint: As per Section 67(2) of the companies Act, 2013 (not to finance others for buyback of own securities) is applicable to public Company only.)		27. b(Hint: As per Section 67(2) of the companies Act, 2013, a Public Limited Company shall not, whether directly or indirectly give to any person a loan, guarantee, security or any other financial assistance for purchase of its own shares or shares in its Holding Company)	
29. b(Hint: As per Section 68(4) of the companies Act, 2013, Every buyback shall be completed within 1 Year from the date of passing of special resolution/Board resolution.)		30. c(Hint: Section 52 of the companies Act, 2013)		31. a	32. a(Hint: Section 46 of the Companies Act, 2013)
33. b(Hint: Only Public Limited Companies have the right to issue share warrant)	34. c(Hint: Section 46 of the Companies Act, 2013)	35. a(Hint: Section 46 of the Companies Act, 2013)		36. b(Hint: Section 46 of the Companies Act, 2013, shareholder can apply for duplicate share certificate If his share certificate be worn out, defaced, mutilated or torn or in case it is lost or destroyed.)	
37. a(Hint: Section 46 of the Companies Act, 2013)	38. b(Hint: Section 47 of the Companies Act, 2013 states that If the dividend in respect of a class of preference shares has not paid doe a period of 2 years or more, such class of preference shareholders shall have a right to vote on all the resolutions placed before the company along with equity shareholders.)		39. d(Hint: Section 48 of the Companies Act, 2013 states Variation of shareholders Right.)		40. a(Hint: Section 48 of the Companies Act, 2013 states Variation of shareholders Right.)
41. b(Hint: Section 50 of the Companies Act, 2013 states call	42. a(Hint: As per Section 50 of the Companies Act, 2013, a company can accept calls in advance i.e. without making a call. For that Company required		43. a(Hint: Bonds and Debentures are debts, so they are always fully paid up. As per Section 49 of the Companies Act, 2013, uniform calls		44. b(Hint: Bonds and Debentures are debts, so they are always fully paid up. As per Section 49 of the Companies Act, 2013, uniform calls for

4.14

in advance.)	authorization by Its Article of Association.)	for same class of shares only not the securities.)	same class of shares only not the securities.)
45. b(Hint: As per Section 49 and 55 of the Companies Act, 2013, preference shares are partly paid also but shall be paid up before redemption of shares.)	46. a(Hint: As per Section 49 and 55 of the Companies Act, 2013, preference shares are partly paid up also but shall be paid up before redemption of shares.)	47. b (Hint: As per Section 53 of the Companies Act, 2013, a company shall not issue shares (except sweat equity shares u/s 54) at a discount. Any issue at a discount price by a company shall be void.)	48. b(As per section 54 of the Companies Act, 2013, Sweat Equity shares must belongs to a class of shares already issued by the company i.e. whole new class of shares in the name of 'Sweat Equity' cannot be issued.)
49. b(Hint: As per section 55(4) of the Companies Act, 2013 Capital Redemption Reserve shall be utilized only for the purpose of issuing Fully paid bonus shares to the members)	50. d(Hint: As per section 55(4) of the Companies Act, 2013 Capital Redemption Reserve shall be utilized only for the purpose of issuing Fully paid bonus shares to the members	51. d(Hint: As per Section 62(1) of the Companies Act, 2013)	52. a(Hint: As per Section 62(1) of the Companies Act, 2013, it is one of the condition to be complied with for further issue to existing shareholders.)
53. a(Hint: As per Section 62(1) of the Companies Act, 2013, the shareholders will have right of renouncement and same will be mentioned in the notice.)	54. d(Hint: As per Section 63(1) of the Companies Act, 2013, sources of the Issue of Bonus shares.)	55. a(Hint: As per Section 63(3) of the Companies Act, 2013, Bar on Issue of shares in lieu of dividend.)	56. a(Hint: As per Section 63(1) of the Companies Act, 2013, Bar on Issue of shares in lieu of dividend)
57. a(Hint: As per Section 63(1) of the Companies Act, 2013, Sources of the Issue of Bonus shares.)	58. d(Hint : As per Section 66 of the Companies Act, 2013.)	59. b(Hint: As per Section 63(2) of the Companies Act, 2013, the bonus shares shall not be issued in lieu of dividend)	60. b(Hint: As per Section 63(1) of the Companies Act, 2013, no bonus shares shall be made by capitalizing reserve created by the revaluation of assets.)
61. b(Hint: As per Section 63(2) of the Companies Act, 2013, one of the condition for issue of bonus shares is company has not defaulted in payment of statutory dues like PF, Gratuity etc.)	62. b(Hint: As per Section 63(2) of the Companies Act, 2013, one of the condition for issue of bonus shares is company has not defaulted in payment of interest or principal in respect of Fixed deposit or debt securities.)	63. b(Hint: As per Section 63(2) of the Companies Act, 2013, one of the condition for issue of bonus shares is company has not defaulted in payment of interest or principal in respect of Fixed deposit or debt securities.	64. b(Hint: As per Section 54 of the Companies Act, 2013, condition for issue of Sweat equity shares.)
65. b(Hint: As per Section 68 companies act, 2013, there must be a cooling period of at least 6 months for the	66. c(Hint: A company can give loan to its employees up to amount not exceeding 6 months' salary of the particular employee. Here in this case salary of Mr. Ram is Rs. 45000 per month. So maximum permissible amount will be Rs.270000.)	67. a(Hint: Every company shall unless prohibited by any court, law or tribunal should deliver the certificates of securities transferred or transmitted 1 month from the date of receipt of instrument of	68. a(Hint: Banking company can give Financial assistance in its ordinary course of business at

same type of securities.)		transfer in case of transfer or transmission of shares.)	an arm length interest rate.)
69. c(Hint: No preference shares can be redeemed unless they are fully paid as per Section 55 of Companies Act, 2013.)	70. b(Hint: Every company shall unless prohibited by any court, law or tribunal should deliver the certificates of debentures allotted 6 months from the date of allotment of debentures.)	71. d(Hint: When a company is not in a position to redeem shares then in such a case with the consent of the shareholders who hold three fourth value of such shares and with the approval of the tribunal on petition made by it in this behalf can issue further redeemable preference shares in lieu of redeemable preference shares and dividends payable on them.)	72. d(Hint: Buy back can be from Open market or from Existing shareholders or employees stock option plan.)
73. a(Hint: As per section 44 of the companies Act, 2013, shares and debentures or interest thereon of any member in the company shall be a movable property irrespective of the truth that they are held in electronic or physical form.)	74. d(Hint: As per sec. 2(8) of the companies Act, 2013, authorized or Nominal capital is the maximum amount of share capital that a company can issue.)	75. a(Hint: Every company shall unless prohibited by any court, law or tribunal should deliver the certificates of securities allotted 2 months from the date of allotment in case of allotment of any of its securities.)	76. b(Hint: A company can issue redeemable preference shares with a term exceeding 20 years in case of Infrastructural projects however such term should not exceed 30 years.)
77. c	78. d(Hint: Capital Redemption Reserve can be used for paying of unissued shares of the company to be issued to the members of the company as fully paid bonus shares.	79. a(Hint: As per companies act, 2013 and Rule 17(4) of the Companies (share capital and debenture) Rules, 2014 a company should dispatch letter of offer within 21 days after the filing with ROC.	80. a (Hint: Buyback should be completed within a period of 1 year from the date of passing special resolution for buyback.)
81. d(Hint: According to Section 52 of the Companies Act, securities premium account can be used for -Issue of unissued shares as a bonus to shareholders. Writing off preliminary expenses. -In writing off the expenses related to Issue of shares. -Applying for the premium payable for the redemption of redeemable preference shares and debentures. -To buy back the shares as per sec 68.	82. b (Hint: According to sec 55 a company cannot issue irredeemable preference shares.)	83. b (Hint: As per sec 67, company can give loan up to an amount not exceeding 6 months salaries and wages of employee for the purchase or subscription fully paid shares in the company or its holding company to be held by them by way of beneficial ownership.)	84. b (Hint: As per Section 62 of the Companies Act, 2013, in case of right issue shares must be first offered to existing shareholders before they are issued to public.)
85. b(Hint: As per Sec 68 of companies' act 2013, the ratio of the aggregate of secured and unsecured debts owed by the company should not be more than twice the paid up capital and Its free reserves.)	86. c(Hint: Company cannot issue redeemable preference shares with a term exceeding 20 years for redemption.)	87. b(Hint: As per sec 55 only exception to the term of issue of redeemable preference shares is Infrastructure projects. However they cannot Issue for the term exceeding 30 years.)	88. b(Hint: Company can redeem Preference shares out of profits only which are available for payment of dividend.)

89. c(hint: No such shares shall be redeemed except out of profits available for payment of dividend and proceeds of the fresh issue of shares made for the purpose of redemption)	90. c(Hint: Every company shall unless prohibited by any court, law or tribunal should deliver the certificates of securities allotted within 2 months from the date of Incorporation in case of securities allotted to subscribers of memorandum.)	91. a(Hint: Nominal value of shares need to be transferred to CRR i.e. (12000*10=120000)	92. d(Hint: In case of partly paid shares, when application to transfer is made by the transferor alone to make a transfer then company will issue a notice to the transferee. Transferee need to convey his objection within 2 weeks from the receipt of the Notice from the company.)
93. c(Hint: As per sec 55 when shares are redeemed out of profits an amount equal to nominal value of shares shall be transferred to Capital redemption reserve.)	94. b (Hint: Tata Motors and Future Retails are the only two companies which issued Equity shares with differential voting shares.)	95. b (Hint: As per 2(84) of companies act Share includes share in share capital and stocks. A group of shares which are traded in the share market are termed as stocks.)	96. c(Hint: Company should not have penalised for an offence under Reserve bank of India Act, 1934, The securities exchange board of India act 1992, Securities Contract Regulation Act, 1999 and Foreign Exchange Management Act 1999 in order to issue differential right shares.)
97. b (Hint: A company whose shares are Listed in recognised stock exchanges like NSE and BSE should conduct voting through postal ballot.)	98. a (Hint: A company should have earned profits during the last three years preceding the year in which differential shares are proposed to Issue.)	99. a	100. d (Hint: Please note that preference shareholders have preferential right over the Equity share holders only they will not affect any others Rights.)
101. c (Hint: A Company should not have defaulted in filling annual returns with MCA (Ministry of Corporate Affairs) and Filling financial statements in the last 3 financial years Immediately preceding the year in which It is proposed to issue Differential shares.)	102. a (Hint: Debenture holders earn Interest on their investment whereas preference shareholders earn preferential dividend.)	103. a	104. c (Hint: Shares with differential rights can be issued on expiry of 5 years from the end of financial year In which default said by the act has committed.)
105. c (Hint: Company need to pay Interest according to the terms agreed every year irrespective of the profits earned and demand from the debenture holders.)	106. d (Hint: Can be issued with difference w.r.t. Dividends or Voting rights or Otherwise.)	107. d (Hint: Securities includes both shares and debentures. (Please note that both preference and equity are termed as shares).)	108. d
109. c (Hint: Company cannot issue more than 26% of differential right shares. This	110. b	111. a (Hint: Equity shares are further divided in to Shares with Same voting rights and Differential voting rights. Please note that company need to	112. d (Hint: Company should not have defaulted in repayment or interest thereon on

percentage should be complied even after issue of the New shares with differential rights(Post issue))		comply with some conditions laid by companies act in order to issue shares with differential voting rights. Usually companies Issue only the shares with same voting rights)	term loan from any public financial institution or State financial Institution or any scheduled bank.)
113. b(Hint A company should be authorised by its AOA and ordinary resolution need to be passes at the General meeting in order to issue shares with differential voting rights.:)	114. b (Hint: No default should be made In crediting the amount to Investor Education and Protection Fund maintained be the CG in order to Issue Equity shares with differential voting rights.)	115. b (Hint: Debenture holders are creditors of the company whose return is limited to the rate of interest (irrespective of the profit earned) and risk arises only during liquidation of the company. Whereas Preference shareholders earning is based on the profits of the company.)	116. d (Hint: Share capital includes both Preference and Equity shares capital.)
117. b	118. a		

Chapter 5 : ACCEPTANCE OF DEPOSIT BY COMPANIES

1.M/s ABC Ltd is a Public Limited company having net worth of Rs. 120 Cr. and turnover of Rs. 100 Cr. Whether the company is eligible to accept deposit from Public?			
a. Yes	b. No	c. Partly Yes	d. Partly No
2.M/s XYZ Ltd is a Public Limited company having net worth of Rs. 80 Cr. and turnover of Rs. 600 Cr. Whether the company is eligible to accept deposit from Public?			
a. Yes	b. No	c. Partly Yes	d. Partly No
3. A company shall issue circular to its members inviting deposits. The circular shall include a statement containing.....			
a. Financial position of the company	b. The credit rating obtained by the company	c. Total numbers of depositors & amount due towards deposits in respect of old deposits	d. All of the above and such other particulars in such form and manner as may be prescribed.
4. Any concerned depositor can make an application to the..... If a company fails to repay the deposits or part thereof or any interest thereon.			
a. Board of Directors	b. RBI	c. High Court	d. NCLT
5. A small depositor means a depositor who has deposited in a financial year a sum not exceeding.....			
a. Ten Thousand rupees	b. Fifteen Thousand rupees	c. Twenty Thousand rupees	d. Fifty Thousand rupees
6.Company shall file circular and statement regarding public deposits with ROC withindays.			
a. 10 days	b. 20 days	c. 30 days	d. 45 days
7.A sum not less than 15% of deposits maturing in current year + in next financial year shall be deposited in Account at a scheduled bank.			
a. Free Reserve	b. Securities Premium Account	c. Capital redemption reserve Account	d. Deposit Repayment Reserve Account
8.The Deposit Repayment Reserve Account shall be used exclusively for the purpose of Only.			
a. Redemption of preference shares	b. Payment of dividend	c. Issue of Bonus shares	d. Repayment of deposits only
9.Acceptance of deposits from public required Resolution of general meeting of members.			
a. General Resolution	b. Special Resolution	c. unanimous Resolution	d. not required any resolution of members
10. A Public Company having net worth Or turnover.....are eligible to accept deposits from Public.			
a. Net worth ≥ Rs. 100 Cr. or Turnover ≥ Rs. 500 Cr.	b. Net worth ≥ Rs. 50 Cr. or Turnover ≥ Rs. 500 Cr.	c. Net worth ≥ Rs. 100 Cr. or Turnover ≥ Rs. 1000 Cr.	d. Net worth ≥ Rs. 50 Cr. or Turnover ≥ Rs. 1000 Cr.
11. If the eligible company is accepting deposits u/s 180(1) (c) then prior consent using Resolution of General Meeting.			

Chapter 5 ACCEPTANCE OF DEPOSIT BY COMPANIES

5.2

a. General Resolution	b. Special Resolution	c. unanimous Resolution	d. not required any resolution of members
12. M/s XYZ Ltd is a Public Limited company having net worth of Rs. 80 Cr. and turnover of Rs. 400 Cr. Whether the company is eligible to accept deposit from members?			
a. Yes	b. No	c. Partly Yes	d. Partly No
13. Any person who deposits the amount but not get re-paid in specific due time either principal or interest then he can apply to.....			
a. Board of Directors	b. RBI	c. High Court	d. NCLT
14. Return of deposit to be filed with Registrar of Companies in Form No.....			
a. Form DPT 1	b. Form DPT 2	c. Form DPT 3	d. Form DPT 4
15. Appointment of trustee for depositors in Form No.....			
a. Form DPT 1	b. Form DPT 2	c. Form DPT 3	d. Form DPT 4
16. The company accepting secured deposits shall, within Days of such acceptance, create a charge on its assets.			
a. 10 days	b. 20 days	c. 30 days	d. 45 days
17.is required for accepting deposits from members.			
a. Ordinary Resolution at General Meeting	b. Special Resolution at GM	c. Board Resolution	d. Both b and c
18. No company shall accept or renew any deposit from its members, if the amount of such deposits together with the amount of other deposits outstanding as on the date of acceptance or renewal of such deposits exceeds.....per cent of the aggregate of the..... of the company.			
a. 15, paid up share capital and free reserves	b. 15, paid up share capital, free reserves and Security Premium Account	c. 35, paid up share capital, free reserves and Security Premium Account	d. 35, paid up share capital and free reserves
19. No eligible company shall accept or renew deposit from non-members, if the amount of such deposit together with the amount of such other deposits, other than member deposits, outstanding on the date of acceptance or renewal exceeds.....% of aggregate of the Paid-up share capital, free Reserves and securities premium account of the company.			
a. 10	b. 15	c. 25	d. 35
20. Deposits may be accepted in joint names not exceeding.....			
a. 2	b. 3	c. 5	d. 10
21. No Government shall accept or renew any deposit, if the amount of such deposits together with the amount of other deposits outstanding as on the date of acceptance or renewal exceeds% of the aggregate of its Paid-up share capital, free Reserves and securities premium account of the company.			
a. 10	b. 15	c. 25	d. 35
22. The deposit repayment reserve account can be used for-			
a. Repayment of deposits	b. Redemption of debenture	c. Redemption of preference shares	d. Both a and b

23. Deposit includes -			
a. Any receipt of money by way of loan	b. Any amount received from the Central Government or a state Government	c. Any amount received from foreign Governments, foreign international banks, multilateral financial institutions etc.	d. All of the above
24. Every company shall pay a penal rate of interest of p.a. for the overdue period in case of deposits, whether secured or unsecured, matured and claimed but remaining unpaid.			
a. 12	b. 18	c. 24	d. 30
25. Every company accepting deposits shall on or before..... of every year, file with the Registrar, a return in Form DPT-3			
a. 31 st May	b. 30 th June	c. 31 st July	d. 31 st August
26. Section 73 prohibits a company to invite, accept or renew deposits from public. This prohibition is applicable to :-			
a. Banking company	b. Non- banking financial company	c. One person company	d. Company as may be specified by Central Government.
27. No eligible company shall accept or renew any deposit from its members, if the amount of such deposit together with the amount of deposits outstanding as on the date of acceptance or renewal of such deposits from members exceeds% of the aggregate of the Paid-up share capital, free Reserves and securities premium account of the company.			
a. 10%	b. 15%	c. 25%	d. 35%
28. A company accepting deposits shall deposit such sum which shall not be less than % of the amount of its deposits maturing during a financial year and the financial year next following, and keep it in a scheduled bank in a separate bank account.			
a. 10	b. 15	c. 20	d. 25
29. Acceptance of deposits from members required Resolution of general meeting of members.			
a. General Resolution	b. Special Resolution	c. unanimous Resolution	d. not required any resolution of members
30. A sum not less thanof deposits maturing in current year + in next financial year shall be deposited in 'Deposit Repayment Reserve Account' at a scheduled bank.			
a. 7%	b. 10%	c. 15%	d. 20%

Answer

1. a (Hint: As per Section 76(1) of the Companies Act, 2013, a Public Company having Net worth \geq Rs. 100 Cr. Or Turnover \geq Rs. 500 Cr. are eligible to accept deposits from Public.)	2. a (Hint: As per Section 76(1) of the Companies Act, 2013, a Public Company having Net worth \geq Rs. 100 Cr. Or Turnover \geq Rs. 500 Cr. are eligible to accept deposits from Public.)	3. d (Hint: Section 73(2) of the Companies Act, 2013.)	4. d (Hint: Section 73(4) of the Companies Act, 2013.)
5. c	6. c (Hint: Section 73(2) of the Companies Act, 2013.)	7. d (Hint: Section 73(2) of the Companies Act, 2013.)	8. d (Hint: Section 73(5) of the Companies Act, 2013.)
9. b (Hint: Section 76(1) of the Companies Act, 2013.)	10. a (Hint: Section 76(1) of the Companies Act, 2013.)	11. a (Hint: Section 76(1) of the Companies Act, 2013.)	12. a (Hint: As per Section 73 of the Companies Act, 2013, every Public Company are eligible to accept deposits from members after passing special resolution in General meeting.)
13. d (Hint: As per Section 73 and 76 of the Companies Act, 2013.)	14. c (Hint: As per Section 73 of the Companies Act, 2013.)	15. b (Hint: As per Section 76(1) of the Companies Act, 2013.)	16. c (Hint: As per Section 76(1) of the Companies Act, 2013.)
17. a (Hint: A company may, subject to the passing of a resolution in general meeting and subject to such rules as may be prescribed in consultation with the Reserve Bank of India, accept deposits from its members.)	18. c (Hint: No company referred to in sub-section (2) of section 73 shall accept or renew any deposit from its members, if the amount of such deposits together with the amount of other deposits outstanding as on the date of acceptance or renewal of such deposits exceeds thirty five per cent of the aggregate of the Paid-up share capital, free Reserves and securities premium account of the company.)	19. c (Hint: No eligible company shall accept or renew deposit from non-members, if the amount of such deposit together with the amount of such other deposits, other than member deposits, outstanding on the date of acceptance or renewal exceeds 25% of aggregate of the Paid-up share capital, free Reserves and securities premium account of the company.)	20. b (Hint: Where depositors so desire, deposits may be accepted in joint names not exceeding three, with or without any of the clauses, namely, "Jointly", "Either or Survivor", "First named or Survivor", "Anyone or Survivor".)
21. d (Hint: No Government company eligible to accept deposits shall accept or renew any deposit. If the amount of such deposits together with the amount of other deposits outstanding as on the date of acceptance or renewal exceeds thirty five per cent. Of the aggregate of its Paid-up share capital, free Reserves and securities premium account of the company.)	22. a (Hint: The deposit repayment reserve account shall not be used by the company for any purpose other than repayment of deposits.)	23. a (Hint: The term 'deposit' includes any receipt of money by way of deposit or loan or in any other form, by a company, but does not include such categories of amount as may be prescribed in consultation with the RBI.)	24. b (Hint: Every company shall pay a penal rate of Interest of 18% p.a. for the overdue period in case of deposits, whether secured or unsecured, matured and claimed but remaining unpaid.)
25. b (Hint: Every company accepting deposits shall on or	26. c (Hint: Restriction on acceptance of deposits from public shall not	27. a (Hint: No eligible company shall accept or renew any deposit	28. b (Hint: A company accepting deposits

<p>before the 30th day of June, of every year, file with the Registrar, a return in Form DPT-3 along with the fee as provided in Companies (Registration Offices and Fees) Rules, 2014 and furnish the Information contained therein as on the 31st day of March of that year duly audited by the auditor of the company.)</p>	<p>apply to the following company: - banking company, - Non- banking financial company defined in the Reserve Bank of India Act, 1934, - A housing finance company registered with the National Housing Bank established under the National Housing Bank Act, 1987, and - Such other company as the Central Government may specify, after consultation with the Reserve Bank of India.)</p>	<p>from its members, if the amount of such deposit together with the amount of deposits outstanding as on the date of acceptance or renewal of such deposits from members exceeds ten % of the aggregate of the Paid-up Mare capital, free Reserves and securities premium account of the company.)</p>	<p>shall deposit such sum which shall not be less than fifteen per cent. of the amount of Its deposits maturing during a financial year and the financial year next following, and kept in a scheduled bank in a separate bank account to be called as deposit repayment reserve account)</p>
<p>29. b (Hint: Section 73(2) of the Companies Act, 2013.)</p>	<p>30. c (Hint: Section 73(2) of the Companies Act, 2013.)</p>		

Chapter 6 : REGISTRATION OF CHARGES

1.	Every company shall be duty bound to register its charges with Registrar of Companies within Days.			
	a. 7 days	b. 10 days	c. 30 days	d. 45 days
2.	The Registrar of Companies can allow late registration beyond days but within days from the date of its creation on payment of additional fees.			
	a. 7 days, 100 days	b. 10 days, 300 days	c. 30 days, 300 days	d. 45 days, 100 days
3.	Where company does not registered the charge within 30 days and holder registered the same before 300 days then the limit of 300 will..... to the company			
	a. Apply	b. Not apply	c. be extended	d. None of the above
4.	Particulars of charge shall be signed by the Company and the charge holder filed together with the instrument, if any creating such charge inForm			
	a. CHG 1	b. CHG 2	c. CHG 4	d. CHG 6
5.	The Registrar of Companies shall issue a certificate of registration of charge inForm			
	a. CHG 1	b. CHG 2	c. CHG 4	d. CHG 6
6. charge means charge which is on the specific assets of the company at the time of creation itself.			
	a. Fixed Charge	b. Floating Charge	c. Normal Charge	d. None of the above
7.	A charge which crystallize (becomes fixed) on occurrence of the specific event is called as charge			
	a. Fixed Charge	b. Floating Charge	c. Normal Charge	d. None of the above
8.	Whether the assets are charged only on tangible assets. True or False.			
	a. True	b. False	c. Partly True	d. Partly False
9.	The provision of section 77 of the Companies Act, 2013 relating to registration of charges shall apply to-			
	a. a company acquiring any property subject to a charge within the meaning of that section	b. any modification in the terms or conditions or the extent or operation of any charge registered under that section	c. Both a and b	d. None of the above
10.	A company shall give intimation of the payment or satisfaction to Registrar of Companies. Such intimation shall be sent within Days from the date of such payment or satisfaction.			
	a. 7 days	b. 10 days	c. 30 days	d. 45 days
11.	A company shall give intimation of the payment or satisfaction to Registrar of Companies. Such intimation shall be sent in Form No.....			
	a. CHG 1	b. CHG 2	c. CHG 4	d. CHG 6
12.	On receipt of intimation of the payment or satisfaction, the Registrar of Companies shall issue a notice to the charge holder requiring him to show cause within such time not exceeding Days as to why the satisfaction of charge should not be recorded.			
	a. 7 days	b. 10 days	c. 14 days	d. 45 days

Chapter 6 REGISTRATION OF CHARGES

6.2

13.	Every company shall keep a register of charges in Form No.			
	a. CHG 2	b. CHG 5	c. CHG 6	d. CHG 7
14.	M/s XYZ Ltd. realized on 3 rd November, 2015 that particulars of a charge created on 11 th September, 2015 in favour of a Bank were not filed with the Registrar of Companies for registration. Whether company can take advantage of extended period of 300 days?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
15.	M/s ABC Ltd. is a public limited company, was created a charge on assets of the company on 1 st May, 2015. In how many days company shall be bound to register the particulars of its charge with Registrar of Companies?			
	a. 7 days	b. 10 days	c. 30 days	d. 45 days
16.	While sanctioning working limit, the rate of interest had been fixed at a specified percentage above the bank rate as notified by the Reserve bank of India. There was a change in the interest rate due to Reserve Bank of India notification issued later. The Bank insisted on filing a return of modification of charges. Is the stand of Bank correct?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
17.	Under section 77(1) of the Companies Act, 2013 it shall be the duty of every company creating a charge...			
	a. within or outside India	b. on its property or assets or any of its undertakings	c. Situated in or outside India	d. All of the above
18.	M/s ABC Ltd. is a public limited company, was made a payment or satisfaction of charge on assets of the company which was created in 2005. In how many days company shall give intimation of the payment or satisfaction to the Registrar of Companies?			
	a. 7 days	b. 10 days	c. 30 days	d. 45 days
19.	Where the satisfaction of the charge is not filed withindays from the date on which such payment of satisfaction, the Registrar shall not register the same unless the delay is condoned by the Central Government.			
	a. 14	b. 30	c. 60	d. 300
20.	Where a company fails to register the charge within the period 30 days, the person in whose favour the charge is created may apply to the Registrar for registration of the charge within a period ofdays after giving notice to the company,			
	a. 14	b. 30	c. 60	d. 300
21.	The register of charges and instrument of charges shall be open for inspection during:			
	a. Working Hours	b. Business hours	c. At all times	d. 9 a.m. to 5 p.m.
22.	The register of charges shall be preserved for.....years.			
	a. 7	b. 8	c. 10	d. Permanently
23.	Instrument of charge shall be preserved for a time period of from the date of satisfaction of charge:			
	a. 5 years	b. 7 years	c. 8 years	d. 15 years
24.	Application for registration of charge of debentures is given in which form?			
	a. CHG-9	b. CHG-2	c. CHG-6	d. CHG-1

25.	An interest or lien created on property or asset of a company or its undertaking is known as			
	a. Debt	b. Charge	c. Liability	d. Hypothecation
26.	Satisfaction of charge shall be record by			
	a. Company	b. Charge holder	c. Registrar	d. All of the above
27.	A person acquiring property shall be deemed to have notice of charge from.....			
	a. End of 30 days	b. Date of application from charge	c. Date acquiring the property	d. Date of such registration
28.	Charge shall be register if not register in 30 days			
	a. 300 days of its creation	b. 300 days after completion of 30 days	c. Anytime since satisfaction	d. Suo moto power of company
29.	By whom the charge should be created?			
	a. Company	b. Lender	c. Borrower	d. Charge holder
30.	Which of these charge is an identifiable charge?			
	a. Floating charge	b. Fixed charge	c. Hypothecation	d. Both a and b
31.	Charge shall be registered by.....			
	a. company	b. charge holder	c. Registrar	d. Both a and b
32.	A company shall give Intimation to the Registrar of the payment or satisfaction in full of any charge withindays from the date of such payment or satisfaction.			
	a. 14	b. 30	c. 60	d. 300
33.	If any company contravenes any provision relating to the registration of charges, the company shall be punishable with fine which shall not be less thanrupees but which may extend torupees.			
	a. 100000, 1000000	b. 100000, 500000	c. 50000, 1000000	d. 50000, 500000
34.	Registrar on receipt of intimation of satisfaction charge, send show cause notice to holder of charge within.....days.			
	a. 14	b. 30	c. 60	d. 300
35.	Section 87 of the Companies Act, 2013 empowers the.....to make rectification in register of charges.			
	a. Registrar	b. Central Government	c. State Government	d. All of the above
36.	Where the instrument creating or modifying a charge is not filed within a period ofdays from the date of its creation the registrar shall not register the same unless the delay is condoned by the Central Government.			
	a. 14	b. 30	c. 60	d. 300
37.	The Registrar may, on an application by the company, allow registration of charges to be made within.....days of such creation on payment of such additional fees as may be prescribed.			
	a. 14	b. 30	c. 60	d. 300

Chapter 6 REGISTRATION OF CHARGES

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38.	The time limit for show cause notice shall not exceed.....			
	a. 14 days	b. 21 days	c. 30 days	d. 300 days
39.	The instrument creating a charge or modification thereon shall be preserved for..... years from the date of satisfaction of charge by the company.			
	a. 7	b. 8	c. 10	d. Permanently
40.	If condonation of delay of beyond 300 days then company shall make application to			
	a. Tribunal	b. CG	c. Registrar	d. Charge older
41.	If any company contravenes any provision relating to the registration of charges, every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to..... or with fine which shall not be less than Rs..... but which may extend to Rs.....			
	a. One year, 3, 50000, 300000	b. Six months, 25000, 200000	c. Three years, 100000, 200000	d. Six months, 25000, 100000
42.	24. Charge shall be registered with the registrar within			
	a. 300 days of its creation	b. 30 days of its creation	c. 30 days of satisfaction of charge	d. 300 days of satisfaction of charge
43.	Register of charges can be inspected by anyone of free of cost.			
	a. True	b. False	c. Partly True	d. Partly False
44.	Form used for registration of charge other than debentures is:			
	a. Form CHG-9	b. Form CHG-2	c. Form CHG-5	d. Form CHG-1
45.	What is the additional time limit for registration of charge from the date of end of basic time limit?			
	a. 270 days	b. 300 days	c. 45 days	d. 365 days
46.	What is the basic time limit for registration of charge created on a company?			
	a. 270 days	b. 300 days	c. 45 days	d. 30 days
47.	It shall be duty of the company creating a charge within or outside India, to register the particulars of the charge signed by the company and the charge holder together with the instruments, with the register within..... Days of creation.			
	a. 14	b. 30	c. 60	d. 300
48.	Time limit for registration of charge by charge holder if charge not registered within 30 days off its creation is:			
	a. 14 days	b. 21 days	c. 30 days	d. 60 days
49.	Form CHG-2 is for:			
	a. Certificate of registration of charge	b. Registration of charge	c. Modification of charge	d. Debenture
50.	The particulars of charges maintained by MCA at which portal?			
	a. www.gst.gov.in	b. www.indiangv.in	c. www.mca.gov.in/MCA21	d. Both a and b
51.	Crystallization is possible in which of these charges?			

	a. Fixed charge	b. Floating charge	c. Hypothecation	d. Pledge
52.	Which of the following is not possible in case of modification?			
	a. Change in terms and conditions	b. Satisfaction of charge	c. Pair Paso change	d. Change In agreement.
53.	What is the time limit for preservation of register of charges?			
	a. 8 years	b. Permanently	c. 15 years	d. 21 years
54.	ROC should not give show cause notice to charge holder for satisfaction of charge if it is signed by:			
	a. Charge holder	b. Company Secretary	c. Board of directors	d. Any one of the above.
55.	Which of the following conversion is possible?			
	a. Fixed charge into Floating charge	b. Floating charge into Fixed charge	c. Both of the above	d. No conversion is possible
56.	What is the time limit for intimation to registrar for satisfaction of charge?			
	a. 21 days	b. 300 days	c 30 days	d. 45 days
57.	Every company shall keep at its registered office a register of charges in form.....			
	a. CHG-9	b. CHG-2	c. CHG-5	d. CHG-7
58.	Expenses occurred by charge holder for registration of charge would be reimbursed from:			
	a. Own	b. Company	c. Both company and charge holder equally	d. Mutual understanding of company and charge holder
59.	Entries in the register of companies shall be done by:			
	a. Director	b. Company Secretary	c. Person authorized by Board	d. Any one of the above

1. c (Hint: Section 77(1) of the Companies Act, 2013)	2. c (Hint: Section 77(1) of the Companies Act, 2013.)	3. b (Hint: Section 78 of the Companies Act, 2013.)	4. a (Hint: Section 77(1) of the Companies Act, 2013)
5. b (Hint: Section 77(2) of the Companies Act, 2013.)	6. a	7. b	8. b (Hint: Section 77(1) of the Companies Act, 2013, the assets are charged on tangible assets as well as intangible assets.)
9. c (Hint: Section 79 of the Companies Act, 2013.)	10.c (Hint: Section 82(1) of the Companies Act, 2013)	11. c (Hint: Section 82(1) of the Companies Act, 2013.)	12. c (Hint: Section 82(2) of the Companies Act, 2013.)
13. d (Hint: Section 85 of the Companies Act, 2013)	14.a (Hint: As per Section 77(1) of the Companies Act, 2013, the ROC can allow late registration beyond 30 days but within 300 days from the date of its creation on payment of additional fees.)	15. c (Hint: As per Section 77(1) of the Companies Act, 2013, Every company shall be duty bound to register its charges with Registrar of Companies within 30 Days.)	16. a (Hint: Section 79 of the Companies Act, 2013, the term 'modification' includes variation of any of the terms of the agreement including variation of rate of interest which may be by mutual agreement or by operation of law.)
17. d (Hint: Section 77(1) of the Companies Act, 2013.)	18.c (Hint: Section 82 of the Companies Act, 2013.)	19. b	20. a (Hint: As per section 78 of the Companies Act, 2013, where a company falls to register the charge within the period 30 days, the person in whose favour the charge is created may apply to the Registrar for registration of the charge along with the instrument created for the charge, within such time and in such form and manner as may be prescribed and the Registrar may, on such application, within a period of 14 days after giving notice to the company)
21. b (Hint: The register of charges maintained by company shall be opened for inspection during business hours only.)	22.d (Hint: The register of charges shall be preserved for permanently.)	23. c (Hint: The time limit for preservation of instrument of charge after its satisfaction is 8 years.)	24. a (Hint: For registration of charge of debenture in Form CHG 9 is used.)
25. b (Hint: According to Section 2(16), charge is an interest or lien created on property or asset of a company.)	26.d (Hint: Charge shall be satisfied by company, registrar charge holder.)	27. d(Hint: Charge created on property or asset of a company is considered to be notice to worldwide at Large and any person dealing in It shall be deemed to have intimation of it from that date.)	28. a(Hint: Registration may be allow the registration of charge after 30 days of its creation, but within 300 days of creation of creation of charge.)
29. a (Hint: According to companies act, it is the duty of company to register the charge created on It.)	30.b (Hint: Fixed charge is that type of charge which is created on specific asset and is easily identifiable)	31. d (Hint: Charge may be registered by Company and Charge holder himself if Company is unable to register it.)	32. b (Hint: According to section 82 of the Companies Act, 2013, a company shall give Intimation to the Registrar In the prescribed form (Form CHG 1), of the payment or satisfaction In full of any charge registered under this Chapter within a period of 30 days from the date of such payment or satisfaction.)
33. a (Hint: According to section 86 of the	34.a (Hint: The Registrar shall, on receipt of	35. b (Hint: Section 87	36. d (Hint: Where the Instrument creating or

<p>Companies Act, 2013, if any company contravenes any provision relating to the registration of charges contained under chapter VI Act, the company shall be punishable with fine which shall not be less than one lakh rupees but which may extend ten lakh rupees.)</p>	<p>intimation of satisfaction of a charge, cause a notice to be sent to the holder of the charge calling upon him to show cause within such time not exceeding 14 days, as may be specified in such notice, as to why payment or satisfaction in full should not be recorded as intimated to the Registrar.)</p>	<p>of the Companies Act, 2013 empowers the Central Government to make rectification in register of charges.)</p>	<p>modifying a charge is not filed within a period of 300 days from the date of its creation and where the satisfaction of the charge is not filed within 30 days from the date on which such payment of satisfaction, the Registrar shall not register the same unless the delay is condoned by the Central Government.)</p>
<p>37. d (Hint: The Registrar may, on an application by the company, allow such registration to be made within a period of three hundred days of such creation on payment of such additional fees as may be prescribed.)</p>	<p>38.a (Hint: The show cause notice is issued for not exceeding 14 days by the registrar.)</p>	<p>39. b (Hint: The instrument creating a charge or modification thereon shall be preserved for a period of 8 years from the date of satisfaction of charge by the company.)</p>	<p>40. b (Hint: Company shall make an application to CG.)</p>
<p>41. d (Hint: According to section 86 of the Companies Act, 2013, If any company contravenes any provision relating to the registration of charges contained under chapter VI of the Act, every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to six months or with fine which shall not be less than twenty-five thousand rupees but which may extend to one lakh rupees, or with both.)</p>	<p>42. b (Hint: Charge shall be registered within 30 days of its creation.)</p>	<p>43.b (Hint: The register of charges and instrument of charges, shall be open for inspection during business hours— (a) By any member or creditor without any payment of fees; or (b) By any other person on payment of such fees as may be prescribed, -subject to such reasonable restrictions as the company may, by its articles, impose)</p>	<p>44. d (Hint: The form CHG-1 is used for application for registration of charge other than debentures.)</p>
<p>45. a (Hint: The additional time limit for registration of charge is 270 days if charge is not registered within 30 days of its creation.)</p>	<p>46. d (Hint: The section 77 of companies act, 2013 states that the company should register charge within 30 days of its creation.)</p>	<p>47. b (Hint: It shall be duty of the company creating a charge within or outside India, on its property or assets or any of its undertaking, whether tangible or otherwise and situated in or outside India, to register the particulars of the charge signed by the company and the charge holder together with the instruments, if any, creating such charge in such form, on payment of such fees and in such manner as may be prescribed, with the registrar within 30 days of creation.)</p>	<p>48. a (Hint: Sec 77 of companies act, 2013 states that if the company doesn't register charge within 30 days of its creation, then the charge holder can file an application to ROC within 14 days for registration of its charge.)</p>
<p>49. a (Hint: Form CHG-2 is used for Certificate of registration of charge given by</p>	<p>50. c (Hint: The register of charges are maintained by ROC at www.mca.gov.in/MCA21 website.)</p>	<p>51. b (Hint: Crystallization means conversion of floating charge into fixed charge which is only possible in floating</p>	<p>52. b (Hint: Modification can't be done in case of satisfaction of charge.)</p>

Chapter 6 REGISTRATION OF CHARGES

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ROC.)		charge.)	
53. b (Hint: The register of charges maintained by company should be preserved permanently whereas instrument relating to it for 8 years.)	54. a (Hint: If the satisfaction form is being signed by the charge holder, then no show cause notice is given to ROC for such intimation.)	55. b (Hint: Floating charge can be converted into Fixed charge but vice versa is not possible.)	56. c (Hint: The company after satisfaction of charge should intimate ROC for such with 30 days from such satisfaction.)
57. d	58. b (Hint: Expenses incurred by charge holder for registration of charge would be reimbursed from the company.)	59. d (Hint: The entries in register of charges of company shall be done by the director of the company or secretary of the company or any other person which is authorized by board to do so.)	

Chapter 7 : MANAGEMENT AND ADMINISTRATION OF COMPANIES

1.	Which types of registers shall be maintained by company?			
	a. Register of members	b. Register of debenture holders	c. Register of other security holders	d. All of the above
2.	Which register shall be compulsorily maintained by company?			
	a. Register of members	b. Register of debenture holders	c. Register of other security holders	d. All of the above
3.	Total days of one time closure of register of members or debenture holders or other security holders shall not exceed..... Days.			
	a. 10 days	b. 20 days	c. 30 days	d. 45 days
4.	Total closure days in year together of all closure of register of members or debenture holders or other security holders shall not exceed..... Days.			
	a. 30 days	b. 40 days	c. 45 days	d. 60 days
5.	Notice regarding closure of books and registers of members or debenture holders or other security holders to SEBI & ROC at least Days before the first day of closure.			
	a. 1 day	b. 5 days	c. 7 days	d. 10 days
6.	State the penalty for every day during which the register is kept closed in contravention of Section 91 of the Companies Act, 2013, for Company and every officer in default...			
	a. Rs. 5,000 per day of default or Rs. 100000, whichever is lower	b. Rs. 5,000 per day of default or Rs. 100000, whichever is Higher	c. Rs. 10,000 per day of default or Rs. 100000, whichever is Higher	d. Rs. 10,000 per day of default or Rs. 100000, whichever is lower
7.	ABC Ltd. is a public limited company desires to declare dividend. For that company will need to close registers of members or debenture holders or other security holders. In how many days company should inform about closure of registers to SEBI & ROC?			
	a. 1 day	b. 5 days	c. 7 days	d. 10 days
8.	Can annual general meeting be held on a national holiday?			
	a. Yes	b. No	c. Specific Cases	d. After approval of shareholders
9.	First Annual General meeting shall be within period of months from the date of closing of the first financial year of the company.			
	a. 3 months	b. 6 months	c. 9 months	d. 15 months
	Section 96(1) of the Companies Act, 2013, time limit to hold AGM.			
10.	A company should file its Annual Return within six months of closing of the financial year. True or False			
	a. True	b. False	c. Partly True	d. Partly False

11.	State the time limit of filing of Annual Return with the Registrar of Companies as per Section 92(4) of the Companies act, 2013.			
	a. Within 60 days of earlier of - Actual date of Annual General meeting - Due date of Annual General meeting	b. Within 90 days of earlier of - Actual date of Annual General meeting - Due date of Annual General meeting	c. Within 90 days of later of - Actual date of Annual General meeting - Due date of Annual General meeting	d. Within 60 days of later of - Actual date of Annual General meeting - Due date of Annual General meeting
12.	The Financial year of ABC Ltd. ended on 31 st March, 2018, The Annual General meeting of the company was held on 10 th October, 2018. As per requirement of the Companies Act, 2013, the Annual Return of the company should be filed with Registrar of Companies within.....			
	a. 60 days from 10 th October, 2018	b. 60 days from 30 th September, 2018	c. 90 days from 30 th September, 2018	d. 90 days from 10 th October, 2018
13.	The gap between two Annual General Meeting must not be more than			
	a. 12 months as may be extended by Registrar of Companies to 18 months	b. 15 months as may be extended by Registrar of Companies to 20 months	c. 18 months as may be extended by Registrar of Companies to 20 months	d. 15 months as may be extended by Registrar of Companies to 18 months
14.	The Financial year of ABC Ltd. ended on 31 st March, 2020, due to some specific reason, the company will not be eligible to conduct the Annual General meeting of the company at or before 30 th September, 2020. Whether Company can apply to the Registrar of Companies for extension of time for the Annual General meeting?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
15.	An extra ordinary general meeting may be convened by.....			
	a. Board of Directors	b. Requisitionists	c. Company Law Board/Tribunal	d. All of the above
16.	The time period for conduction of AGM is extended by ROC for how many months?			
	a. 1 month	b. 2 months	c. 4 months	d. 3 months
17.	M/s Infotech Ltd. was incorporated on 1 st April, 2015. No general meeting of the company has been held within a period of 9 months from the date of closing of the first financial year of the company. Whether registrar can grant extension of time for the first Annual General Meeting?			
	a. Yes	b. No	c. Exceptional cases	d. None of the above
18.	Resolution requiring special notice is required.....			
	a. For appointment of a person other than the retiring auditor as auditor at the Annual General Meeting	b. For removing a director before the expiry of the period of his office	c. Both a and b	d. None of the above
19.	In case of Listed company, annual return shall be signed by.....			
	a. Company Secretary	b. Director	c. either a or b	d. Both a and b

20.	The Board's report shall contain a in prescribed form i.e. Form No. MGT 8			
	a. Annual return	b. extract of Annual return	c. Minutes	d. None of the above
21.	Every listed company shall file a return with ROC in form No.....specifying the change in the number of shares held by promoters and top 10 shareholders.			
	a. MGT 8	b. MGT 9	c. MGT 10	d. MGT 11
22.	Every listed company shall file a return specifying the change in the number of shares held by promoters and top 10 shareholders and such return shall be filed with ROC within Days of such change.			
	a. 7 days	b. 10 days	c. 15 days	d. 30 days
23.	The registers and indexes and copies of annual return shall be kept at.....			
	a. The registered office of the company	b. Any other place in India if more than 10% of the total number of members reside at such place	c. Both a and b	d. None of the above
24.	All the records(only public documents) shall be open for inspection by			
	a. Any member or debenture holders	b. other security holders or beneficial owner	c. Any other person	d. All of the above
25.	If the company refuses to allow any inspection or taking of any extract, penalty for the company and every officer in default shall be			
	a. Rs. 1,000 per day of defaulting period or Rs. 1,00,000 whichever is lower	b. Rs. 1,000 per day of defaulting period or Rs. 1,00,000 whichever is higher	c. Rs. 2,000 per day of defaulting period or Rs. 1,00,000 whichever is higher	d. Rs. 2,000 per day of defaulting period or Rs. 2,00,000 whichever is lower
26.	Mr. Ram is a shareholder of M/s ABC Ltd. desires to inspect the registers of the company. Whether he can do so?			
	a. Yes	b. No	c. Approval BOD	d. Approval other shareholders
27.	M/s ABC Ltd, is a public limited company, incorporated at 31 st December, 2018. State the date of First Annual General meeting.			
	a. 30.09.2019	b. 31.12.2019	c. 30.09.2020	d. 31.12.2020
28.	M/s XYZ Pvt. Ltd, is a Private limited company, incorporated at 30 th September, 2018. State the date of First Annual General meeting.			
	a. 30.09.2019	b. 31.12.2019	c. 30.09.2020	d. 31.12.2020
29.	M/s XYZ Ltd, is a public limited company, incorporated at 1 st January, 2019. State the date of First Annual General meeting.			
	a. 30.09.2020	b. 31.12.2020	c. 30.09.2021	d. 31.12.2021
30.	M/s ABC Pvt. Ltd, is a Private limited company, incorporated at 31 st March, 2019. State the date of First Annual General meeting.			
	a. 30.09.2020	b. 31.12.2020	c. 30.09.2021	d. 31.12.2021
31.	If any default is made in holding the Annual General meeting under section 96 of the Companies Act, 2013, an application to call or direct calling of meeting is made to the By any member.			

	a. High Court	b. SEBI	c. NCLT	d. None of the above
32.	If any default is made in holding the Annual General meeting under section 96 of the Companies Act, 2013, an application to call or direct calling of meeting is made to the Tribunal by			
	a. Promoters	b. Board of directors	c. Any shareholders	d. None of the above
33.	When for any reason it is impractical to call a meeting other than an annual general meeting of a company, an application is made by any director or member who would be entitled to vote at such meeting. The Tribunal may, sou motu be of opinion to order such meeting of members. True or False.			
	a. True	b. False	c. Partly True	d. Partly False
34.	If any default is made in holding a meeting of a company as per Section 96, 97 or 98 of the Companies Act, 2013 or complying with any directions of the Tribunal, penalty for the company and every officer in default..			
	a. For one time default – Fine up to Rs. 1,00,000 For Continuing Default – Fine up to Rs. 5,000 per day for the defaulting period	b. For one time default – Fine up to Rs. 2,00,000 For Continuing Default – Fine up to Rs. 5,000 per day for the defaulting period	c. For one time default – Fine up to Rs. 1,00,000 For Continuing Default – Fine up to Rs. 1,000 per day for the defaulting period	d. For one time default – Fine up to Rs. 2,00,000 For Continuing Default – Fine up to Rs. 2,000 per day for the defaulting period
35.	Who can make a valid requisition in case of company having a share capital?			
	a. Members holding 5% or more of the paid up share capital of the company having a right to vote as at the date of deposit of the requisition	b. Member holding 10% or more of the paid up share capital of the company having a right to vote as at the date of deposit of the requisition	c. Member holding 20% or more of the paid up share capital of the company having a right to vote as at the date of deposit of the requisition	d. Member holding 51% or more of the paid up share capital of the company having a right to vote as at the date of deposit of the requisition
36.	Who can make a valid requisition in case of company not having a share capital?			
	a. Members having 5% or more of the total voting power of all the members as at the date of deposit of the requisition.	b. Members having 10% or more of the total voting power of all the members as at the date of deposit of the requisition.	c. Members having 20% or more of the total voting power of all the members as at the date of deposit of the requisition.	d. Members having 51% or more of the total voting power of all the members as at the date of deposit of the requisition.
37.	The Board of Directors shall call an Extra Ordinary general meeting on receiving valid requisition from members on a day not later than..... days from the date of receipt of such requisition.			
	a. 30 days	b. 45 days	c. 60 days	d. 90 days
38.	The Board of Directors shall within Days from the date of receipt of valid requisition from members, proceed to call an Extra Ordinary general meeting.			
	a. 15 days	b. 21 days	c. 45 days	d. 30 days
39.	If board fails to call the Extra Ordinary general meeting on receiving valid requisition from members, the meeting may be called and held by requisitonists themselves within a period of Months from the date of the requisition.			
	a. 1 Month	b. 2 Months	c. 3 Months	d. 6 Months
40.	Which are the items of business that require special notice?			

	a. – Resolution at AGM appointing as auditor a person other than retiring auditor. - Resolution at AGM providing expressly that retiring auditor shall not be reappointed	b. – Resolution for removal of a director. - Resolution to appoint somebody in place of a director removed at the meeting at which he is removed	c. Both a and b	d. None of the above
41.	The special notice is given by members holding not less than total voting power or holding shares on which such aggregate sum not exceeding rupees, as may be prescribed has been paid up.			
	a. 1%, Rs. 5 Lakh	b. 10%, Rs. 5 Lakh	c. 1%, Rs. 10 Lakh	d. 10%, Rs. 10 Lakh
42.	Mr. Ram is a shareholder of the M/s ABC Ltd. Company, having 2% voting power, desires to call an Extra Ordinary general meeting. Whether he can do so?			
	a. Yes	b. No	c. With permission of NCLT	d. With permission of other shareholders
43.	Mr. Shyam is a shareholder of the M/s ABC Ltd. Company, having less than 1% voting power, desires to call an Extra Ordinary general meeting for appointment as auditor a person other than retiring auditor. Whether he can do so?			
	a. Yes	b. No	c. With permission of NCLT	d. With permission of other shareholders
44.	Mr. Shyam is a shareholder of the M/s ABC Ltd. Company, holding shares of aggregate sum is Rs. 5 lakhs, desires to call an Extra Ordinary general meeting for removal of director. Whether he can do so?			
	a. Yes	b. No	c. With permission of NCLT	d. With permission of other shareholders
45.	Mr. Ram is a shareholder of the M/s ABC Ltd. (Company not having a share capital), having 10% voting power, desires to requisites an Extra Ordinary general meeting for other than those business which require special notice. Whether he can do so?			
	a. Yes	b. No	c. With permission of NCLT	d. With permission of other shareholders
46.	Mr. Shyam is a shareholder of the M/s ABC Ltd. (Company having a share capital), holding 10% of the paid up share capital of the company having right to vote, desires to requisites an Extra Ordinary general meeting for other than those business which require special notice . Whether he can do so?			
	a. Yes	b. No	c. With permission of NCLT	d. With permission of other shareholders
47.	Mr. Rajesh is a shareholder of the M/s ABC Ltd. (Company having a share capital), holding 1% of the paid up share capital of the company having right to vote, desires to requisites an Extra Ordinary general meeting for other than those business which require special notice. Whether he can do so?			
	a. Yes	b. No	c. With permission of NCLT	d. With permission of other shareholders
48.	Mr. Kiran is a shareholder of the M/s ABC Ltd. (Company not having a share capital), having 1% voting power, desires to requisites an Extra Ordinary general meeting for other than those business which require special notice. Whether he can do so?			
	a. Yes	b. No	c. With permission of NCLT	d. With permission of other shareholders
49.	To remove the Managing Director, 40% members of Global Ltd. submitted requisition for holding Extra Ordinary general meeting. The company failed to call the said meeting and hence the requisitionists held the meeting. Since the Managing director did not allow the holding of meeting at the registered office of the company, the said meeting was held at some other place and a resolution for removal of the Managing director was passed. Whether such resolutions are binding on the company?			
	a. Yes	b. No	c. After approval of Board of Director	d. After approval of NCLT

50.	The Board of Director of a company refuse to convene the Extra Ordinary general meeting of the members on the ground that the requisitionists have not given reason for the resolution proposed to be passed at the meeting. Whether Board of Director can do so?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
51.	The Board of Director of a company refuse to convene the Extra Ordinary general meeting of the members on the ground that the requisitionists have not been signed by the joint holder of the shares.(Power of attorney is assumed one) Whether Board of Director can do so?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
52.	M/s XYZ Ltd. called its Annual General Meeting on 28 th September, 2018. The notice of the meeting was posted on 6 th September, 2018. With reference to the provision of the Companies Act, 2013 examine whether the notice given by the company was valid?			
	a. Valid	b. Invalid	c. Valid after approval Board	d. can't say
53.	Who are the persons entitled to receive notice of a general meeting of a company, registered under the Companies Act, 2013?			
	a. To every member of the company, legal representative of any deceased member, or the assignee of an insolvent member	b. To every director of the company	c. To an auditor or auditors	d. All of the above
54.	Accidental Non receipt of notice of the general meeting by any member invalidate the proceeding of the meeting?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
55.	M/s ABC Ltd. issued a notice for holding of its Annual General Meeting on 7 th November, 2015. The notice was posted to the members on 18.10.2015. Some members of the company allege that the company had not complies with the provision of the Companies Act, 2013 with regard to the period of notice and as such the meeting was not validly called. Whether the members are right or wrong?			
	a. Right	b. Wrong	c. Partly right	d. Partly wrong
	a. 10%	b. 51%	c. 75%	d. 95%
56.	Every notice shall specify.....			
	a. Date and day of the meeting	b. Place and hour of the meeting	c. Business to be transacted	d. All of the above
57.	Any General Meeting can be called by giving at least Clear days' notice.			
	a. 7 days	b. 14 days	c. 21 days	d. 30 days
58.	Mr. Rajesh, secretary of ABC Ltd. called an Extra Ordinary general meeting of the company on the requisition of some members. Mr. Rajesh, secretary of the company issued notice of the meeting without the authority of the Board of Directors. Whether he can do so?			
	a. Yes	b. No	c. in specific cases, it is allowed	d. can't say
59.	Mr. Rajesh, secretary of ABC Ltd. called an Extra Ordinary general meeting of the company on the requisition of some members. Mr. Rajesh, secretary of the company issued notice of the meeting without the authority of the Board of Directors. Mr. Rajesh, secretary of the company is already specially authorized by Board of Directors and AOA of the company for the same. Whether he can do so?			

	a. Yes	b. No	c. Partly Yes	d. Partly No
60.	Explanatory statement must be annexed to the notice for transacting every item of Business.			
	a. Ordinary	b. Special	c. All of the above	d. None of the above
61.	Contents of Explanatory statement.....			
	a. the nature of concern or interest , financial or otherwise, in respect of each items of every director and manager and their relatives	b. the nature of concern or interest , financial or otherwise, in respect of each items of every other key managerial personnel and their relatives	c. any other information and facts that may enable members to understand the meaning, scope and implications of the items of business	d. All of the above
62.	All business to be transacted at Annual General Meeting shall be deemed special except.....			
	a. the consideration of financial statement and the reports of the Board of directors and auditors	b. Declaration of dividend	c. the appointment of director in place of those retiring and the appointment of , and the fixing of the remuneration of, the auditors	d. All of the above
63.	Which one of the following required ordinary resolution?			
	a. To change the name of the company	b. To alter the article of association	c. To reduce share capital	d. to declare dividend
64.	Which one of the following required ordinary resolution?			
	a. the consideration of financial statement and the reports of the Board of directors and auditors	b. To increase share capital	c. To alter the Memorandum of association	d. To alter the article of association
65.	Which one of the following required ordinary resolution?			
	a. To change the registered office of the company	b. the appointment of director in place of those retiring and the appointment of , and the fixing of the remuneration of, the auditors	c. To reduce share capital	d. To alter the Memorandum of association
66.	Penalty for contravention of Section 102(5) of the Companies Act, 2013. (Explanatory statement)			
	a. Higher of - Fine up to Rs. 50,000 or - 5 * amount of benefit to person liable	b. Lower of - Fine up to Rs. 50,000 or - 5 * amount of benefit to person liable	c. Higher of - Fine up to Rs. 1,00,000 or - 5 * amount of benefit to person liable	d. Lower of - Fine up to Rs. 1,00,000 or - 5 * amount of benefit to person liable
67.	Quorum requirement for general meeting in case of a Public Company.....			
	a. – 5 members personally present if members>1000 - 15 members personally	b. – 2 members personally present if members>1000 - 10 members personally	c. – 5 members personally present if members>1000 - 20 members personally	d. – 2 members personally present if members>1000 - 15 members

	present if 1000 < members<5000 - 30 members personally present if members>5000	present if 1000 < members<5000 - 30 members personally present if members>5000	present if 1000 < members<5000 - 50 members personally present if members>5000	personally present if 1000 < members<5000 - 50 members personally present if members>5000
68.	Quorum requirement for general meeting in case of a Private Company.....			
	a. 2 members personally present	b. As per AOA	c. 2 members personally present or the numbers prescribed by article whichever is higher	d. None of the above
69.	If the quorum is not presented within from the time appointed for holding a meeting of the company, the meeting shall stand adjourned.			
	a. 15 minutes	b. Half an hour	c. One hour	d. Two hour
70.	If the quorum is not presented within half an hour from the time appointed for holding a meeting of the company, the meeting shall stand adjourned to			
	a. to the same day in the next week at the same time and place	b. to such other date and such other time and place as the Board may determine or as per AOA	c. the meeting if called by requisitionists shall stand cancelled	d. All of the above
71.	If the quorum is not present within half an hour from the time appointed for holding adjourned meeting then			
	a. Meeting shall stand terminated	b. Present member will be considered as quorum	c. Meeting will adjourned again	d. None of the above
72.	A general meeting of a Public Company was adjourned by the chairman for want of quorum. The meeting shall stand adjourned to the same day in next week, at the same time and place. In adjourned meeting also, quorum is not present within half an hour from the time appointed for holding meeting, then.....			
	a. Meeting shall stand terminated	b. Present member will be considered as quorum	c. Meeting will adjourned again	d. None of the above
73.	A person representing three member companies can be counted for the purpose of quorum in a general meeting of a Public Company.			
	a. Yes, A person representing three member companies will be counted as 1 for only one member in the computation of the quorum	b. Yes, A person representing three member companies will be counted as 2 for two member in the computation of the quorum	c. Yes, A person representing three member companies will be counted as 3 in the computation of the quorum	d. No, A person representing three member companies will not be counted.
74.	Both the joint owners of shares present at the meeting can be counted as two shareholders for the purpose of quorum in a general meeting of a Public Company. True or False.			
	a. True	b. False	c. Partly True, counted as two but not for quorum	d. no provision regarding it
75.	A single member present at the meeting can be counted for the purpose of quorum in a general meeting of a Public Company.			
	a. Yes	b. No	c. Required joint shareholders only	d. Counted In specific meetings only
76.	The Annual General Meeting of ABC Ltd. was held on 30 th April, 2015. The Article of Association of the company is silent regarding the quorum of the General meeting. Only 10 members were personally present in the above meeting out of 2750 members within half an hour. Whether Chairman can adjourn the meeting.			
	a. Yes	b. No	c. Partly Yes	d. Partly No

77.	The Annual General Meeting of XYZ Ltd. was held on 30 th April, 2015. The Article of Association of the company is silent regarding the quorum of the General meeting. Only 10 members were personally present in the above meeting out of 1000 members within half an hour. Whether Chairman can adjourn the meeting.			
	a. Yes	b. No	c. Partly Yes	d. Partly No
78.	The Annual General Meeting of XYZ Ltd. was held on 30 th April, 2015. The Article of Association of the company is silent regarding the quorum of the General meeting. Only 25 members were personally present in the above meeting out of 7000 members within half an hour. Whether Chairman can adjourn the meeting.			
	a. Yes	b. No	c. Partly Yes	d. Partly No
79.	The Annual General Meeting of XYZ Pvt. Ltd. was held on 30 th April, 2015. The Article of Association of the company is silent regarding the quorum of the General meeting. Only 2 members were personally present in the above meeting out of 180 members within half an hour. Whether Chairman can adjourn the meeting.			
	a. Yes	b. No	c. Partly Yes	d. Partly No
80.	State the rights of Proxy.			
	a. Right to attend the meeting and right to vote on poll	b. Right to act on behalf of the appointing member	c. Right to demand a poll if eligible u/s 109 of the Companies Act, 2013	d. All of the above
81.	State the restrictions on Proxies.			
	a. Not have right to speak in the meeting	b. cannot vote on show of hands	c. not counted for the purpose of quorum	d. All of the above
82.	The Proxy Form shall be in writing and signed by the member/Attorney. True or False.			
	a. True	b. False	c. Partly True	d. Partly False
83.	Every member entitled to vote at a meeting or on any resolution to be moved thereat shall be entitled to inspect proxies lodged during the period beginning Hours before the time fixed for commencement of meeting and ending with the conclusion of the meeting at any time during the business hours of the Company.			
	a. 12 Hours	b. 24 Hours	c. 48 Hours	d. 60 Hours
84.	Every member entitled to vote at a meeting or on any resolution to be moved thereat shall be entitled to inspect proxies lodged during the period beginning 24 Hours before the time fixed for commencement of meeting and ending with the conclusion of the meeting at any time during the business hours of the Company. Provided Days' notice in writing of intension to inspect is given to the company.			
	a. 1 day	b. 2 days	c. 3 days	d. 7 days
85.	Mr. Ram, a shareholder of the company, after appointing Mr. Shyam as his proxy at meeting of the company, himself attended the meeting and voted on a particular resolution. Shyam thereafter claimed to exercise his vote. Whether he can do so?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
86.	Mr. Kiran, a shareholder, gives a notice for inspecting proxies, five days before the meeting is scheduled and approaches the company two days before the scheduled meeting for inspecting the same. Whether he can do so?			
	a. Ye	b. No	c. Partly Yes	d. Partly No

87.	Annual General meeting of ABC Ltd. is convened on 28 th December, 2018. Mr. Kishor, who is a member of the company, approaches the company on 28 th December, 2018 and demands inspection of proxies lodged with the company. Whether Company can accept the demands of Mr. Kishor?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
88.	K, a shareholder of XYZ ltd. appoints L as his proxy to attend the general meeting of the company. Later K also attends the meeting. Both K and L voted on a particular resolution in the meeting. K's vote was declared invalid by the chairman stating that since he has appointed the proxy and L's vote has been considered as valid. Whether K can raise objection to the decision of the Chairman?			
	a. Yes	b. No	c. raise objection but with the approval of other members	d. raise objection but with the approval of BOD
89.	A proxy has no right to speak at the general meeting of a company. True or False.			
	a. True	b. False	c. Partly True	d. Partly False, with permission of Chairman
90.	A proxy cannot vote on show of hands at the general meeting of a company. True or False.			
	a. True	b. False	c. Partly True	d. Partly False, with permission of Chairman
91.	A proxy is not counted for the purpose of quorum of the general meeting of a company. True or False.			
	a. True	b. False	c. Partly True	d. Partly False, with permission of Chairman
92.	Proxy have right to vote on poll in general meeting of the company. True or False.			
	a. True	b. False	c. Partly True, with permission of Chairman	d. Partly False, have right to vote but not in GM
93.	Proxy have right to demand a poll (if eligible u/s 109) in general meeting of the company. True or False.			
	a. True	b. False	c. Partly True, with permission of Chairman	d. Partly False, have right to demand but not in GM
94.	The proxy shall file with the company in Form No.....			
	a. MGT 8	b. MGT 9	c. MGT 10	d. MGT 11
95.	The chairman of the meeting of a company received a Proxy 48 hours before the time fixed for the start of the meeting. He refused to accept the proxy on the ground that the Article of the company provided that a Proxy must be filed 60 hours before the start of the meeting. Whether Proxy holder can compel the chairman to admit the proxy?			
	a. Yes	b. No	c. Partly Yes(with the permission of BOD and shareholders)	d. Partly No
96.	The AOA of a Public company requires the instrument appointing a proxy to be received by the company 75 hours before the meeting. Is it valid requirement?			
	a. Yes	b. No	c. Partly Yes(with the permission of BOD and shareholders)	d. Partly No
97.	State the grounds to bar a member from voting.			
	a. Any call or other sums presently payable by him have not been paid	b. The company has exercised any right of lien	c. Both a and b	d. either a or b
98.	Poll Can be demanded by			
	a. Chairman of the meeting	b. by 10% of voting power holder or Rs. 5Lakhs capital holder whichever is higher	c. Proxies of 10% of voting power holder or Rs. 5Lakhs capital holder whichever is higher.	d. All of the above

99.	A special resolution is one to pass, where the votes cast in favours must be twice the votes cast against it. True or False.			
	a. True	b. False	c. Partly True	d. Partly False
100	Any company may use postal ballot for transacting any items of business other than			
	a. Ordinary Business	b. Any business in respect of which directors have a right to be heard	c. Any business in respect of which auditors have a right to be heard	d. All of the above
101	State the types of Voting.			
	a. Voting by show of hands (Section 107 of the Companies Act, 2013)	b. Voting through Electronic Means (Section 108 of the Companies Act, 2013) and Postal ballot(Section 110 of the Companies Act, 2013)	c. Voting by Poll(Section 109 of the Companies Act, 2013)	d. All of the above
102	Entries have to be made in the Register withindays of the date of approval by the Board or Committee thereof by approving the allotment or transfer as the case may be.			
	a. 7	b. 15	c. 30	d. 60
103	Joint holders of shares may request the company to			
	a. enter their names on the register in a certain order	b. execute transfers to have their holding split	c. Only one of their names should appear in the records of the company.	d. Both a and b
104	Maintenance of index of names in the registers is not necessary where the number of members is less than.....			
	a. 20	b. 50	c. 100	d. 500
105	Where any declaration is received by the company regarding beneficial interest, the company shall make note of such declaration in the register of members and shall file, within a period ofdays from the date of receipt of declaration by it,			
	a. 30	b. 60	c. 90	d. None of the above
106	The register of members along with the index shall be preserved for			
	a. 7 years	b. 8 years	c. 10 years	d. Permanently
107	The company shall, withindays from the date of the opening of any foreign register, file with the Registrar of Companies notice of the situation of the office.			
	a. 7	b. 30	c. 60	d. 90
108	A company opens the registers and indices from 1-2 p.m. every working day. Is it in contravention of Section 94?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
109	A holder of shares in a company who does not hold the beneficial interest such share, shall file with the company, a declaration to that effect in Form MGT –4, in duplicate, withindays from the date on which his name is entered in the register of			
	a. 30	b. 60	c. 90	d. none of the above
110	A beneficial owner, shall file with the company, a declaration disclosing such Interest In Form MGT-5 in duplicate, withindays after acquiring such beneficial Interest in the shares of the company.			

	a. 30	b. 60	c. 90	d. none of the above
111	The company shall transmit to its registered office in India, a copy of every entry in any foreign register withindays after the entry is made.			
	a. 7	b. 15	c. 30	d. 90
112	The company which fails to comply with the provisions of section 89, makes punishable the company and every defaulting officer with a fine which shall not be less than Rs..... but which may go up to Rs.with further fine of Rs.per day during.			
	a. 500, 1000,1000	b. 1000, 3000, 1000	c. 500, 3000, 1000	d. 1000, 5000, 1000
113	Copies of annual return along with the copy of certificates and the documents required to be annexed thereto shall be preserved for a period of years from the date of filing of the annual return.			
	a. 7	b. 8	c. 10	d. 20
114	The company and every officer of the company who fails to maintain registers as prescribed In the act shall be punishable with fine which shall not be less than Rs.but which may extend to Rs. And where the failure is a continuing one.			
	a. 100000, 500000	b. 50000, 300000	c. 50000, 500000	d. 100000, 300000
115	If the beneficial owner or the holder of such shares fails to make a declaration on that behalf, they shall be fined with amount up to Rs..... and additionally Rs..... per day during which the failure continues. A., B.,			
	a. 100000, 1000	b. 50000, 3000	c. 100000, 3000	d. 50000, 1000
116	Registers can be kept at any place in India In which more thanof total members reside provided a special resolution has been passed at a general meeting.			
	a. 1%	b. 5%	c. 10%	d. 20%
117	The annual return, filed by a listed company or a company having paid-up share capital of Rs.....or more; or a turnover of Rs..... Crore or more, shall be certified by a Company Secretary in practice.			
	a. 10, 50	b. 20,100	c. 50, 200	d. 100, 500
118	The extracts or copies of registers and indices can be taken by			
	a. any member	b. debenture holder	c. beneficial owner	d. All of the above
119	The annual return has to be signed by....			
	a. CA, CS	b. CA, a director	c. CS, a Director	d. CA, CS and a director
120	The company has to maintain registers of			
	a. members	b. debenture-holders	c. any other security holders	d. all of the above
121	The annual return shall be file with the ROC within days from which the Annual General Meeting ('AGM') is held or should have been held in any year,			
	a. 15	b. 30	c. 60	d. 90
122	A company secretary in practice who signs the annual return can certify the same.			
	a. True	b. False	c. Partly True	d. Partly False
123	A company may close the register of members, debenture-holders and other security holders by giving			

	minimumnotice or such lesser period as specified by SEBI.			
	a. 21 clear days	b. 30 days	c. 7 days	d. 15 days
124	Inspection of registers and indices shall cost a maximum of Rs..... or any lesser amount mentioned in the articles, for each inspection.			
	a. 10	b. 20	c. 50	d. 100
125	In case of a company not limited by shares, the register shall not contain			
	a. Permanent Account Number or Corporate Identity Number	b. Nationality	c. Marital status	d. Date of becoming the member
126	If a company secretary in practice, certifies the annual return otherwise than in accordance with this section and the rules made thereunder, he shall be punishable with fine which shall not be less than Rs.50, 000 but which may extend to RS. 5, 00,000 or			
	a. 3 Months	b. 6 Months	c. 1 Year	d. 2 Years
127	The registers may be closed for any period not exceedingdays at any one time and for an aggregate period ofdays in one year.			
	a. 30, 60	b. 30, 45	c. 45, 90	d. 60, 90
128	Every listed company is mandated to file with the ROC a return with respect to any changes in the number of shares held bywithin 15 days of such change.			
	a. Directors and Promoters	b. Promoters and Top 10 shareholders	c. Directors and Top 10 shareholders	d. Directors, Promoters and Top 10 shareholders
129	If the company defaults in filing the annual return, the company shall be punishable with fine which shall not be less than Rs..... but which may extend to Rs.....			
	a. 50000, 500000	b. 100000, 500000	c. 50000, 200000	d. 100000, 200000
130	Every listed company shall file in Form MGT -10 a return with respect to changes relating to either increase or decrease of percent or more in the shareholding position of promoters and top 10 shareholders of the company in each case.			
	a. 1	b. 2	c. 5	d. 10
131	Section 90 simply enables theto appoint one or more competent persons to investigate and report as to the beneficial ownership with regard to any share or class of shares.			
	a. Registrar	b. NCLT	c. Central Government	d. Company Law Board
132	The.....has a casting vote in Board Meetings and general meetings, if specifically empowered by the articles of the Company.			
	a. Managing Director	b. Chartered Accountant	c. Company Secretary	d. Chairman
133	Where quorum is not present in the adjourned meeting also within half an hour, then the same shall standif the quorum is not present			
	a. adjourned	b. cancelled	c. members present will be quorum	d. no. of requisitionists will be quorum
134	The facility for remote e-voting shall remain open for not less than..... Days and shall close 5.00 p.m. on the date preceding the date of the general meeting.			
	a. 3	b. 5	c. 7	d. 15

135	Once the result of a poll are declared, it cannot be withdrawn			
	a. True	b. False	c. Partly True	d. Partly False
136	The authorized representative of a corporate member can exercise the following rights :			
	a. right to speak	b. right to vote on poll	c. right to vote by show of hands	d. all of the above
137	Special notice shall be sent by members to the company not earlier than..... Months but at leastdays before the date of meeting.			
	a. 1, 21 clear	b. 3,21 clear	c. 1, 14	d. 3, 14
138	In a company with 1000 members the quorum is:			
	a. 2	b. 5	c. 15	d. 30
139	For a private company quorum is..... Members personally present:			
	a. 1	b. 2	c. 5	d. 10
140	Inspection of proxies can be done during the meeting and Hours before the meeting before its commencement, and the inspection is to be given only during business hours.			
	a. 12	b. 24	c. 48	d. 72
141	In order to properly call a general meeting the notice should be sent at leastdays before the meeting, to all the members, legal representative of any deceased member or the assignee of insolvent members, the auditors and directors, in writing or electronic form.			
	a. 21 days	b. 21 clear days	c. 21 full days	d. 21 Complete days
142	Any accidental omission to give notice to, or non-receipt of such notice to any member or other person who is entitled to such notice for any meeting shall invalidate the proceedings of the meeting.			
	a. True	b. False	c. Partly True	d. Partly False
143	In case the meeting was called by the requisitionist under section 100 of the Act, then the same shall stand if the quorum is not present			
	a. adjourned	b. cancelled	c. members present will be quorum	d. No. of requisitionists will be quorum
144	The register of debenture-holder or any other security holder along with the index shall be preserved for a period ofyears from the date preservative of register of debenture holding other security holder of redemption of debentures or securities.			
	a. 7	b. 8	c. 10	d. 20
145	Notice of the general meeting shall be sent to.....			
	a. Assignee of the insolvent member	b. Managers of the corporate owners	c. Family member of deceased member	d. None of the above
146	Section 104 of the Companies Act, 2013 seeks to provide that unless the articles of association of the Company otherwise provide, the members, personally present, shall elect among themselves to be the Chairman by:			
	a. Show of Hands	b. Poll	c. Postal Ballot	d. E-Voting
147	In case ofcompanies only a member can be a proxy.			
	a. Private	b. Nidhi	c. Section 8	d. both 1 & 2

148	Copies of all annual returns prepared under section 92 and copies of all certificates and documents required to be annexed thereto shall be preserved for a period of years from the date of filing with the ROC.			
	a. 7	b. 8	c. 10	d. 20
149	If any inspection or the making of any extract or copy required under this section is refused, the company and every officer of the company who is in default, shall be liable for each such default, to a penalty of RS..... for every day subject to a maximum			
	a. 1000, 100000	b. 1000, 500000	c. 2000, 200000	d. 2000, 500000
150	A proxy receivedhours before the meeting will be valid even if the articles provide for a longer period.			
	a. 12	b. 24	c. 48	d. 72
151	In case of the adjourned meeting or change of day, time or place of meeting Under section 103(2), the company shall give not less than..... days' notice to the members either individually or by publishing an advertisement in the newspaper.			
	a. 2	b. 3	c. 4	d. 5
152	A person appointed as proxy shall act on behalf of such member or number of members not exceeding..... and holding in aggregate not more than per cent of the total share capital of the company carrying voting rights.			
	a. 10, 5	b. 10, 10	c. 50, 10	d. 20, 5
153	Which of the following is not an ordinary business under section 102 of the Companies Act, 2013.			
	a. declaration of interim dividend	b. fixing of remuneration of auditors	c. appointment of chairman of the company	d. appointment of directors
154	A proxy shall have the following rights -			
	a. right to speak	b. right to vote on poll	c. right to vote by show of hands	d. all of the above
155	Who shall vote in case of joint holders if they are in disagreement?			
	a. any of the joint holders	b. determined on the basis of the order in which their names appear in the register	c. all of them	d. any of them
156	In a company with 5000 members the quorum is :			
	a. 2	b. 5	c. 15	d. 30
157	Special notice is required:			
	a. To appoint as auditor a person other than a retiring auditor	b. To remove a director under section 169(2) or to appoint a person to fill the vacancy caused by the dismissal of a director	c. To stand for directorship by a person other than retiring director	d. all of the above
158	A general meeting can be called on a shorter notice ifper cent of the members entitled to vote in that meeting give their consent in writing or by electronic mode.			
	a. 85	b. 90	c. 95	d. 100
159	Special notice shall be given to the company by such number of members holding not less than of the total voting power, or holding shares on which such aggregate sum not less than Rs.has been paid-up.			
	a. 1%, 100000	b. 1%, 500000	c. 10%, 100000	d. 10%, 500000

160	In case of a company having a share capital, by the members present in person or proxy, where allowed, and having not less than 1/10th of the total voting power or holding shares on which an aggregate sum of not less than..... or such higher amount as may be prescribed.			
	a. 100000	b. 500000	c. 1000000	d. 200000
161	The gap between two AGMs shall not be more than..... months			
	a. 12	b. 15	c. 18	d. 21
162	If a person is found guilty of tampering with the minutes of the proceedings of the meeting, he shall be punishable with imprisonment for a term which may extend to years and with fine which shall not be less than Rs..... but which may extend to Rs.....			
	a. 1, 100000, 500000	b. 2, 25000, 100000	c. 1, 50000, 500000	d. 2, 50000, 500000
163	Any of the following matter shall not be included in the minutes of the meeting, which in the opinion of the Chairman of the meeting:			
	a. Is or could reasonably be regarded as defamatory of any person	b. Is Irrelevant or immaterial to the proceedings;	c. Is detrimental to the interests of the company.	d. All of the above
164	A general meeting can be called by			
	a. Board of directors	b. Requisitionists	c. NCLT	d. All of the above
165	The company and every officer of the company who is in default or in contravention of section 96-98, shall be punishable with fine which may extend to Rs..... and in the case of a continuing default, with a further fine which may extend to Rs			
	a. 100000, 5000	b. 500000, 1000	c. 100000, 1000	d. 500000, 5000
166	The minutes book of the general meeting shall be preserved for:			
	a. 7 years	b. 8 years	c. 10 years	d. Permanently
167	Inspection of minute's book can be carried out by.....			
	a. a member	b. a director	c. a debenture holder	d. all of the above
168	If the Board does not call a meeting within days from the date of receipt of requisition, then the requisitionists may themselves call a meeting within a period ofmonths from the date of requisition.			
	a. 21, 3	b. 21, 1	c. 7, 1	d. 7, 3
169	The minutes shall be prepared and kept withindays of the conclusion of every such meeting concerned or passing of resolution by postal ballot in books.			
	a. 15	b. 30	c. 60	d. 90
170	The First AGM shall be held within.....months from the end of financial year.			
	a. 6	b. 9	c. 12	d. 15
171	Except for first AGM, AGM shall be held within.....months from the end of financial year.			
	a. 3	b. 6	c. 9	d. 12
172	Registrar may grant an extension ofmonths for holding the AGM.			
	a. 1	b. 3	c. 6	d. 9

Answer

1. d (Hint: As per section 88(1) of the Companies Act, 2013, all the aforesaid registers shall be maintained in a manner and format as may be prescribed.)	2. a (Hint: Section 88 of the Companies Act, 2013)	3. c (Hint: Section 91(1) of the Companies Act, 2013, maximum period of closure.)	4. c (Hint: Section 91(1) of the Companies Act, 2013, maximum period of closure.)
5. c (Hint: Section 91(1) of the Companies Act, 2013, maximum period of closure.)	6. a (Hint: Section 91(2) of the Companies Act, 2013.)	7. c (Hint: Section 91(1) of the Companies Act, 2013.)	8. b (Hint: Under section 96(2) of the Companies Act, 2013 every annual general meeting shall be called during nosiness hours i.e. between 9 a.m. to 6 p.m. on any day that is not a national holiday)
9. c (Hint: Section 96(1) of the Companies Act, 2013, time limit to hold AGM)	10. b (Hint: As per Section 92(4) of the Companies act, 2013, every Company shall file with the Registrar a copy of the Annual Return, within 60 days from the date on which the annual general meeting is held or where no annual general meeting is held in any year within 60 days from the date on which annual general meeting should have been held together with the statement specifying the reasons for not holding annual general meeting, with such fees or additional fees as may be prescribed.)	11. a (Hint: As per Section 92(4) of the Companies act, 2013, every Company shall file with the Registrar a copy of the Annual Return, within 60 days from the date on which the annual general meeting is held or where no annual general meeting is held in any year within 60 days from the date on which annual general meeting should have been held together with the statement specifying the reasons for not holding annual general meeting, with such fees or additional fees as may be prescribed.)	12. b (Hint: As per Section 92(4) of the Companies act, 2013, every Company shall file with the Registrar a copy of the Annual Return, within 60 days from the date on which the annual general meeting is held or where no annual general meeting is held in any year within 60 days from the date on which annual general meeting should have been held together with the statement specifying the reasons for not holding annual general meeting, with such fees or additional fees as may be prescribed.)
13. d (Hint: As per Section 96(1) of the Companies Act, 2013, not more than 15 months shall elapse between the date of one Annual General Meeting and that of the next. However, the Registrar may, for specific reason, extend the time within which any AGM (not being the first AGM) shall be held, by a period not exceeding 3 months.)	14. a (Hint: As per Section 96(1) of the Companies Act, 2013, the Registrar may, for specific reason, extend the time within which any AGM (not being the first AGM) shall be held, by a period not exceeding 3 months.)	15. d (Hint: Section 98 & 100 of the Companies Act, 2013.)	16. d (Hint: As per Section 96(1) of the Companies Act, 2013, the Registrar may, for specific reason, extend the time within which any AGM (not being the first AGM) shall be held, by a period not exceeding 3 months.)
17. b (Hint: As per Section 96(1) of the Companies Act, 2013, the Registrar may, for specific reason, extend the time within which any AGM (not being the first AGM) shall be held, by a period not exceeding 3 months.)	18. c (Hint: Section 169(2) & 140(4) of the Companies Act, 2013.)	19. d (Hint: Section 92(2) of the Companies Act, 2013.)	20. b (Hint: Section 92(3) of the Companies Act, 2013.)

21. c (Hint: Section 93 of the Companies Act, 2013.)	22. c (Hint: Section 93 of the Companies Act, 2013.)	23. c (Hint: Section 94(1) of the Companies Act, 2013, any other place in India if more than 10% of the total number of members reside at such place(GM-SR required and ROC has been given in advance a copy of the proposed SR	24. d (Hint: Section 94(2) of the Companies Act, 2013, all the records (only public documents) shall be open for inspection by Any member or debenture holders or other security holders or beneficial owner without fees and Any other person with fees.
25. a (Hint: Section 94(4) of the Companies Act, 2013)	26. a (Hint: Section 94(2) of the Companies Act, 2013, all the records (only public documents) shall be open for inspection by Any member or debenture holders or other security holders or beneficial owner without fees and Any other person with fees. 27.)	27. b (Hint: The First Annual General Meeting of the company shall be held within 9 months from the end of first financial year. The First Financial year of M/s ABC Ltd. ended on 31 st March, 2019. (Section 96(1) of the Companies Act, 2013))	28. b (Hint: The First Annual General Meeting of the company shall be held within 9 months from the end of first financial year. The First Financial year of M/s XYZ Pvt. Ltd. ended on 31 st March, 2019. (Section 96(1) of the Companies Act, 2013))
29. b (Hint: The First Annual General Meeting of the company shall be held within 9 months from the end of first financial year. The First Financial year of M/s XYZ Ltd. ended on 31 st March, 2020. (Section 96(1) of the Companies Act, 2013))	30. b (Hint: The First Annual General Meeting of the company shall be held within 9 months from the end of first financial year. The First Financial year of M/s ABC Pvt. Ltd. ended on 31 st March, 2020. (Section 96(1) of the Companies Act, 2013))	31. c (Hint: Section 97(1) of the Companies Act, 2013, Power of Tribunal to call or direct calling of meeting.)	32. c (Hint: Section 97(1) of the Companies Act, 2013, Power of Tribunal to call or direct calling of meeting.)
33. a (Hint: Section 98(1) of the Companies Act, 2013, Power of Tribunal to call meeting of members.)	34. a (Hint: Section 99 of the Companies Act, 2013, punishment for default in complying with provision of Section 96 to Section 98 of the Companies Act, 2013)	35. b (Hint: Section 100(2) of the Companies Act, 2013)	36. b (Hint: Section 100(2) of the Companies Act, 2013)
37. b (Hint: Section 100(2) of the Companies Act, 2013, Board of Directors legally bound to call Extra Ordinary general meeting on receiving valid requisition from members.)	38. b (Hint: Section 100(2) of the Companies Act, 2013, Board of Directors legally bound to call Extra Ordinary general meeting on receiving valid requisition from members.)	39. c (Hint: Section 100(4) of the Companies Act, 2013)	40. c (Hint: Section 115 of the companies Act, 2013, resolutions required special notice.)
41. a (Hint: Section 115 of the companies Act, 2013, resolutions required special notice.)	42. a (Hint: Removal of director is a one of the business which requires special notice. The special notice is given by members holding not less than 1% total voting power or holding shares on which such aggregate sum not exceeding 5 lakhs	43. b (Hint: Appointment as auditor a person other than retiring auditor is a one of the business which requires special notice. The special notice is given by members holding not less than 1% total voting power or holding shares on which such aggregate sum not exceeding 5 lakhs rupees,	44. a (Hint: Removal of director is a one of the business which requires special notice. The special notice is given by members holding not less than 1% total voting power or holding shares on which such aggregate sum not exceeding 5 lakhs rupees, as may be

	rupees, as may be prescribed has been paid up as per section 115 of the Companies Act, 2013.)	as may be prescribed has been paid up as per section 115 of the Companies Act, 2013.)	prescribed has been paid up as per section 115 of the Companies Act, 2013.)
45. a (Hint: As per Section 100 of the Companies Act, 2013, In case of Company not having a share capital, members having 10% voting power of all the members as at the date of deposit of the requisition have right to make requisition.)	46. a (Hint: As per Section 100 of the Companies Act, 2013, In case of Company having a share capital, members holding 10% of the paid up share capital of the company having right to vote as at the date of deposit of the requisition have right to make requisition.)	47. b (Hint: As per Section 100 of the Companies Act, 2013, In case of Company having a share capital, members holding 10% of the paid up share capital of the company having right to vote as at the date of deposit of the requisition have right to make requisition)	48. b (Hint: As per Section 100 of the Companies Act, 2013, In case of Company not having a share capital, members having 10% voting power of all the members as at the date of deposit of the requisition have right to make requisition.)
49. a (Hint: As per Section 100 of the Companies Act, 2013, 40% members constitute the required number and the BOD has violated the provision of law by not calling the meeting. Further the resolutions properly passed at such meeting, are binding on the company)	50. b (Hint: The Board of Director cannot refuse to convene the Extra Ordinary general meeting if the reasons for the resolution are not given. What is required to be stated is the objects of the meeting.(Section 100 of the Companies act, 2013))	51. b (Hint: Where 2 or more persons hold any shares or interest in a company jointly, a requisition or notice calling a meeting, signed by one or some of them shall, for the purpose of Section 100 of the Companies Act, 2013, have same force and effect as if it had been signed by all of them.)	52. b (Hint: As per Section 101 of the Companies Act, 2013, 21 clear days' notice has not been served.)
53. d (Hint: Section 101 of the Companies Act, 2013)	54. b (Hint: Accidental Non receipt of notice of the general meeting by any member shall not invalidate the proceeding of the meeting(Section 101 of the Companies Act, 2013)	55. a (Hint: As per Section 101 of the Companies Act, 2013, 21 clear days' notice has not been served.)	56. d (Hint: Section 101 of the Companies Act, 2013.)
57. d (Hint: Section 101 of the Companies Act, 2013.)	58. c (Hint: Section 101 of the Companies Act, 2013.)	59. b (Hint: Section 101 and 115 of the Companies Act, 2013.)	60. a (Hint: Section 101 and 115 of the Companies Act, 2013.)
61. b (Hint: Section 102(1) of the Companies Act, 2013)	62. d (Hint: Section 102(1) of the Companies Act, 2013)	63. d (Hint: Section 102(2) of the Companies Act, 2013)	64. d (Hint: Section 102(2) of the Companies Act, 2013)
65. a (Hint: Section 102(2) of the Companies Act, 2013)	66. b (Hint: Section 102(2) of the Companies Act, 2013)	67. a (Hint: Section 102(5) of the Companies Act, 2013)	68. a (Hint: Section 103(1) of the Companies Act, 2013)
69. c (Hint: Section 103(1) of	70. b (Hint: Section	71. d (Hint: Section 103(2)	72. b (Hint: Section

the Companies Act, 2013)	103(2) of the Companies Act, 2013)	of the Companies Act, 2013)	103(3) of the Companies Act, 2013)
73. b (Hint: Section 103(3) of the Companies Act, 2013)	74. c (Hint: Section 103 of the Companies Act, 2013)	75. b (Hint: For the purpose of quorum in a general meeting of a Public Company, joint shareholders will be collectively regarded as one shareholder. (Section 103 of the Companies Act, 2013))	76. a (Hint: A single member present at the meeting can be counted as one in the computation of the quorum.)
77. a (Hint: As per Section 103 of the Companies Act, 2013, quorum is required in case of Public Company – – 5 members personally present if members>1000 - 15 members personally present if 1000 < members<5000 - 30 members personally present if members>5000)	78. b (Hint: As per Section 103 of the Companies Act, 2013, quorum is required in case of Public Company – – 5 members personally present if members>1000 - 15 members personally present if 1000 < members<5000 - 30 members personally present if members>5000)	79. b (Hint: As per Section 103 of the Companies Act, 2013, quorum is required in case of Public Company – – 5 members personally present if members>1000 - 15 members personally present if 1000 < members<5000 - 30 members personally present if members>5000)	80. a (Hint: As per Section 103 of the Companies Act, 2013, Quorum requirement for general meeting in case of a Private Company is 2.)
81. d (Hint: Section 105(1) of the Companies Act, 2013)	82. d (Hint: Section 105(1) of the Companies Act, 2013)	83. a (Hint: Section 105(6) of the Companies Act, 2013)	84. b (Hint: Section 105(8) of the Companies Act, 2013)
85. c (Hint: Section 105(8) of the Companies Act, 2013)	86. b (Hint: Where a shareholder who having appointed a proxy, personally attends and votes at the meeting, the proxy is revoked thereby. (Section 105 of the Companies Act, 2013))	87. a (Hint: Section 105(8) of the Companies Act, 2013, Every member entitled to vote at a meeting or on any resolution to be moved thereat shall be entitled to inspect proxies lodged during the period beginning 24 Hours before the time fixed for commencement of meeting and ending with the conclusion of the meeting at any time during the business hours of the Company. Provided 3 Days’ notice in writing of intension to inspect is given to the company.)	88. b (Hint: Section 105(8) of the Companies Act, 2013, Every member entitled to vote at a meeting or on any resolution to be moved thereat shall be entitled to inspect proxies lodged during the period beginning 24 Hours before the time fixed for commencement of meeting and ending with the conclusion of the meeting at any time during the business hours of the Company. Provided 3 Days’ notice in writing of intension to inspect is given to the company.)
89. a (Hint: Where a shareholder who having appointed a proxy, personally attends and votes at the meeting, the proxy is revoked thereby. (Section 105 of the Companies Act, 2013))	90. a (Hint: Section 105(1) of the Companies Act, 2013, it is one of the restriction of Proxies.)	91. a (Hint: Section 105(1) of the Companies Act, 2013, it is one of the restriction of Proxies.)	92. a (Hint: Section 105(1) of the Companies Act, 2013, it is one of the restriction of Proxies)
93. a (Hint: Section 105(1) of the Companies Act,	94. a (Hint: Section 105(1) of the	95. d (Hint: Section	96. a (Hint: Section 105(7) of the Companies Act, 2013, if AOA of a

2013, it is one of the right of Proxies.)	Companies Act, 2013, it is one of the right of Proxies.)	105(7) of the Companies Act, 2013.)	company requires for a longer period than 48 hours before meeting, such requirement by AOA shall be treated as 48 hours to deposit proxy form.)
97. b (Hint: Section 105(7) of the Companies Act, 2013, if AOA of a company requires for a longer period than 48 hours before meeting, such requirement by AOA shall be treated as 48 hours to deposit proxy form.)	98. d (Hint: Section 106(1) of the Companies Act, 2013)	99. d (Hint: Section 109 of the Companies Act, 2013.)	100. b (Hint: Section 106 and 114(2) of the Companies Act, 2013, a resolution shall be a special resolution when the votes cast in favour of the resolution by members are not less than 3 times the number of votes, if any, cast against the resolution.)
101. d (Hint: Section 110(1) of the Companies Act, 2013, above items of business can be transacted only at a meeting.)	102. d	103. a (Hint: Rule 5 of the Companies (Management & Administration) Rules, 2014.)	104. d (Hint: The articles of most companies provide that, in the case of exclusion of the other joint holders, and for this purpose, seniority shall be determined by the order in which the names stand in the register of members.)
105. b (Hint: Rule 6 of the Companies (Management & Administration) Rules, 2014 states that the maintenance of index is not necessary where the number of members is less than 50.)	106. a (Hint: Where any declaration is received by the company under section 89, the company shall make note of such declaration in the register of members and shall file, within a period of 30 days from the date of receipt of declaration by it, a return in Form MGT - 6 with the ROC in respect of such declaration with the required fee.)		107. d (Hint: Section 94 of the Companies Act, 2013.)
108. b (Hint: Section 88 of the Companies Act, 2013. – Foreign registers compliance.)	109. a	110. a (Hint: A person whose name is entered in the register of members of a company as the holder of shares in that company but who does not hold the beneficial interest such share, shall file with the company, a declaration to that effect in Form MGT - 4, in duplicate, within 30 days from the date on which his name is entered in the register of members of such company.)	111. a (Hint: Every person holding and exempted from furnishing declaration or acquiring a beneficial interest in shares of a company not registered in his name, shall file with the company, a declaration disclosing such interest in Form MGT 5 in duplicate disclosing such interest in Form MGT 5 in duplicate, within 30 days after acquiring such beneficial interest in the shares of the company.)
112. b (Hint: Section 88- Foreign Registers Compliances)	113. a (Hint: Section 89(7) refers to the company which falls to comply with the provisions of section 89, makes punishable the company and every defaulting officer with a fine which shall not be less than Rs. 500 but which may go up to Rs. 1,000 with	114. b	115. b (Hint: Section 88 deals with the penalty for contravention of the provisions of section 88, i.e. failure to maintain registers in accordance with the provisions of Section 88(1) and 88(2) of the Act. It states that the company and every officer of the company who is in default shall be punishable with fine which shall not be less
116. d (Hint: Section 89(5) applies to those who are required to make a declaration. But fail to do so. The penalty for their failure, without any reasonable explanation, is fine			

<p>further fine of Rs.1,000 per day during which the failure continues.)</p>		<p>than' 50,000 but which may extend to 3,00,000 and where the failure is a continuing one, with a further fine which may extend to' 1,000 per day.)</p>	<p>which extends up to Rs.50, 000 and additionally Rs.1, 000 per day during which the failure continues.)</p>
<p>117. c (Hint: the registers shall be maintained at the registered office of the company unless a special resolution is passed in a general meeting authorizing the keeping of the register at any other place within the city, town or village in which the registered office is situated or any other place in India in which more than 1/10th of the total members entered in the register of members reside.)</p>	<p>118. a (Hint: The annual return, filed by a listed company or a company having paid- up share capital of Rs.10 crore or more; or a turnover of Rs.50 crore or more, shall be certified by a Company Secretary in practice)</p>	<p>119. d (Hint: Any member, debenture holder or security holder or beneficial owner can take the extracts during any business without payment of any fee or can also get copies thereof with payment of fee not exceeding Rs.10 for each page. Such copies or entries or return shall be supplied within 7 days of deposit of fee.</p>	<p>120. c (Hint: The annual return has to be signed by a director company and the company secretary; and in no company secretary, by a company secretary and in case, there is no company secretary, by a company secretary in practice.)</p>
<p>121. d (Hint: Section 88(1) of the Companies Act, 2013 seeks to provide that every company shall keep and maintain the register of members, register of debenture-holders and register of any other security holders.)</p>	<p>122. c (Hint: The annual return shall be file with the ROC within 60 days from which the Annual General Meeting ('AGM) is held or should have been held in any year)</p>	<p>123. b</p>	<p>124. c (Hint: A company may close the register of members, debenture-holders and other security holders by giving minimum 7 days' notice or such lesser period as specified by Securities Exchange Board of India.)</p>
<p>125. c (Hint: The registers and indices shall be open for inspection during business hours, at such reasonable time on event working day as the board may decide upon payment of fees as may be specified In the articles of association of the company, but which may not exceed RS. 50 for each inspection. Also, a reasonable time shall be not less than 2 hours on every working day for which the inspection shall be open by the company.)</p>	<p>126. c (Hint: In case of a company not limited by shares, the register shall contain the following particulars, in respect of each member- Name of the member, address (registered of address in case the member is a body corporate); email address; Permanent Account Number or Corporate Identity Number ('CIN); Nationality; in case member is a minor - name of his guardian and the date of birth of the member, name and address of the nominee; Date of becoming the member; Date of cessation; Amount of guarantee, if any; Any other interest, if any; and Instructions, if any, given by the member with regard to sending of notices, etc.)</p>	<p>127. b</p>	<p>128. b (Hint: The registers may be closed for any period not exceeding 30 days at any one time and for an aggregate period of 45 days in one year.)</p>
<p>129. b</p>	<p>130. a</p>	<p>131. b</p>	<p>132. c</p>

133. d	134. c	135. a (Hint: Section 108 of the Companies Act, 2013)	136. b
137. d (Hint: A person authorized by resolution as above, shall be entitled to exercise the same rights and powers, including the right to vote by proxy and by postal ballot, on behalf of the body corporate which he represents as that body could exercise if it were an individual member, creditor or holder of debentures of the company.)		138. d	139. d
		140. b (Hint: Section 103 of the Companies Act, 2013)	
141. b	142. b (Hint: Section 101 of the Companies Act, 2013)	143. b (Hint: The omission must be designed or deliberate to invalidate the proceedings.)	144. b
145. b	146. a	147. a (Hint: Section 104 of the Companies Act, 2013)	148. c
149. b	150. a	151. c	152. b
153. c (Hint : Section 105 of the Companies Act, 2013)	154. c (Hint: The Ordinary Businesses as prescribed in the Section 102(2) of the Companies Act, 1956 are as follows: -the consideration of financial statements and the reports of the Board of Directors and auditors; -the declaration of any dividend; -the appointment of directors in place of those retiring; -the appointment of and the fixing of the remuneration of, the auditors; Any businesses except the above 4(four) businesses shall be deemed to be 'Special Businesses'.	155. b (Hint: A proxy shall not have the right to speak at such meeting and shall not be entitled to vote except on a poll.)	156. b (Hint: The voting in case of joint shareholders is done in the order of seniority, which is determined on the basis of the order in which their names appear in the register of members/ shareholders. The joint-holders have a right to instruct the company as to the order in which their names are to appear in the register.
157. c	158. d	159. c	160. b (Hint: Section 115 of the Companies Act, 2013)
161. b (Hint: Section 109 of the Companies Act, 2013)	162. b (Hint: Section 96 of the Companies Act, 2013)	163. b	164. d
165. d (Hint: Directors- u/s 96 of the Companies Act, 2013 NCLT- u/s 97&98 of the Companies Act, 2013 Requisitionists- u/s 100 of the Companies Act, 2013)	166. a (Hint: Section 99 of the Companies Act, 2013)	167. d	168. a (Hint: Section 199 of the Companies Act, 2013)
169. a (Hint: Section 100 of the Companies Act, 2013)	170. b (Hint: Section 118 of the Companies Act, 2013)	171. b	172. b
173. b			

Chapter 8 : AUDIT AND AUDITORS

1.	State the disqualification of auditor as per ICAI.			
	a. a person has not attend the age of 21 years	b. a person of unsound mind	c. an undischarged insolvent and convicted by court for any offence of moral turpitude	d. All of the above
2.	The following which of the persons shall be eligible to appoint as auditor as per Companies Act, 2013.			
	a. Company registered under Companies Act, 2013	b. Any foreign company	c. Corporations	d. Limited Liability Partnership
3.	Mr. Ram is an employee of the M/s ABC Ltd. He desires to appoint as an auditor of the company. Whether he can eligible to appoint as an auditor of M/s ABC Ltd.?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
4.	Whether an officer or employee of the company are eligible to appoint as auditor?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
5.	Mr. Shyam is an employee of the M/s ABC Ltd. and partner of SR Partnership Firm. Mr. Ram (chartered Accountant), is another partner of SR Partnership Firm. Whether Mr. Ram is eligible to appoint as an auditor in M/s ABC Ltd.?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
6.	Mr. Ram is a relative of Mr. Shyam (chartered Accountant), is holding shares of Rs. 1, 00,000 in M/s ABC Ltd. Whether Mr. Shyam is eligible to appoint as auditor in M/s ABC Ltd.?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
7.	Mr. Ram is a partner of Mr. Shyam (chartered Accountant), in a partnership firm, is holding shares of Rs. 1, 00,000 in M/s ABC Ltd. Whether Mr. Shyam is eligible to appoint as auditor in M/s ABC Ltd.?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
8.	Mr. Ram is a relative of Mr. Shyam (chartered Accountant), is holding shares of Rs. 1, 00,000 in M/s ABC Ltd. which is a subsidiary of M/s XYZ Ltd. Whether Mr. Shyam is eligible to appoint as auditor in M/s XYZ Ltd.?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
9.	Mr. Kiran is a partner of Mr. Rajesh (chartered Accountant), in a partnership firm, is holding shares of Rs. 50,000 in M/s ABC Ltd. which is a subsidiary of M/s XYZ Ltd. Whether Mr. Rajesh is eligible to appoint as auditor in M/s XYZ Ltd.?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
10.	Mr. Mohan is a partner of Mr. Sanjay (chartered Accountant), in a partnership firm, is holding shares of Rs. 10,000 in M/s MNC Ltd. which is an associate of M/s GHT Ltd. Whether Mr. Sanjay is eligible to appoint as auditor in M/s GHT Ltd.?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
11.	Mr. Ram (chartered Accountant), is holding shares of Rs. 1, 00,000 in M/s ABC Ltd. Whether Mr. Ram is eligible to appoint as auditor in M/s ABC Ltd.?			

	a. Yes	b. No	c. Partly Yes	d. Partly No
12.	Mr. Kiran(chartered Accountant), is holding shares of Rs. 50,000 in M/s ABC Ltd. which is a subsidiary of M/s XYZ Ltd. Whether Mr. Kiran is eligible to appoint as auditor in M/s XYZ Ltd.?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
13.	Mr. Ram (chartered Accountant), is indebted of Rs. 1, 00,000 in M/s ABC Ltd. Whether Mr. Ram is eligible to appoint as auditor in M/s ABC Ltd.?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
14.	Mr. Kiran (chartered Accountant), is indebted of Rs. 4, 00,000 in M/s ABC Ltd. which is a subsidiary of M/s XYZ Ltd. Whether Mr. Kiran is eligible to appoint as auditor in M/s XYZ Ltd.?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
15.	Mr. Rohan (chartered Accountant), is indebted of Rs. 6, 00,000 in M/s ABC Ltd. which is an associate company of M/s XYZ Ltd. Whether Mr. Rohan is eligible to appoint as auditor in M/s XYZ Ltd.?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
16.	Mr. Ram is a partner of Mr. Shyam (chartered Accountant), in a partnership firm, is indebted of Rs. 4, 50,000 in M/s ABC Ltd. Whether Mr. Shyam is eligible to appoint as auditor in M/s ABC Ltd.?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
17.	Mr. Mihir is a partner of Mr. Shyam (chartered Accountant), in a partnership firm, is indebted of Rs. 7, 00,000 in M/s ABC Ltd. which is a subsidiary company of M/s XYZ Ltd. Whether Mr. Shyam is eligible to appoint as auditor in M/s XYZ Ltd.?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
18.	Mr. Raja is a partner of Mr. Shamu (chartered Accountant), in a partnership firm, is indebted of Rs. 1, 00,000 in M/s ABC Ltd. which is an associate company of M/s XYZ Ltd. Whether Mr. Shamu is eligible to appoint as auditor in M/s XYZ Ltd.?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
19.	Mr. Ram is a relative of Mr. Shyam (chartered Accountant), in a partnership firm, is indebted of Rs. 4, 50,000 in M/s ABC Ltd. Whether Mr. Shyam is eligible to appoint as auditor in M/s ABC Ltd.?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
20.	Mr. Mihir is a relative of Mr. Shyam (chartered Accountant), in a partnership firm, is indebted of Rs. 7, 00,000 in M/s ABC Ltd. which is a subsidiary company of M/s XYZ Ltd. Whether Mr. Shyam is eligible to appoint as auditor in M/s XYZ Ltd.?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
21.	Mr. Raja is a relative of Mr. Shamu (chartered Accountant), in a partnership firm, is indebted of Rs. 1, 00,000 in M/s ABC Ltd. which is an associate company of M/s XYZ Ltd. Whether Mr. Shamu is eligible to appoint as auditor in M/s XYZ Ltd.?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
22.	Mr. Rohan (chartered Accountant), has given guarantee of indebtedness of Rs. 6, 00,000 in M/s ABC Ltd. Whether Mr. Rohan is eligible to appoint as auditor in M/s ABC Ltd.?			
	a. Yes	b. No	c. Partly Yes	d. Partly No

23.	Mr. Sajan (chartered Accountant), has given guarantee of indebtedness of Rs. 50,000 in M/s MNC Ltd. Whether Mr. Sajan is eligible to appoint as auditor in M/s MNC Ltd.?	a. Yes	b. No	c. Partly Yes	d. Partly No
24.	Mr. Kiran (chartered Accountant), has given guarantee of indebtedness of Rs. 4, 00,000 in M/s ABC Ltd. which is a subsidiary company of M/s XYZ Ltd. Whether Mr. Kiran is eligible to appoint as auditor in M/s XYZ Ltd.?	a. Yes	b. No	c. Partly Yes	d. Partly No
25.	Mrs. Sonali (chartered Accountant), has given guarantee of indebtedness of Rs. 1, 00,000 in M/s ABC Ltd. which is an associate company of M/s XYZ Ltd. Whether Mrs. Sonali is eligible to appoint as auditor in M/s XYZ Ltd.?	a. Yes	b. No	c. Partly Yes	d. Partly No
26.	Mr. Ram is a partner of Mr. Shyam (chartered Accountant), in a partnership firm, has given guarantee of indebtedness of Rs. 4, 50,000 in M/s ABC Ltd. Whether Mr. Shyam is eligible to appoint as auditor in M/s ABC Ltd.?	a. Yes	b. No	c. Partly Yes	d. Partly No
27.	Mr. Soham is a partner of Mr. Kaluram (chartered Accountant), in a partnership firm, has given guarantee of indebtedness of Rs. 1 00,010 in M/s ABC Ltd. which is a subsidiary company of M/s XYZ Ltd. Whether Mr. Kaluram is eligible to appoint as auditor in M/s XYZ Ltd.?	a. Yes	b. No	c. Partly Yes	d. Partly No
28.	Mrs. Sonali is a partner of Mr. Rajaram (chartered Accountant), in a partnership firm, has given guarantee of indebtedness of Rs. 99,000 in M/s ABC Ltd. which is an associate company of M/s XYZ Ltd. Whether Mr. Rajaram is eligible to appoint as auditor in M/s XYZ Ltd.?	a. Yes	b. No	c. Partly Yes	d. Partly No
29.	Mr. Ram is a relative of Mr. Shyam (chartered Accountant), has given guarantee of indebtedness of Rs. 50,000 in M/s ABC Ltd. Whether Mr. Shyam is eligible to appoint as auditor in M/s ABC Ltd.?	a. Yes	b. No	c. Partly Yes	d. Partly No
30.	Mr. Soham is a relative of Mrs. Monali (chartered Accountant), has given guarantee of indebtedness of Rs. 1 00,100 in M/s ABC Ltd. which is a subsidiary company of M/s XYZ Ltd. Whether Mrs. Monali is eligible to appoint as auditor in M/s XYZ Ltd.?	a. Yes	b. No	c. Partly Yes	d. Partly No
31.	Mr. Guru is a relative of Mrs. Riya (chartered Accountant), has given guarantee of indebtedness of Rs. 5, 00,100 in M/s ABC Ltd. which is an associate company of M/s XYZ Ltd. Whether Mrs. Riya is eligible to appoint as auditor in M/s XYZ Ltd.?	a. Yes	b. No	c. Partly Yes	d. Partly No
32.	Section 141(3) of the Companies Act, 2013, a person who, or his relative or partner is holding any security of or interest in the company or its subsidiary or of its holding or associate company or a subsidiary of such holding company shall not eligible for appointment as an auditor of a company. Provided that the relative may hold security or interest in the company of face value such sum as may be prescribed i.e. Rs.				

	a. Rs.1,00,000/-	b. Rs.2,00,000/-	c. Rs.5,00,000/-	d. Rs.10,00,000/-
	.			
33.	Section 141(3) of the Companies Act, 2013, a person who, or his relative or partner is indebted to the company or its subsidiary, or its holding or associate company or a subsidiary of such holding company, in excess of Rs.shall not eligible for appointment as an auditor of a company.			
	a. Rs.1,00,000/-	b. Rs.2,00,000/-	c. Rs.5,00,000/-	d. Rs.10,00,000/-
34.	Section 141(3) of the Companies Act, 2013, a person who, or his relative or partner has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its subsidiary or its holding or associate company or a subsidiary of such holding company, more than Rs. shall not eligible for appointment as an auditor of a company.			
	a. Rs.1,00,000/-	b. Rs.2,00,000/-	c. Rs.5,00,000/-	d. Rs.10,00,000/-
35.	Mr. Manas is a chartered Accountant, and have business relation with M/s Humming Bird Ltd. Whether Mr. Manas is eligible to appoint as auditor in M/s Humming Bird Ltd.?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
36.	Mr. Kunal is a chartered Accountant, and have business relation with M/s Chidiya Bird Ltd. which is holding company of Infotech Ltd. Whether Mr. Kunal is eligible to appoint as auditor in M/s Infotech Ltd.?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
37.	Mr. Ramu is a Chartered Accountant, and have business relation with M/s Reliance Ltd. which is associate company of Infotech Ltd. Whether Mr. Kunal is eligible to appoint as auditor in M/s Infotech Ltd.?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
38.	Mrs. Sonali (Chartered Accountant) is a partner in an ABC Audit firm. The Firm have business relation with M/s Reliance Ltd. Whether Mrs. Sonali is eligible to appoint as auditor in M/s Reliance Ltd.?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
39.	Mrs. Shweta (Chartered Accountant) is a partner in a Female Audit firm. The Firm have business relation with M/s Reliance Ltd. which is subsidiary company of M/s Infotech Ltd. Whether Mrs. Shweta is eligible to appoint as auditor in M/s Infotech Ltd.?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
40.	Mrs. Monali (Chartered Accountant) is a partner in a MNL Audit firm. The Firm have business relation with M/s Reliance Ltd. which is an associate company of M/s TATA Ltd. Whether Mrs. Monali is eligible to appoint as auditor in M/s TATA Ltd.?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
41.	Mr. Shan is a director of M/s TATA SKY Ltd. He is a relative of Mr. Vishal who is a Chartered Accountant, who desires to appoint as auditor in M/s TATA SKY Ltd. Whether Mr. Vishal is eligible to appoint as auditor in M/s TATA SKY Ltd.?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
42.	Mr. Pran is a Chief Executive officer of M/s XYZ Ltd. He is a relative of Mr. Sham who is a Chartered Accountant, who desires to appoint as auditor in M/s XYZ Ltd. Whether Mr. Sham is eligible to appoint as auditor in M/s XYZ Ltd.?			

	a. Yes	b. No	c. Partly Yes	d. Partly No
43.	Mrs. Monali is a Chief Financial officer of M/s TATA Ltd. He is a relative of Ms. Sona who is a Chartered Accountant, who desires to appoint as auditor in M/s TATA Ltd. Whether Ms. Sona is eligible to appoint as auditor in M/s TATA Ltd.?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
44.	If Mr. A is in full time employment at Sky-blue Limited. Whether he can become auditor of M/s ABC Ltd.?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
45.	If the number of audits held by Mr. Rahul are more than 20. Whether Mr. Rahul can hold more audits?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
46.	A person who has been convicted by a court of an offence involving fraud and a period of Years has not elapsed from the date of such conviction then that person is not eligible for appointment as an auditor of a company.			
	a. 2 Years	b. 5 Years	c. 10 Years	d. 20 Years
47.	Mr. Rahul is Chartered Accountant and he has been convicted by a court for an offence involving fraud and a period of 10 years has not elapsed from the date of such conviction. Whether Mr. Rahul is eligible to appoint as auditor?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
48.	The first auditor of a company, other than a Government company, shall be appointed by the Board of Directors within days from the date of registration of the company.			
	a. 15 days	b. 30 days	c. 40 days	d. 60 days
49.	Section 139(6) of the Companies Act, 2013 lays down that first auditor of a company, other than a Government company, shall be appointed by the Board of Directors within 30 days from the date of registration of the company and in the case of failure of the Board to appoint such auditor, it shall inform the members of the company, who shall within.....days from the date of registration of the company at an extraordinary general meeting appoint such auditor.			
	a. 15 days	b. 30 days	c. 60 days	d. 90 days
50.	The first auditor of a Government company, shall be appointed by the Comptroller and Auditor-General of India within days from the date of registration of the company.			
	a. 15 days	b. 30 days	c. 60 days	d. 90 days
51.	The first auditor of a Government company, shall be appointed by the Comptroller and Auditor-General of India (CAG) within 60 days from the date of registration of the company. If the CAG fails to appoint the same, then the auditor shall be appointed by Board of Directors of the company within Days.			
	a. 15 days	b. 30 days	c. 60 days	d. 90 days
52.	The first auditor of a Government company, shall be appointed by the Comptroller and Auditor-General of India (CAG) within 60 days from the date of registration of the company. If the CAG fails to appoint the same, then the auditor shall be appointed by Board of Directors of the company within 60 Days. If the Board of Directors fails to appoint the same then shall be appoint within nextdays at Extra Ordinary General Meeting.			

	a. 15 days	b. 30 days	c. 60 days	d. 90 days
53.	The Board of Directors of normal company other than government company fails to appoint first auditor within 30 days from the date of incorporation then first auditor shall be appointed by company in the Extra Ordinary General Meeting within 90 days from the date of incorporation. True or False.			
	a. True	b. False	c. Partly True	d. Partly False
54.	The company cannot survive withoutpersons.			
	a. Minimum number of members	b. Minimum number of directors	c. Auditor of the company	d. All of the above
55.	First auditor appointed by Comptroller and Auditor-General of India (CAG)/ Board of Directors/EGM shall hold the office till ofmeeting			
	a. Statutory meeting	b. First Annual General Meeting	c. Second Annual General Meeting	d. subsequent Extra Ordinary General Meeting
56.	Whether Comptroller and Auditor-General of India (CAG) can raise the objection against the 1 st auditor appointed by Board of Directors/EGM in case of Government Company?			
	a. Yes	b. No	c. Partly Yes	d. Partly No
57.	The notice to Registrar about appointment of First Auditor shall be in Form.....			
	a. Form ADT 1	b. Form ADT 2	c. Form ADT 3	d. Form ADT 4
58.	M/s TATA Ltd. is incorporated at 1 st January, 2015. The Board of Directors shall appoint first auditor before.....			
	a. 30.01.2015	b. 30.03.2015	c. 30.09.2015	d. 31.12.2015
59.	Every company shall appoint regular auditor at			
	a. First Board meeting	b. First Annual General Meeting	c. First Extra Ordinary General Meeting	d. None of the above
60.	For the purpose of sub section (2) of Section 139 of the Companies Act, 2013, the class of companies shall include..... Companies excluding one person companies and small companies.			
	a. all unlisted public companies having paid up share capital of rupees ten crore or more.	b. all private limited companies having paid up share capital of rupees twenty crore or more	c. all companies having paid up share capital (unlisted public companies- Rupees ten crore or more and private limited companies- rupees twenty crore or more), but having public borrowings from financial institutions, banks or public deposits of rupees fifty crore or more	d. All of the above
61.	All listed company or a company belonging to class or classes of companies, shall appoint an individual as auditor for maximum one term of Years.			
	a. 1 Year	b. 2 Years	c. 5 Years	d. 10 Years
62.	All listed company or a company belonging to class or classes of companies, shall appoint an audit firm as auditor for maximumterm of 5 Years.			
	a. 1	b. 2	c. 3	d. 4

63.	Before the appointment of the auditor, the company shall obtain documents from proposed auditor as per rule 4 of the Companies (Audit & Auditors) Rules, 2014.	a. Certificate from auditor	b. Written consent from auditor	c. Either a or b	d. Both a and b
64.	The notice of appointment of auditor shall file with the ROC in Form No. ADT 1 within Days of appointment.	a. 10 Days	b. 15 Days	c. 30 Days	d. 45 Days
65.	In case of all listed company or a company belonging to class or classes of companies, individual auditor will have the cooling period ofyears after completion of his term.	a. 1 Year	b. 2 Years	c. 5 Years	d. 10 Years
66.	In case of all listed company or a company belonging to class or classes of companies, auditor in case of firm will have the cooling period ofyears after completion of his term.	a. 1 Year	b. 2 Years	c. 5 Years	d. 10 Years
67.	Mr. Ram is appointed as auditor at 1 st AGM in M/s ABC Ltd. which is a listed company. State the number of AGM in which Mr. Ram shall retired if he will reappointed at every AGM after appointment till retirement.	a. 2 nd	b. 5 th	c. 6 th	d. 11 th
68.	Mrs. Monali is appointed as auditor at 1 st AGM in M/s ABC Ltd. having paid up capital \geq Rs. 10 Cr. State the number of AGM in which Mrs. Monali shall retired if he will reappointed at every AGM after appointment till retirement.	a. 2 nd	b. 5 th	c. 6 th	d. 11 th
69.	MMM audit firm is appointed as auditor at 1 st AGM in M/s Sunlight Pvt. Ltd. having paid up capital \geq Rs. 20 Cr. State the number of AGM in which MMM audit firm shall retired if it will reappointed at every AGM after appointment till retirement.	a. 2 nd	b. 5 th	c. 6 th	d. 11 th
70.	M/s Shanti Ltd., a listed company, desires to appoint Mr. Shan as an auditor of the company. For how many years company shall appoint Mr. Shan as an auditor of the company?	a. 1 Year	b. 5 Years	c. 10 Years	d. Any number of years without any restriction
71.	M/s Soham Ltd., unlisted public company having paid up capital \geq 5Cr, desires to appoint Mr. Pratik as an auditor of the company. For how many years company shall appoint Mr. Shan as an auditor of the company?	a. 1 Year	b. 5 Years	c. 10 Years	d. Any number of years without any restriction
72.	M/s Jost's Pvt. Ltd., private company having paid up capital \geq 20Cr, desires to appoint Soham and associate (Audit Firm) as an auditor of the company. For how many years company shall appoint Mr. Shan as an auditor of the company?	a. 1 Year	b. 5 Years	c. 10 Years	d. Any number of years without any restriction
73.	M/s B& K Pvt. Ltd., Private Company having paid up capital \geq 10Cr, desires to appoint Gudhate and firm (Audit Firm) as an auditor of the company. For how many years company shall appoint Mr. Shan as an auditor of the company?				

	a. 1 Year	b. 5 Years	c. 10 Years	d. Any number of years without any restriction
74.	Moonlight Pvt. Ltd. (OPC) desires to appoint Patil and firm (Audit Firm) as an auditor of the company. For how many years company shall appoint Mr. Shan as an auditor of the company?			
	a. 1 Year	b. 5 Years	c. 10 Years	d. Any number of years without any restriction
75.	Mr. Ram was appointed as auditor at 1 st AGM in M/s ABC Ltd. which is a listed company and retired at 6 th AGM. Which number of Annual General Meeting Mr. Ram is again eligible to appoint as auditor?			
	a. 7 th AGM	b. 10 th AGM	c. 11 th AGM	d. 12 th AGM
76.	Mrs. Monali was appointed as auditor at 2 nd AGM in M/s Sunshine Ltd. having paid up capital ≥ Rs. 10 Cr. and retired at 7 th AGM. Which number of Annual General Meeting Mrs. Monali is again eligible to appoint as auditor?			
	a. 8 th AGM	b. 10 th AGM	c. 11 th AGM	d. 12 th AGM
77.	MMM audit firm is appointed as auditor at 1 st AGM in M/s Sunlight Pvt. Ltd. having paid up capital ≥ Rs. 20 Cr. and retired at 11 th AGM. Which number of Annual General Meeting audit firm is again eligible to appoint as auditor?			
	a. 11 th AGM	b. 12 th AGM	c. 16 th AGM	d. None of the above
78.	MMM audit firm is appointed as auditor at 1 st AGM in M/s Moonlight Ltd. Unlisted public company having paid up capital ≥ 5Cr, and retired at 11 th AGM. Which number of Annual General Meeting audit firm is again eligible to appoint as auditor?			
	a. 14 th AGM	b. 15 th AGM	c. 16 th AGM	d. No requirement of cooling period
79.	Choose the correct option: companies required to constitute an audit committee			
	a. All public companies with paid up capital of five Crore or more	b. All companies with turnover of hundred crore or more	c. All public companies with paid up capital of ten Crore or more	d. All companies with subscribed capital of fifty crore or more
80.	The removal of auditor from his office before expiry of his term shall be done by.....			
	a. Special resolution	b. Ordinary resolution	c. By ROC	d. By Central Government
81.	The company shall inform the auditors appointment to the Registrar within			
	a. 7 Days	b. 15 Days	c. 30 Days	d. 45 Days
82.	Audi Alteram Partem means.....			
	a. Giving reasonable opportunity of being heard	b. Giving final notice	c. To suggest an alternate	d. None of the above
83.	Which of the following is a prohibited services to be rendered by the auditor of the company?			
	a. design and implementation of any financial information system	b. making report to the members of the company on the accounts examined by him	c. compliance with the auditing	d. Reporting of fraud against the company by officers or employees to the central government

84.	The auditor of a company can be removed by the.....			
	a. The Board of directors of the company	b. Audit committee	c. company in general meeting by ordinary resolution and previous approval of CG	d. company in general meeting by special resolution and previous approval of CG
85.	The auditor of a Government company shall be appointed or reappointed by-			
	a. The Central Government	b. Comptroller and auditor of India	c. Central Government on the advice of Comptroller and auditor of India	d. None of the above
86.	A company Secretary in practice in non-compliance of conducting secretarial audit shall be fined by			
	a. Min 1 lac up to 10lacs	b. Min 5 lacs up to 25 lacs	c. Min 1 lac up to 25lacs	d. Min 1 lac up to 5 lacs
87.	In case of subsequent auditors, remuneration is fixed by			
	a. Board of directors	b. In general meeting	c. By ROC	d. By managing director
88.	The report on audit of cost records shall be submitted to			
	a. Board of directors	b. person in employment	c. In general meeting	d. to central government
89.	The following person shall not be eligible to be appointed as an auditor			
	a. A body corporate	b. person in employment	c. officer or employee of the company	d. All of the above
90.	The auditor shall report to audit committee a fraud amounting to -			
	a. Less than 1 Crore	b. More than 1 Crore	c. Less than 5 Crore	d. More than 5 Crore
91.	Arrange in correct order resignation of an auditor-			
	<ol style="list-style-type: none"> 1. The auditor shall indicate the reasons & facts relevant with regards to its resignation. 2. If auditor does not comply with provision then punishable with fine of 50000 to 5 Lakhs. 3. In case of GC, the auditor shall file such statement with CAG, company and ROC. 4. Auditor shall file a statement in ADT 3 within 30 days with co. & ROCA 			
	a. A C B A	b. A D C B	c. C A B D	d. A B C D
92.	After registration of a company, first auditors shall be appointed within			
	a. 30 days	b. 90 days	c. 180 days	d. one Year
93.	Cooling off period for a firm of auditors shall be			
	a. one Year	b. one term	c. five consecutive years	d. two terms of five consecutive years
94.	The specific enquiries to be made during course of audit includes-			
	<ol style="list-style-type: none"> 1. Board of directors qualifications 2. Accounts to be examined 3. Conducting of AGM 4. Reporting of frauds 			
	a. A B	b. C A	c. D C	d. B D
95.	The auditor shall report the matter of fraud to..... within.....days			
	a. Board of directors, 2	b. Board of directors, 5	c. Board of directors or audit committee, 45 days	d. Board of directors or audit committee, 2 days

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96.	Time limit of supplementary audit is			
	a. within 60 days	b. after 60 days	c. between 60 to 90 days	d. between 45 to 60 days
97.	Arrange in correct order- The appointment first Auditor in a Government Company 1. If CAG does not appoint first auditor then Board of directors shall appoint in next 30 days. 2. If Board of directors fails to appoint such auditor within next 30 days, it shall inform the members. 3. The first auditor shall be appointed by CAG within 60 days from the registration of the company. 4. The members shall appoint the auditor within 60days in an EGM.			
	a. A B C D	b. D B A C	c. C A B D	d. D B A C
98.	In casual auditor shall hold the office till-			
	a. till the conclusion of full term	b. 5 years	c. till the next 6 th AGM	d. till the next AGM
99.	In a company required to constitute audit committee, cost accountant shall be appointed			
	a. by Board of directors	b. by audit committee	c. in general meeting	d. by appropriate government
100.	As per section 139(1) period of holding of office of auditor shall be			
	a. from conclusion of 1 st AGM till conclusion of 6 th AGM	b. from conclusion of 1 st AGM till conclusion of 7th AGM	c. from date of appointment till conclusion of 5th AGM	d. from conclusion of 1 st AGM till conclusion of 5 th AGM
101.	The prohibited services by an auditor includes-			
	a. Internal audit	b. Management services	c. Actuarial services	d. All of the above

Answer

1.	d (Hint: As per ICAI.)
2.	d (Hint: Section 141(3) (a) of the Companies Act, 2013, a body corporate other than LLP are not eligible to appoint as an auditor.)
3.	b (Hint: Section 141(3) (b) of the Companies Act, 2013, an officer or employee of the company are not eligible to appoint as an auditor.)
4.	b (Hint: Section 141(3) (b) of the Companies Act, 2013, an officer or employee of the company are not eligible to appoint as an auditor.)
5.	b (Hint: Section 141(3) (c) of the Companies Act, 2013, a person who is a partner or who is in the employment, of an officer or employee of the company.)
6.	a (Hint: Section 141(3) (d) of the Companies Act, 2013, a person who, or his relative or partner is holding any security of or interest in the company or its subsidiary or of its holding or associate company or a subsidiary of such holding company shall not eligible for appointment as an auditor of a company. Provided that the relative may hold security or interest in the company of face value such sum as may be prescribed i.e. Rs. 1, 00,000.)
7.	b (Hint: Section 141(3) (d) of the Companies Act, 2013, a person who, or his relative or partner is holding any security of or interest in the company or its subsidiary or of its holding or associate company or a subsidiary of such holding company shall not eligible for appointment as an auditor of a company. Provided that the relative may hold security or interest in the company of face value such sum as may be prescribed i.e. Rs. 1, 00,000.)
8.	b (Hint: Section 141(3) (d) of the Companies Act, 2013, a person who, or his relative or partner is holding any security of or interest in the company or its subsidiary or of its holding or associate company or a subsidiary of such holding company shall not eligible for appointment as an auditor of a company. Provided that the relative may hold security or interest in the company (not in subsidiary, associate or sister company of holding company) of face value such sum as may be prescribed i.e. Rs. 1, 00,000.)
9.	b (Hint: Section 141(3) (d) of the Companies Act, 2013, a person who, or his relative or partner is holding any security of or interest in the company or its subsidiary or of its holding or associate company or a subsidiary of such holding company shall not eligible for appointment as an auditor of a company. Provided that the relative may hold security or interest in the company of face value such sum as may be prescribed i.e. Rs. 1, 00,000.)
10.	b (Hint: Section 141(3) (d) of the Companies Act, 2013, a person who, or his relative or partner is holding any security of or interest in the company or its subsidiary or of its holding or associate company or a subsidiary of such holding company shall not eligible for appointment as an auditor of a company. Provided that the relative may hold security or interest in the company of face value such sum as may be prescribed i.e. Rs. 1, 00,000.)
11.	b (Hint: Section 141(3) (d) of the Companies Act, 2013, a person who, or his relative or partner is holding any security of or interest in the company or its subsidiary or of its holding or associate company or a subsidiary of such holding company shall not eligible for appointment as an auditor of a company. Provided that the relative may hold security or interest in the company of face value such sum as may be prescribed i.e. Rs. 1, 00,000.)
12.	b (Hint: Section 141(3) (d) of the Companies Act, 2013, a person who, or his relative or partner is

	holding any security of or interest in the company or its subsidiary or of its holding or associate company or a subsidiary of such holding company shall not eligible for appointment as an auditor of a company. Provided that the relative may hold security or interest in the company of face value such sum as may be prescribed i.e. Rs. 1, 00,000.)
13.	a (Hint: Section 141(3) (d) of the Companies Act, 2013, a person who, or his relative or partner is indebted to the company or its subsidiary, or its holding or associate company or a subsidiary of such holding company, in excess of Rs. 5,00,000 shall not eligible for appointment as an auditor of a company.)
14.	a (Hint: Section 141(3) (d) of the Companies Act, 2013, a person who, or his relative or partner is indebted to the company or its subsidiary, or its holding or associate company or a subsidiary of such holding company, in excess of Rs. 5,00,000 shall not eligible for appointment as an auditor of a company.)
15.	b (Hint: Section 141(3) (d) of the Companies Act, 2013, a person who, or his relative or partner is indebted to the company or its subsidiary, or its holding or associate company or a subsidiary of such holding company, in excess of Rs. 5,00,000 shall not eligible for appointment as an auditor of a company.)
16.	a (Hint: Section 141(3) (d) of the Companies Act, 2013, a person who, or his relative or partner is indebted to the company or its subsidiary, or its holding or associate company or a subsidiary of such holding company, in excess of Rs. 5,00,000 shall not eligible for appointment as an auditor of a company.)
17.	b (Hint: Section 141(3) (d) of the Companies Act, 2013, a person who, or his relative or partner is indebted to the company or its subsidiary, or its holding or associate company or a subsidiary of such holding company, in excess of Rs. 5,00,000 shall not eligible for appointment as an auditor of a company.)
18.	a (Hint: Section 141(3) (d) of the Companies Act, 2013, a person who, or his relative or partner is indebted to the company or its subsidiary, or its holding or associate company or a subsidiary of such holding company, in excess of Rs. 5,00,000 shall not eligible for appointment as an auditor of a company.)
19.	a (Hint: Section 141(3) (d) of the Companies Act, 2013, a person who, or his relative or partner is indebted to the company or its subsidiary, or its holding or associate company or a subsidiary of such holding company, in excess of Rs. 5,00,000 shall not eligible for appointment as an auditor of a company.)
20.	b (Hint: Section 141(3) (d) of the Companies Act, 2013, a person who, or his relative or partner is indebted to the company or its subsidiary, or its holding or associate company or a subsidiary of such holding company, in excess of Rs. 5,00,000 shall not eligible for appointment as an auditor of a company.)
21.	a (Hint: Section 141(3) (d) of the Companies Act, 2013, a person who, or his relative or partner is indebted to the company or its subsidiary, or its holding or associate company or a subsidiary of such holding company, in excess of Rs. 5,00,000 shall not eligible for appointment as an auditor of a company.)
22.	b (Hint: Section 141(3) (d) of the Companies Act, 2013, a person who, or his relative or partner has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its subsidiary or its holding or associate company or a subsidiary of such holding company, more than Rs. 1, 00,000 shall not eligible for appointment as an auditor of a company.)
23.	a (Hint: Section 141(3) (d) of the Companies Act, 2013, a person who, or his relative or partner has

	given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its subsidiary or its holding or associate company or a subsidiary of such holding company, more than Rs. 1, 00,000 shall not eligible for appointment as an auditor of a company.)
24.	b (Hint: Section 141(3) (d) of the Companies Act, 2013, a person who, or his relative or partner has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its subsidiary or its holding or associate company or a subsidiary of such holding company, more than Rs. 1, 00,000 shall not eligible for appointment as an auditor of a company.)
25.	a (Hint: Section 141(3) (d) of the Companies Act, 2013, a person who, or his relative or partner has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its subsidiary or its holding or associate company or a subsidiary of such holding company, more than Rs. 1, 00,000 shall not eligible for appointment as an auditor of a company.)
26.	b (Hint: Section 141(3) (d) of the Companies Act, 2013, a person who, or his relative or partner has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its subsidiary or its holding or associate company or a subsidiary of such holding company, more than Rs. 1, 00,000 shall not eligible for appointment as an auditor of a company.)
27.	b (Hint: Section 141(3) (d) of the Companies Act, 2013, a person who, or his relative or partner has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its subsidiary or its holding or associate company or a subsidiary of such holding company, more than Rs. 1, 00,000 shall not eligible for appointment as an auditor of a company.)
28.	a (Hint: Section 141(3) (d) of the Companies Act, 2013, a person who, or his relative or partner has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its subsidiary or its holding or associate company or a subsidiary of such holding company, more than Rs. 1, 00,000 shall not eligible for appointment as an auditor of a company.)
29.	a (Hint: Section 141(3) (d) of the Companies Act, 2013, a person who, or his relative or partner has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its subsidiary or its holding or associate company or a subsidiary of such holding company, more than Rs. 1, 00,000 shall not eligible for appointment as an auditor of a company.)
30.	b (Hint: Section 141(3) (d) of the Companies Act, 2013, a person who, or his relative or partner has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its subsidiary or its holding or associate company or a subsidiary of such holding company, more than Rs. 1, 00,000 shall not eligible for appointment as an auditor of a company.)
31.	B (Hint: Section 141(3) (d) of the Companies Act, 2013, a person who, or his relative or partner has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its subsidiary or its holding or associate company or a subsidiary of such holding company, more than Rs. 1, 00,000 shall not eligible for appointment as an auditor of a company.)
32.	a (Hint: Section 141(3) (d) of the Companies Act, 2013.)
33.	c (Hint: Section 141(3) (d) of the Companies Act, 2013.)
34.	a (Hint: Section 141(3) (d) of the Companies Act, 2013.)
35.	b (Hint: Section 141(3) (e) of the Companies Act, 2013, a person or a firm who, whether directly or indirectly, has business relationship with the company, its subsidiary or its holding or associate company or a subsidiary of such holding company or associate company of such nature as may be prescribed.)
36.	b (Hint: Section 141(3) (e) of the Companies Act, 2013, a person or a firm who, whether directly or indirectly, has business relationship with the company, its subsidiary or its holding or associate company or a subsidiary of such holding company or associate company of such nature as may be prescribed.)

37.	b (Hint: Section 141(3) (e) of the Companies Act, 2013, a person or a firm who, whether directly or indirectly, has business relationship with the company, its subsidiary or its holding or associate company or a subsidiary of such holding company or associate company of such nature as may be prescribed.)
38.	b (Hint: Section 141(3) (e) of the Companies Act, 2013, a person or a firm who, whether directly or indirectly, has business relationship with the company, its subsidiary or its holding or associate company or a subsidiary of such holding company or associate company of such nature as may be prescribed.)
39.	b (Hint: Section 141(3) (e) of the Companies Act, 2013, a person or a firm who, whether directly or indirectly, has business relationship with the company, its subsidiary or its holding or associate company or a subsidiary of such holding company or associate company of such nature as may be prescribed.)
40.	b (Hint: Section 141(3) (e) of the Companies Act, 2013, a person or a firm who, whether directly or indirectly, has business relationship with the company, its subsidiary or its holding or associate company or a subsidiary of such holding company or associate company of such nature as may be prescribed.)
41.	b (Hint: Section 141(3) (f) of the Companies Act, 2013, a person whose relative is a director or is in the employment of the company as director or Key Managerial Personnel shall not eligible for appointment as an auditor of a company.)
42.	b (Hint: Section 141(3) (f) of the Companies Act, 2013, a person whose relative is a director or is in the employment of the company as director or Key Managerial Personnel shall not eligible for appointment as an auditor of a company.)
43.	b (Hint: Section 141(3) (f) of the Companies Act, 2013, a person whose relative is a director or is in the employment of the company as director or Key Managerial Personnel shall not eligible for appointment as an auditor of a company.)
44.	b (Hint: Section 141(3) (g) of the Companies Act, 2013, a person who is in full time employment elsewhere or a partner of a firm holding appointment as its auditor, if such persons or partner is at the date of such appointment or reappointment holding appointment as auditor of more than 20 companies shall not eligible for appointment as an auditor of a company.)
45.	b (Hint: Section 141(3) (g) of the Companies Act, 2013, a person who is in full time employment elsewhere or a partner of a firm holding appointment as its auditor, if such persons or partner is at the date of such appointment or reappointment holding appointment as auditor of more than 20 companies shall not eligible for appointment as an auditor of a company.)
46.	c (Hint: Section 141(3) (g) of the Companies Act, 2013, A person who has been convicted by a court of an offence involving fraud and a period of 10 Years has not elapsed from the date of such conviction then that person is not eligible for appointment as an auditor of a company.)
47.	b (Hint: Section 141(3) (g) of the Companies Act, 2013, A person who has been convicted by a court of an offence involving fraud and a period of 10 Years has not elapsed from the date of such conviction then that person is not eligible for appointment as an auditor of a company.)
48.	b (Hint: Section 139(6) of the Companies Act, 2013.)
49.	d (Hint: Section 139(6) of the Companies Act, 2013.)
50.	c (Hint: Section 139(7) of the Companies Act, 2013.)
51.	b (Hint: Section 139(7) of the Companies Act, 2013.)
52.	c (Hint: Section 139(7) of the Companies Act, 2013.)
53.	a (Hint: Section 139(6) of the Companies Act, 2013.)
54.	d)
55.	b (Hint: Section 139(7) of the Companies Act, 2013.)
56.	a (Hint: In case of Government Company the first right to appoint the auditor is of CAG. Even if the 1 st

	auditor is appointed by Board of Directors/EGM, the CAG not only have power to object such appointment but also have power to remove such auditor in logical sense.)
57.	a
58.	a (Hint: As per Section 139(6) of the Companies Act, 2013, the first auditor of a company, other than a Government company, shall be appointed by the Board of Directors within 30 days from the date of registration of the company.)
59.	b (Hint: Section 139(1) of the Companies Act, 2013.)
60.	d (Hint: Section 139(2) of the Companies Act, 2013.)
61.	c (Hint: Section 139(2) of the Companies Act, 2013.)
62.	b (Hint: Section 139(2) of the Companies Act, 2013.)
63.	d (Hint: Section 139(1) of the Companies Act, 2013 and rule 4 of the Companies (Audit & Auditors) Rules, 2014.)
64.	b (Hint: Section 139(1) of the Companies Act, 2013.)
65.	c (Hint: Section 139(2) of the Companies Act, 2013.)
66.	c (Hint: Section 139(2) of the Companies Act, 2013.)
67.	c (Hint: Section 139(2) of the Companies Act, 2013.)
68.	c (Hint: Section 139(2) of the Companies Act, 2013.)
69.	d (Hint: Section 139(2) of the Companies Act, 2013.)
70.	b (Hint: Section 139(2) of the Companies Act, 2013.)
71.	d (Hint: Section 139(2) of the Companies Act, 2013.)
72.	c (Hint: Section 139(2) of the Companies Act, 2013.)
73.	d (Hint: Section 139(2) of the Companies Act, 2013.)
74.	d (Hint: Section 139(2) of the Companies Act, 2013.)
75.	c (Hint: Section 139(2) of the Companies Act, 2013, in case of all listed company or a company belonging to class or classes of companies, individual auditor will have the cooling period of 5 years after completion of his term.)
76.	d (Hint: Section 139(2) of the Companies Act, 2013, in case of all listed company or a company belonging to class or classes of companies, individual auditor will have the cooling period of 5 years after completion of his term.)
77.	c (Hint: Section 139(2) of the Companies Act, 2013, in case of all listed company or a company belonging to class or classes of companies, audit firm will have the cooling period of 5 years after completion of its term.)
78.	d (Hint: Section 139(2) of the Companies Act, 2013, appoint auditor for any number of years without any restriction.)
79.	c (Hint: As per Section 177 read with Companies Act(meeting of boards and its power) all listed public companies and public company having paid up capital of 10 crore or more; Public company having turnover of 100 Cr. or more; all public company having outstanding loans or borrowings of Rs.50 Cr. or more shall form an audit committee.)
80.	a
81.	b
82.	a
83.	a
84.	d

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85.	b
86.	c
87.	b
88.	a
89.	d
90.	a
91.	b
92.	a
93.	c
94.	d
95.	d
96.	a
97.	c
98.	d
99.	b
100.	a
101.	d

Chapter 9 : DECLARATION OF DIVIDEND

1. Where a dividend is declared by a company and remains unpaid fordays, the company shall transfer the amount to unpaid dividend account within anotherdays.			
a. 30, 30	b. 60, 30	c. 30, 7	d. 60, 7
2. The balance of reserve after withdrawal for dividend shall not fall below.....% of its paid up share capital as appearing in the latest audited financial statement.			
a. 5	b. 10	c. 15	d. 20
3. When the dividend is declared at the annual general meeting of the company, it is known as.....			
a. Final dividend	b. Interim dividend	c. Dividend to equity shareholders	d. dividend to preference shareholders
4. Dividend can be declared out of			
a. Securities premium reserve	b. Capital reserve	c. General reserve	d. All of the above
5. For declaration of dividend out of accumulated profits, the total amount to be drawn from such accumulated profits shall not exceed..... of the sum of its paid up share capital and free reserves as appearing in the latest audited financial statement.			
a. 2%	b. 5%	c. 10%	d. 20%
6. Investor Education and Protection Fund(IEPF) shall be utilized for			
a. refund of unclaimed and unpaid amounts	b. promotion of investors awareness	c. Protection of the interests of investors	d. All of the above
7. Dividend is payable to.....			
a. Registered shareholder	b. Order of registered shareholders	c. Banker of shareholder	d. Any of the above
8. Dividend shall be declared or paid by a company for any financial year only.....			
a. Out of the profits of the company for that year	b. Out of the profits of the company for any previous financial year or years	c. Out of money provided by the Central Government or a state Government for the payment of dividend by the company	d. All of the above
9. For declaration of Dividend out of accumulated profits, the rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it in the.....years immediately preceding that year.			
a. 2	b. 3	c. 5	d. 7
10. When the Board of directors declare dividend between two annual general meetings of the company, such dividend is known as.....			
a. Final dividend	b. Interim dividend	c. dividend to equity shareholders	d. dividend Preference shareholders
11. Dividend on these shares is payable even out of future profit if current year's profits are insufficient for the purpose.			
a. Equity shares	b. Bonus Equity shares	c. cumulative preference shares	d. Non-cumulative preference shares

9.2

12. A Is a payment made by a company to its shareholders, usually as a distribution of profits.			
a. Bonus	b. Dividend	c. Right shares	d. ESOP
13. Any money transferred to the Unpaid dividend Account of a company in pursuance of this section which remains unpaid or unclaimed for a period of.....years from the date of such transfer shall be transferred by the company along with interest accrued to INV			
a. 5	b. 7	c. 8	d. 10
14. The amount of the dividend, including interim dividend, shall be deposited in a scheduled bank in a separate account within....days from the date of declaration of such dividend.			
a. 3	b. 5	c. 7	d. 10
15. The company shall be liable to pay simple interest at the rate of % p.a. during the period for which default in payment of dividend continues.			
a. 12	b. 15	c. 18	d. 21
16. Are prohibited from paying any dividend to its members.			
a. Private Companies	b. Public Companies	c. Nidhi Company	d. Section 8 Companies
17. If a company fails to pay declared dividend within 30 days, every director of the company shall, if he is knowingly a party to the default, be punishable with imprisonment which may extend to.....years.			
a.	b. 2	c. 5	d. 7
18. Dividends can be paid in the form of			
a. Cash	b. Bonus shares	c. Right shares	d. all of the above

Answer

<p>1. <i>c</i> (Hint: Where a dividend has been declared by a company but has not been paid or claimed within 30 days from the date of the declaration to any shareholder entitled to the payment of the dividend, the company shall, within 7 days from the date of expiry of the said period of 30 days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the company in that behalf in any scheduled bank to be called the unpaid dividend account.)</p>	<p>2. <i>c</i></p>	<p>3. <i>a</i></p>	<p>4. <i>c</i> (Hint: Dividend shall be declared or paid by a company only from its free reserve. No other reserve can be utilized for the purpose of declaration of such dividend.)</p>
<p>5. <i>c</i></p>	<p>6. <i>d</i> (Hint: Section 125 of the companies Act, 2013, deals with the Investor Education and Protection Fund (IEPF). This fund shall be utilized for refund of unclaimed and unpaid amounts, promotion of investor's awareness and protection of the interests of investor's etc. In accordance with provisions of section 125 of the Companies Act, 2013)</p>	<p>7. <i>d</i> (Hint: Dividend shall be payable only to the registered shareholder of the share or to his order or to his banker.)</p>	<p>8. <i>d</i> (Hint: Dividend shall be declared or paid by a company for any financial year only – (a) Out of the profits of the company for that year arrived at after providing for depreciation in accordance with the provision of section 123(2), or (b) Out of the profits of the company for any previous financial year or years arrived at after providing for depreciation in accordance with the provisions of that sub section and remaining undistributed, or (c) out of both (a) and (b); or (d) out of money provided by the Central Government or a state Government for the payment of dividend by the company in pursuance of a guarantee given by that Government.)</p>
<p>9. <i>b</i> (Hint: The rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it in the 3 years immediately preceding that year: Rate of Dividend $\frac{RD1+RD2+RD3}{3}$ Where, RD1, RD2, RD3 are rates at which dividend was declared by it in the 3 years immediately preceding that year. However this rule will not apply if a company has not declared any dividend in each of the 3 preceding financial years.)</p>	<p>10. <i>b</i></p>	<p>11. <i>c</i> (Hint: A cumulative preference share is one that carries the right to a fixed amount of dividend or dividend at a fixed rate. Such a dividend is payable even out of future profit if current year's profits are insufficient for the purpose. This means that dividend on these shares accumulates unless it is paid in full and, therefore, the shares are called cumulative preference share)</p>	
<p>13. <i>b</i> (Hint: Any money transferred to the Unpaid dividend Account of a company in pursuance of this section which remains unpaid or unclaimed for a period of 7 years from the date of such transfer shall be transferred by the company along with</p>	<p>14. <i>b</i></p>	<p>15. <i>c</i> (Hint: Section 127 of the Companies Act, 2013.)</p>	<p>16. <i>d</i> (Hint: According to Section 8(1), the companies having license under section 8</p>

9.4

<p>interest accrued, if any, thereon to the fund established under section 125(1) and the company shall send a statement in the prescribed form of the details of such transfer to the authority which administers the said fund and that authority shall issue a receipt to the company as evidence of such transfer.)</p>			<p>of the Act are prohibited from paying any dividend to its members. Their profits are intended to be applied only in promoting the objects of the company.)</p>
<p>17. <i>b</i> (Hint: Where a dividend has been declared by a company but has not been paid or the warrant in respect thereof has not been posted within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, every director of the company shall, if he is knowingly a party to the default, be punishable with imprisonment which may extend to two years.)</p>	<p>18. <i>a</i>(Hint: Dividends are payable in cash. Dividends that are payable to the shareholder in cash may be paid by cheque or warrant or in any electronic mode.)</p>		

Chapter 10 : ACCOUNTS OF COMPANIES

1. Activities specified under schedule VII are -			
a. Eradicating hunger poverty and malnourishment	b. Promoting education Including vocational courses	c. Gender equality	d. All of the above
2. Provisions of CSR are applicable to:			
a. Companies with net worth of 500 Crore/more	b. Companies with turnover of 1000 Crore /more	c. Companies with net profit of 5 Crore /more in any financial year	d. All of the above
3. OPC shall file a copy of the duly adopted financial statements to registrar In:			
a. 30 days of the date of meeting In which it was adopted	b. 90 days of the date of meeting in which it was adopted	c. 90 days from the closure of the financial statement	d. 180 days from the closure of the financial statement
4. Financial statements shall be signed by -			
a. CFO	b. Director/MD/CEO	c. Company secretary	d. All of the above
5. The CSR committee shall consist of..... directors in which one should be.....			
a. 3, Independent Director	b. 5, Independent Director	c. 3, Nominee Director	d. 5, Nominee Director
6. As per section 128, Company shall prepare -			
a. Books of account	b. Books and papers	c. Financial Statements	d. All of the above
7. Penalty in case of failure to maintain books of accounts is -			
a. imprisonment up to 1 year	b. 50,000- 5,00,000 fine	c. Both a and b	d. Only fine, No Imprisonment
8. CSR Committees of the Board shall consists of:			
a. Directors forming 1 /3 rd of the total number of directors	b. At least 2 directors	c. 3/more directors	d. 3/more directors, out of which at least 1 director shall be an Independent.
9. Copy of Financial Statements to be filed -			
a. Within 30 days	b. Within 30 days of last AGM	c. Within 21 days	d. Within 21 days of last AGM
10. The Audited financial statements shall be available to members prior..... before AGM			
a. 15 days	b. 21 days	c. 45 days	d. 30 days
11. Who can be appointed as an internal auditor?			
a. Chartered Accountants	b. Cost Accountants	c. Any other professional	d. All of the above
12. Net profit shall not include -			
a. Any dividend received from foreign companies in India	b. Profit from indoor branch	c. Net profit from subsidiaries	d. None of the above

10.2

13. Which of the following matters are not included in Board of Directors report-			
a. Particulars of loans, guarantees or investments	b. State of Company Affairs	c. Auditor's Appointment	d. CSR policy and initiatives
14. Which of the following companies are not required to constitute CSR committee -			
a. Company having net worth of 500 crore or more	b. Company having loans and advances of 100 Crore or more	c. Company having turnover of Rs 1000 crore or more	d. Company having net profit of Rs 5 crores or more
14. Internal audit is mandatory for every private company having-			
a. Turnover of 200 crore /outstanding Loan & advance exc. 100 crore	b. PSC of 50 crore /Turnover of 100 crore /outstanding Loan& advance exc. 100 crore	c. PSC of 25 crore /Turnover of 100 crore /outstanding Loan& advance exc. 50 crore	d. PSC of 50 crore /Turnover of 100 crore /outstanding Loan& advance exc. 10 crore
15. Amount of money required to be spend on CSR initiatives is -			
a. 5% of Net profit	b. 2.5% of Net profit	c. 2% of Net profit	d. 0.5% of Net profit
16. The authority to prescribe Accounting Standards lies with -			
a. Central Govt.	b. ICAI	c. Central Government as recommended by ICAI	d. NFRA
17. For Re opening of accounts by court or tribunal's order, arrange in order -			
a. Application made by CG, SEBI or any authority	b. Court/tribunal passes order and notice served	c. Accounts rectified and representation taken & recast the accounts	d. All of the above
18. A company is exempted from preparing CFS if it is -			
a. All members have consented in writing	b. Not Listed in any stock exchange	c. Its ultimate holding company has files CFS	d. All of the above
19. The Audited financial statements shall be available TO Nidhi companies holding-			
a. 50000 FV shares or 1% of total paid up share capital whichever is less	b. 25000 FV shares or 1% of total paid up share capital whichever is less	c. 5000 FV shares or 2% of total paid up share capital whichever is less	d. 50000 FV shares or 2% of total paid up share capital whichever is less
20. Penal provisions for non-disclosure of CSR expenditure for company is -			
a. 50,000- 25,00,000 fine	b. 50,000-15,00,000 fine	c. 50,000- 10,00,000 fine	d. 50,000- 5,00,000 fine
21. Where Books of accounts are kept other than registered office, the company shall -			
a. intimate ROC within 7 days giving full address	b. intimate ROC within 7 days giving state name only	c. Intimate ROC within 15 days giving full address	d. Intimate ROC within 15 days giving state name only
22. OPC shall file a copy of adopted Financial statement within -			
a. 90 day	b. 180 days	c. 45 days	d. 60 days
23. Duties of CSR committee does not include -			

a. Formulate and recommend CSR policy	b. Monitor the CSR policy	c. Recommend the amount of expenditure for CSR activities	d. Maintain the accounts for expenditure on CSR
24. As per Section 128(3) of the Companies Act, 2013..... can inspect the books of accounts at.....			
a. Auditor, anytime	b. Director, business hours	c. CFO, business hours	d. Director, monthly basis

Answer

1. <i>d</i>	2. <i>d</i>	3. <i>d</i>	4. <i>d</i>
5. <i>a</i>	6. <i>d</i>	7. <i>c</i>	8. <i>d</i>
9. <i>a</i>	10. <i>b</i>	11. <i>d</i>	12. <i>a</i>
13. <i>c</i>	14. <i>b</i>	15. <i>a</i>	16. <i>c</i>
17. <i>c</i>	18. <i>d</i>	19. <i>d</i>	20. <i>a</i>
21. <i>c</i>	22. <i>a</i>	23. <i>b</i>	24. <i>d</i>
25. <i>b</i>			

Chapter 11 : INDIAN CONTRACT ACT, 1872

11.1

1. In the case of rights to sell the goods of Pawnee, if the Pawnor fails to pay the money due under the pledge, and the Pawnee sells the good. If proceeds of sale is greater than amount due, what will be the effect of such sale?

- | | | | |
|-------------------------------------|--|---|----------------------|
| a. The Pawnee will retain the money | The Pawnee will retain the half of the money | c. The Pawnee shall pay the surplus to the Pawnor | d. None of the above |
|-------------------------------------|--|---|----------------------|

2. A gives authority to B to sell A's land, and to pay himself, out of the proceeds, the debts due to him from A. Decide whether A can revoke the authority of B?

- | | | | |
|--------------------|-----------------|--------------------------------|--------------|
| a. A cannot revoke | b. A can revoke | c. A can revoke to some extent | d. Can't Say |
|--------------------|-----------------|--------------------------------|--------------|

3. K is the wife of A. She purchased a saree on credit from B. B demanded the amount from A. A refused to make the payment. B filed a suit against A for the same amount. Decide in the light of provisions of the Indian Contract Act, 1872, whether B would succeed or not?

- | | | | |
|---------------------------|---------------------------|-----------------------------------|--------------|
| a. B is entitled to sue A | b. B is entitled to sue K | c. B is not entitled to sue A & K | d. Can't Say |
|---------------------------|---------------------------|-----------------------------------|--------------|

4. What is the meaning of 'agent' as per section 182?

- | | | | |
|--|--|------------------|----------------------|
| a. A person employed to do any act for another | b. A person employed to represent another in dealing with third person | c. Either a or b | d. None of the above |
|--|--|------------------|----------------------|

5. When the Pawnee can retain the pledged goods?

- | | | | |
|--------------------------------------|------------------------------|---|---------------------|
| a. When the promise is not performed | b. Interest on debt not paid | c. Necessary expenses for preservation of Goods | d. All of the above |
|--------------------------------------|------------------------------|---|---------------------|

6. R of New Delhi sends his agent M to purchase certain goods from Global Enterprise, Mumbai on credit for him. Later on R pays the amount for the goods purchased. On another occasion the agent sends M to purchase goods but this time pays sufficient cash to M for the purpose. M, however again purchases the goods from Global Enterprise but on credit and soon thereafter he dies. Global Enterprise files a suit against R for recovery of the said amount. Decide whether Global Enterprise would be given any relief by the court under the provisions of the Indian Contract Act, 1872?

- | | | | |
|---|--|-------------------------------------|----------------------|
| a. R is not liable to Global Enterprise | b. M's legal heir is liable to Global Enterprise | c. R is liable to Global Enterprise | d. None of the above |
|---|--|-------------------------------------|----------------------|

7. A hires a carriage of B and agrees to pay Rs. 500 as hire charges. The carriage is unsafe, though B is unaware of it A is injured and claims compensation for the injuries suffered by him. B refuses to pay. Discuss the liability of B?

- | | | | |
|--|--|--|--|
| a. B is not liable to pay the compensation | b. B is liable to pay the compensation | c. B is liable to pay half of the compensation of the damage so caused | d. B is not liable to pay the compensation up to some extent |
|--|--|--|--|

8. During which circumstances Bailee shall not be liable for any loss or destruction of goods?

- | | | | |
|------------------------|--|----------------|----------------------|
| a. He is not negligent | b. The loss was caused due to an act of god or other unavoidable reasons | c. Both a or b | d. None of the above |
|------------------------|--|----------------|----------------------|

9. P appoints Q, a minor to sell his car for not less than Rs. 2.5lacs. Q sells it for Rs. 2lacs, whether P will be bound by the transaction or the transaction will be revoked?

11.2

a. P will be bound to sell the car for Rs. 2lacs	b. P will be liable to compensate the party involved, in case of revocation	c. P will not be bounded by the transaction	d. None of the above
10. The Delivery of goods by one person to another as security for the payment of a debt is called			
a. Bailment	b. Pledge	c. Mortgage	d. Hypothecation
11. A delivers a rough diamond to B, a jeweler, to be cut and polished, which is accordingly done. Does B has particular lien for his liability if not been paid by A with context on contract of Bailment?			
a. B Is entitled to retain the Diamond	b. B is not entitled to retain the Diamond	c. A can regain its possession back, only any part payment made thereon	d. Can't say
12. Do the seizure of goods by custom authorities constitute a contract of bailment under the provisions of the Indian Contract Act, 1872?			
a. No	b. Yes	c. Partly yes and Partly no	d. Can't say
13. A principal owes a duty tothe agent for any losses the agent suffers because of the Principal. This duty usually arises where an agent is held liable for the principal's misconduct.			
a. Ratify	b. Rectify	c. Indemnify	d. None of the above
14.agency is the most common form of agency.			
a. Express	b. Apparent	c. Incidental	d. Implied
15. What are the duties of an agent amongst the following?			
a. To conduct the business In accordance with the directions given by the principal	b. Not to make any secret profit out of the agency business other than the agreed remuneration	c. No to use Information obtained In the course of the agency against principal	d. All of the above
16. What are the rights of an agent amongst the following?			
a. To retain money out of the sums received In agency business for advances made or expenses Incurred and remuneration due to him	b. To claim compensation for injury caused to agent because of principal's neglect or want of skill	c. Right of Lien on principal's goods, papers and other property until the remuneration due to him is paid	d. All of the above
17. What is the purpose of delivery under the contract of Pledge?			
a. For payment of a debt	b. For Hypothecation	c. For purchase on hire purchase basis	d. For the purpose of creation of Charge
18. Sunil borrowed a sum of Rs. 3 Lakhs from Rajendra. Sunil appointed Rajendra as his agent to sell his land authorized him to appropriate the amount of loan out of the sale proceeds. Afterwards, Sunil revoked the agency. Decide under the provisions of the Indian Contract Act, 1872. Whether the revocation of the said agency by Sunil is lawful.			
a. Valid	b. Void	c. Void-ab-initio	d. None of the above
19. "Delivery of Keys of a car to a friend"- What is the mocks of delivery in the case u/s 149?			
a. Actual Delivery	b. Symbolic Delivery	c. Constructive Delivery	d. Can't say
20. Which among the following can become an agent?			
a. A minor	b. A person of unsound mind	c. Neither a nor b	d. Both a or b

21. Mercantile Agent means an agent having the authority to.....?			
a. Perform a particular act	b. Do all acts connected with a particular business of the principal	c. Act under the control of the original agent	d. Consign the goods for the purpose of sale
22. Mr. A of Alwar engaged Mr. S as his agent to buy a house. Mr. S bought a house for Rs. 40 Lakhs in the name of a nominee and then purchased it himself for Rs. 44 Lakhs. He then sold the same house to Mr. A for Rs. 46 Lakhs. Mr. A later comes to know about the mischief of Mr. S and tries to recover the excess amount paid to Mr. S. Is he entitled to recover any amount from Mr. S and by how much?			
a. Mr. A is not entitled to recover any amount from Mr. S	b. Mr. A is entitled to repudiate the contract or to claim from Mr. S Rs. 6 lakhs	c. Mr. A is entitled to recover Rs. 4 lakhs from Mr. S	d. Mr. A is entitled to repudiate the contract or to claim from Mr. S Rs. 2 Lakhs
23. An agency in which the agent himself has interest in the subject matter of agency is called.....?			
a. Agency by estoppel	b. Agency by Holding Out	c. Agency by necessity	d. Agency coupled with interest
24. When an agent is considered as Agency by Estoppel?			
a. Law treating one person as an agent of another	b. A person who makes a representation to a third person that a certain person is his agent	c. A person by his affirmative conduct lead third person to believe that doing some act on his behalf is doing with authority.	d. None of the above
25. Which among the following is to be considered as a Gratuitous Bailment?			
a. For the exclusive benefit of Bailor	b. For the exclusive benefit of Bailee	c. For the mutual benefit of Bailor & Bailee	d. Both a or b
26. Define the term 'PAWNEE' under the contract of Pledge?			
a. The Bailor in case of a pledge	b. The Bailee in case of a pledge	c. The third party in case of a pledge	d. Related Party of a Bailor
27. When the goods are mixed without Bailor's consent and goods are not separable, then what will be the consequences of the same?			
a. The parties will have a proportionate interest in such mixture	b. The Bailee shall pay the expenses of damage of separation	c. The Bailee is not liable for it	d. The Bailee shall be liable to pay damages to the Bailor for any loss caused to him
28. When the Bailee has the right to be indemnified by the Bailor?			
a. When the Bailor has no title to the goods.	b. When the Bailee suffers any loss, caused because of Bailor	c. Both a and b	d. None of the above
29. A (n)..... is a contract a principal and agent enter into that says the principal cannot employ another agent other than the one stated.			
a. Ratified Contract	b. Exclusive Agency Contract	c. Apparent agency contract	d. Exclusive principle contract

11.4

30. A leave a cow in custody of B to be taken care of. The cow gives birth to a calf. What will be its consequences with context on contract of Bailment?			
a. B is only bound to deliver the cow	b. B is bound to deliver the calf as well as the cow to A	c. A is require to pay for the acquisition of calf from B	d. A is require to pay for the acquisition of calf from B
31. When B requests A to lend Rs. 10,000 to C (Incompetent to contract) and guarantees that C will repay the amount within the agreed time but C failed to do so, Is It a valid contract under the Indian Contract Act, 1872?			
a. Yes	b. No	c. Void-ab-Initio	d. Can't Say.
32. Z guarantees to Y, to the extent of Rs. 2,000, payment for rice to be supplied by Y to X. Y supplies to X rice amounting to Rs. 500, but obtains from Z payment of the sum of Rs. 2000 in respect of the rice supplied. Decide whether Y can recover the amount from Z?			
a. Y can recover from Z amounting Rs. 2,000	b. Y cannot recover from Z, more than Rs. 500	c. Y can recover from Z Rs. 500 and balance amount from X	d. Y can recover from Z Rs. 1500 and balance amount from X
33. S and P go into a shop. S says to the shopkeeper, C, "Let P have the goods, and if he does not pay you, I will. This is a			
a. Contract of Guarantee	b. Contract of Indemnity	c. Wagering agreement	d. Quasi-contract
34. What are the reason for loss that is to be considered under the contract of indemnity u/s 24?			
a. Conduct of the promisor himself	b. Conduct of any other person	c. Any act event or accident which is not in the control of the parties Le. Act of God	d. Either a or b
35. Bailment is an act of delivering.....?			
a. Goods	b. Services	c. Goods and Services	d. None of the above.
36. What is the form of contract under the contract of guarantee?			
a. Must be oral	b. Must be written	c. Either oral or written	d. None of the above
37. Bhavan owes Chetan a debt guaranteed by Amit. Chetan does not sue Bhavan for a year after the debt has become payable. In the meantime, Bhuvan becomes insolvent. Is Amit discharged? Decide with reference to the provision of the Indian Contract Act, 1872?			
a. Amit is discharged from his liability	b. Amit is discharged for half of the amount of Bhaven's liability	c. Amit is not discharged	d. None of the above
38. What are the rights of indemnity holder u/s 125?			
a. Right to recover damages	b. Right to recover cost of suit	c. Right to recover the sums paid as a compromise of the suit	d. All of the above
39. Which among the following are not to be considered as a contract of indemnity?			
a. A contract of Fire Insurance	b. A contract of Marine Insurance	c. A contract of Life Insurance	d. All of the above
40. A contracts to save B against the consequences of any proceedings, which C may take against B in respect of a certain sum of 500 rupees. This is a:			
a. Contract of	b. Quasi contract	c. Contract of indemnity	d. Void

guarantee			contract
<p>41. Ravi becomes guarantor for Ashok for the amount which may be given to him by Navin within 6 months. The maximum limit of the said amount is Rs. 1 Lakh. After two months Ravi withdraws his guarantee. Up to the time of revocation of guarantee. Navin had given to Ashok Rs. 20,000. Whether Ravi is discharged from his liabilities to Navin for any subsequent loan? And, whether Ravi is liable if Ashok fails to pay the amount of Rs. 20,000 to Navin?</p>			
a. Ravi is discharged from all the liabilities	b. Ravi is liable to pay the said maximum limit of Rs. 1, 00,000	c. Ravi is liable to pay the part of the amount of the maximum limit.	d. Ravi is not discharged for the loan of Rs. 20,000 already given by Navin to Ashok and discharged from all the liabilities after the date of revocation of continuing guarantee
<p>42. C, the holder of an overdue bill of exchange drawn by A as surety for B, and accepted by B, contracts with X to give time to B. Is A discharged from his liability?</p>			
a. A is not discharged from his liability	b. A is discharged from his liability	c. A is discharged from his liability to X	d. A is discharged from his liability only to C
<p>43. Where 'X' obtains housing loan from LIC Housing and if 'Y' promises to pay LIC Housing in the event of 'X' failing to repay - Depict who is the Surety, the Principal Debtor and the Creditor in the given case?</p>			
a. X: Principal Debtor; LIC: Surety; Y: Creditor	b. X: Surety; LIC: Principal Debtor; Y: Creditor	c. X: Principal Debtor; LIC: Creditor. Y: Surety	d. X: Surety; LIC: Creditor; Y: Principal Debtor
<p>44. In a Contract of Guarantee there is/are:</p>			
a. One contract	b. Two contracts	c. Three contracts	d. Four contracts
<p>45. A guarantee obtained by a creditor by keeping silence as to material circumstances is:</p>			
a. Valid	b. Voidable	c. Unenforceable	d. Invalid
<p>46. What is the meaning of "Indemnity"?</p>			
a. To make good the loss incurred by another person.	b. To compensate the party who has suffered some loss	c. To save a party from incurring a loss	d. All of the above
<p>47. When the commencement of surety's liability arises?</p>			
a. When the creditor has sued the principal debtor	b. On the default by the principal debtor	c. When the Creditor gives notice to the principal debtor for his default	d. When the principal debtor gives notice to the surety for such default
<p>48. A gives to C a continuing guarantee to the extent of Rs. 5,000 for the vegetables to be supplied by C to B from time to time on credit. Afterwards, B became embarrassed and without the knowledge of A, B & C contract that C shall continue to supply B with vegetables for ready money, and that the payment shall be applied to both the then existing debt between B & C. Examining the provision of the Indian Contract Act, 1872, decide whether A is liable on his guarantee given to C?</p>			
a. Yes, A is liable	b. No, A is not liable, that take place variation between B & C	c. No, A is not liable for any of the payment made as surety to C	d. None of the above
<p>49. A asks H to kill Z and promises to indemnify H against the consequences. H kills Z and is fined Rs.1000. Can H (indemnity holder) is able to claim the amount of Rs. 1000 from A (indemnifier)?</p>			
a. Yes	b. No	c. Partly Yes & Partly No.	d. Can't say

11.6

50. What is the meaning of Contract of Guarantee u/s 126?

- | | | | |
|---|---|--|-----------------------|
| a. It is a contract to discharge petty liabilities of a third person in case of his default | b. It is a contract to perform the promise of discharging the liabilities to any damages of a third person in case of his default | c. It is a contract to perform the promise or discharge the liability of a third person in case of his default | d. None of the above. |
|---|---|--|-----------------------|

Answer

11.7

<p>1. c (Hint: According to Section 176, if the Pawnor has failed to pay the debt or perform his promise, and the Pawnee has given a reasonable notice to the Pawnor of his intention to sell the goods. Then, if the proceeds of sale < Amount due: The Pawnee may recover the deficit from Pawnor, if the Proceeds of sale > Amount Due: The Pawnee shall pay the surplus to the Pawnor.)</p>	<p>2. a(Hint: According to section 202, it is the case of agency coupled with interest and hereunder, A cannot revoke the authority of B. Also, the agency cannot be terminated even in case of insanity or death of A.)</p>	<p>3. a (Hint: B is entitled to sue A, since a husband is liable for the necessities supplied to his wife and the wife has an implied authority to pledge his husband's credit for necessities and hence it is a legal presumption that a married woman is an agent of her husband.)</p>	<p>4. c (Hint: According to Section 182 under the contract of agency, an agent is a person employed to do any act for another; or represent another in dealings with third person.)</p>
<p>5. d (Hint: According to section 173, rights of Lien to Pawnee until the Pawnor has money due under the pledge (or until the promise is performed), Interest on debt not paid, and necessary expenses for preservation of goods.)</p>	<p>6. c (Hint: R will be liable to Global Enterprise for goods purchased by M, since the principal is bound to third parties for all such acts of the agent as are within the scope of authority of the agent as a previous occasion, purchase of goods by M on behalf of R. and subsequent payment for such goods by R, established that it was within the scope of authority of M to purchase goods on credit on behalf of R.)</p>	<p>7. b (Hint: Since the hire of carriage of B by an amounts to non-gratuitous benefit and It's the duty of B to disclose to A that the carriage was unsafe (even though he was unaware about It), and hence B didn't disclose the same to A. Thus, B is liable to compensate for the injuries suffered by B due to non-disclosure of faults in the carriage.)</p>	<p>8. c (Hint: According to Section 152 of the Indian Contract Act 1872, the Bailee shall not be liable for any loss or destruction of goods, if he is not negligent, or the loss was caused due to an act of God or other unavoidable reasons.)</p>
<p>9. a (Hint: P will be bound to sell the car for Rs. 2lacs and Q, the minor will not be liable to P, as according to Section 184, an agent is not liable to the principal if he is a minor or is of unsound mind.)</p>	<p>10.b (Hint: According to Section 172, the bailment of goods as a security for payment of a debt or performance of a promise is called pledge.)</p>	<p>11. a (Hint: According to Section 170 of the Indian Contract Act, 1872, B is entitled to retain the diamond till he is paid for the service he has rendered (B has particular Lien).)</p>	<p>12. b (Hint: Yes, it result in a valid contract of bailment, as all the essentials of a valid contract of bailment are satisfied in such a case.)</p>
<p>13. c (Hint: A principal owes a duty to indemnify the agent for any losses the agent suffers because of the Principal.)</p>	<p>14. a</p>	<p>15. d (Hint: According to Section- 209 to 218, as per the contract of agency under the Indian Contract Act, 1872, there are various other duties along with the above duties are given thereon.)</p>	<p>16. d (Hint: Refer to section 217 and 220 to 225, for the various other Rights of an agent, as per given in the Indian Contract Act, 1872.)</p>

<p>17. a (Hint: According to Section 172 the goods must be delivered for some purpose, the purpose must be to deliver the goods as security for payment of a debt, or performance of a promise.)</p>	<p>18.b (Hint: According to Section 202, of the contract of agency, agency In the above case is an agency coupled with interest, revocation of agency by Sunil is not valid, since the agency coupled with Interest cannot be revoked.)</p>	<p>19. b (Hint: Symbolic Delivery means physical possession of goods is not actually transferred. A person does some act resulting in transfer of possession to any other person. Example: Delivery of a Railway Receipt.)</p>	<p>20. d (Hint: According to Section 184 under the contract of agency, any person may become an agent, even a minor or a person of unsound minor can become an agent.)</p>
<p>21. d (Hint: Mercantile agent means an agent having the authority to sell the goods, consign the goods for the purchase of sale, buy the goods, raise money on the security of the goods, acting as agent in the ordinary course of business.)</p>	<p>22.b (Hint: Non-disclosure of profit of Rs. 6 Lakhs amounts to breach of duty by Mr. S, since Mr. S without disclosing all the material facts and without obtaining the consent of Mr. A, dealt in the business of agency on his own account and Mr. S made a secret profit, so Mr. A is entitled to repudiate the contract or to claim from Mr. S Rs. 6 Lakhs.)</p>	<p>23. d (Hint: As per Section 202, when an agency is created for securing some benefit to the agent over and above his remuneration as an agent, it is called as agency coupled with Interest.)</p>	<p>24. b (Hint: According to Section 237 of the contract of agency under the Indian Contract Act, 1872, an agency by estoppel is considered, if a person makes a representation to a third person that a certain person is his agent, and the third party, believing such representation to be true, enters into a contract with the pretended agent.)</p>
<p>25. d (Hint: Gratuitous Bailment is defined as the bailment without any charges or reward, i.e., no hire charges are be paid by Bailee and no custody charges are paid by Bailor.)</p>	<p>26.b (Hint: According to Section 172, the Bailor in case of pledge is called as Pawnor and the Bailee in case of pledge is called as Pawnee.)</p>	<p>27. d (Hint: According to Section 157 of the Indian Contract Act, 1872, the Bailee shall be liable to pay damages to the Bailor for any loss caused to him as the goods are mixed without Bailor's consent and goods are not separable.)</p>	<p>28. c (Hint: According to Section 166, the Bailee has the right to be Indemnified by the Bailor, If the Bailor has no title to the goods, and as a consequence, the Bailee suffers from loss.)</p>
<p>29. b (Hint: If principal and an agent enter into an exclusive agency contract, the principal cannot employ any agent other than the exclusive agent.)</p>	<p>30.b (Hint: According to Section 163 of the Contract of Bailment under the Indian Contract Act, 1872, B is bound to deliver the calf as well as the cow to A.)</p>	<p>31. a (Hint: It is a valid contract, according to Section 126, all the essentials of a valid contract must be present in the contract of guarantee, except, even if principal debtor is incompetent to contract, the guarantee is valid, but if surety is incompetent to contract the guarantee is void. Consideration received by the principal debtor is a sufficient consideration to the surety for giving the guarantee (Sec- 127).)</p>	<p>32. b (Hint: Y cannot recover from Z more than Rs. 500 as the market value of the amount actually supplied is tenable and cannot earn excess profit from it, without the consent of Z.)</p>
<p>33. a</p>	<p>34.d (Hint: The Contract of Indemnity specifies that the Indemnity holder</p>	<p>35. a (Hint: According to Section 148 of the Indian Contract Act, 1872, a "Bailment"</p>	<p>36. c (Hint: A contract</p>

	<i>shall be protected from the losses caused due to conduct of the promisor himself, or conduct of any other person. Thus loss occasioned by the conduct of the promise, or accident, or an act of God is not covered.)</i>	<i>is an act of delivery of goods by one person to another for some purpose, upon a contract that they shall, when the purpose is accomplished, be returned or otherwise disposed of according to the directions of the person delivering them.)</i>	<i>of guarantee may be either oral or written.)</i>
<i>37. c (Hint: Amit is not discharged, since mere preference on the part of the creditor to sue the principal debtor does not discharge the surety.)</i>	<i>38.d (Hint: According to Section 125 of The Indian Contract Act, 1872, it defines the Rights of Indemnity Holder when sued, It pertaining to various conditions what kind of losses will be borne by Indemnifier who is been sued by the indemnity holder.)</i>	<i>39. c (Hint: A contract of Life Insurance is not covered under the contract of indemnity as any act, event or accident which is not In the control of the parties/the act of God is not covered u/s 124.)</i>	<i>40. b</i>
<i>41. d (Hint: As per Section 130, continuing guarantee may be revoked, at any time, by the surety by giving a notice to the creditor. However, revocation shall be effective only In respect of future transaction (i.e. the liability of the surety with regard to previous transactions remains unaffected).)</i>	<i>42.a (Hint: A is not discharged from his liability, since, where a contract to give time to the principal debtor is made by the creditor with a third person and not with the principal debtor, the surety is not discharged.)</i>	<i>43. c (Hint: Hence In the above case, according to Section 126, Surety is the person who gives the guarantee; Principal Debtor: is the person In respect of whose default the guarantee Is given; Creditor: Is the person to whom the guarantee is given.)</i>	<i>44. c</i>
<i>45. b</i>	<i>46. d (Hint: According to Section 124 of the Indian Contract Act, 1872. A contract is called a "Contract of Indemnity" If one party promises to save the other from loss caused to him by the conduct of the promisor himself, or by the conduct of any other person.)</i>	<i>47. b (Hint: As per Section 128, the liability of surety arises immediately on default by the principal debtor.)</i>	<i>48. b (Hint: A is not liable to C for the transaction that take place after variation between B & C, since a surety Is discharged If any transaction is made In a contract of guarantee without the consent of the surety.)</i>
<i>49. b (Hint: No, since the object of the agreement was unlawful as all the essentials of a valid contract must also be present in the contract of indemnity.)</i>	<i>50.c (Hint: According to Section 126 of The Indian Contract Act, 1872, it defines the meaning of "Contract of Guarantee', where a person himself performs the promise given or accepts to discharge the liability of a third person in case of his default.)</i>		

Chapter 12 : THE NEGOTIABLE INSTRUMENT ACT, 1881

12.1

1. A person signed a blank acceptance and kept it in his drawer and some person stole it and filled it up for Rs. 29,000 and negotiated it to an innocent person for value, In this case whether signer of the blank acceptance liable to the holder in due course?			
a. it was held that the signer to the blank acceptance was liable to the holder in due course	b. It was held that the signer to the blank acceptance was liable to the holder in due course based on situations	c. it was held that the signer to the blank acceptance was not liable to the holder in due course	d. it was held that the signer to the blank acceptance was not liable to the holder in due course based on situations
2. Suraj draws a cheque In favour of Shekhar, a minor. Shekhar endorses the same in favour of Anural. The cheque Is dishonored by the bank on grounds of inadequate funds. Who is the person liable to pay here and Can Anural Sue Shekhar?			
a. Person liable to Pay- Suraj, Anural Cannot sue Shekhar	b. Person liable to Pay- Shekhar, Anural Can sue Shekhar	c. Person liable to Pay- SuraJ, Anural Can sue Shekhar	d. No one is liable here
3. The main objective of the Negotiable instrument Act, 1881 is to.....by which Instruments contemplated by it could pass from hand to hand by negotiation like any other goods.			
a. Legalize the system	b. Penalize the person who fails to follow the system	c. To advise about process of transfer of negotiable instrument	d. to provide rules and regulation about validity of the instruments
4. The Negotiable Instruments Act, 1881 applies to whole of India but excludes.....			
a. Any State Government Transaction	b. Any local authority Transaction	c. Any Central Govt. Transactions	d. Transaction as per Reserve Bank of India Act, 1934, section 21 which provides the Bank to have the right to transact Government business In India
5. The property in a negotiable instrument passes to a.....transferee for value.			
a. Mala fide	b. Bona fide	c. Both a and b	d. Can be Mala fide as well as bona fide
6. A promissory note must contain.....			
a. Undertaking	b. Conditional undertaking	c. Unconditional undertaking	d. can be Conditional undertaking or Unconditional undertaking
7. Where no rate of interest is specified in the bills of exchange or promissory notes then what is the interest rate used for calculating the interest amount?			
a. 15% P.A.	b. 18% P.A.	c. 12% P.A.	d. 16% P.A.
8. Who is the person so entitled at the time of such loss or destruction to receive or recover the amount due thereon from the parties where the note, bill or cheque is lost or destroyed?			
a. acceptor	b. Drawer	c. Payer	d. holder
9. If the holder of a bill of exchange allows the drawer more than.....hours, exclusive of public holidays to consider whether he will accept the same, all previous parties not consenting to such allowance are thereby discharged from liability to such holder			
a. 36	b. 24	c. 72	d. 48

12.2

10. In the case of any conviction in a summary trial, it shall be lawful for the Magistrate to pass a sentence of imprisonment for a term how many year?			
a. not exceeding three year	b. not exceeding two year	c. not exceeding one year	d. not exceeding four year
11. A promissory note, bill of exchange or cheque.....			
a. may contain words prohibiting transfer or indicating an intention that it shall be transferable	b. does not contain words prohibiting transfer or Indicating an Intention that It shall not be transferable	c. does contain words prohibiting transfer or indicating an intention that it shall not be transferable	d. does not contain words prohibiting transfer or indicating an Intention that It shall be transferable
12. Cheque Is also a bill of exchange but is drawn on a banker and.....			
a. payable on demand	b. Payable after a certain period	c. at a designated future date or on demand	d. All of the above
13. Out of the below situation, Where it is called as Instruments payable on demand?			
a. promissory note or bill of exchange, in which no time for payment Is specified	b. A promissory note or bill of exchange, in which Fixed time for payment is specified	c. A promissory note or bill of exchange, In which specified time for payment is specified to specified person	d. A promissory note or bill of exchange, in which no time for payment Is specified or fixed time Is specified
14. Suraj draws a cheque for Rs.19, 000 and hands it over to Shekhar by way of gift on his marriage, Who is the holder in due course in this case?			
a. Suraj	b. Shekhar	c. Both a and b	d. None of the above
15. When the day on which a promissory note or bill of exchange Is at maturity is a public holiday, the instrument shall be deemed to be due on the.....			
a. next preceding business day	b. Previous business day	c. On the same date	d. Any of the above mentioned date
16. Where a bill of exchange has been lost before it is overdue, the person who was the holder of it may apply to whom to give him another bill of the same tenor?			
a. Drawer	b. acceptor	c. Endorser	d. Payer
17. Suraj executed a promissory note in favour of Shekhar for Rs. 50 lakhs. The said amount was payable three days after sight. Bhushan, on maturity, presented the promissory note on 1st March, 2017 to Bharat. Bharat made the payments on 4th January, 2017. What is the maturity date of the promissory note and whether Shekhar can recover interest for delay payment?			
a. Maturity Date 3rd March 2017, Yes Can recover Interest	b. Maturity Date 3rd March 2017, No Cannot recover Interest	c. Maturity Date 4th March 2017, Yes Can recover Interest	d. Maturity Date 4th March 2017, No Cannot recover Interest
18. When the maker or holder of a negotiable Instrument signs the same (otherwise than as such maker) for the purpose of negotiation is called as whom?			
a. Acceptor	b. Drawer	c. Endorser	d. holder
19. A bill of exchange is a negotiable instalment in writing containing an instruction to a third party to pay a stated sum of money.....			

a. Payable after a certain period	b. payable on demand at any point of time	c. at a designated future date or on demand	d. All of the above
20. As per section 6 of the Negotiable Instruments Act, 1881 Cheque in the electronic form means a cheque drawn in electronic form by using any computer resource, and signed in a secure system with a digital signature.....			
a. without biometric signature	b. with or without biometric signature	c. with biometric signature	d. None of the above
21. After the drawee of a bill has signed his assent upon the bill, or, if there are more parts thereof than one, upon one of such parts, and delivered the same, or given notice of such signing to the holder or to some person on his behalf, he is called the.....			
a. Payer in case of need	b. acceptor	c. drawer in case of need	d. drawee In case of need
22. The maker of a bill of exchange or cheque is called the..... person thereby directed to pay is called the.....			
a. Payer and receiver	b. Drawee and drawer	c. Payee and receiver	d. Drawer and drawee
23. Validity period for the presentation of cheque in bank is.....			
a. 3 Months	b. 6 Months	c. 1 Year	d. 2 Years
24. Any person who for consideration became the possessor of a promissory note, bill of exchange or cheque is called as.....			
a. Acceptor in due course	b. Drawer	c. Holder in due course	d. Payer
25. Maker of a bill of exchange is called as—			
a. Drawer	b. Drawee	c. Acceptor	d. Payee
26. A promissory note is an instrument in.....			
a. Writing	b. Photocopy	c. Xerox	d. All of the above
27. A promissory note is an instrument in writing containing an unconditional undertaking signed by the whom?			
a. Anyone	b. Payer	c. Receiver	d. maker
28. Offences committed under the Negotiable Instruments Act can be.....			
a. Compoundable	b. Non compoundable	c. Non compoundable and non-bailable	d. Bailable
29. When in the bill the name of any person is given in addition to the drawee to be resorted to in case of need such person is called.....			
a. Payer in case of need	b. Payee in case of need	c. drawer In case of need	d. drawee In case of need
30. As per Section 13 of the Negotiable Instruments Act, 1881 A "negotiable instrument" means a promissory note, bill of exchange or cheque payable to whom?			
a. order or to payer	b. order or to receiver	c. order or to bearer	d. order or to withdrawer
31. How many days of grace are allowed where a note or bill, which is not expressed to be payable on demand, at sight or on presentment?			

a. 2

b. 3

c. 9

d. 7

Answer

<p>1. c (Hint: Example, a person signed a blank acceptance and kept it in his drawer and some person stole it and fined it up for Rs. 29,000 and negotiated it to an innocent person for value, it was held that the signer to the blank acceptance was not liable to the holder in due course because he never delivered the instrument intending it to be used as a negotiable instrument. Further, as a condition of liability, the signer as a maker, drawer, endorser or acceptor must deliver the instrument to another. In the absence of delivery, the signer is not liable. Furthermore, the paper so signed and delivered must be stamped in accordance with the law prevalent at the time of signing and on delivering otherwise the signer is not estopped from showing that the instrument was filled without his authority.)</p>	<p>2. a (Hint: Capacity to make, draw, accepts etc. of Instruments (Section 26): A minor may draw, endorse, deliver and negotiate such Instruments so as to bind all parties except himself. Nothing herein contained shall be deemed to empower a corporation to make, endorse or accept such instruments except in cases in which, under the law for the time being in force, they are so empowered. Example: Suraj draws a cheque in favour of Shekhar, a minor. Shekhar endorses the same in favour of Anural. The cheque is dishonored by the bank on grounds of inadequate funds. Here in this case, Shekhar being a minor may draw, endorse, deliver and negotiate the instrument so as to bind all parties except himself. Therefore, Shekhar is not liable. Anural can, thus, proceed against Suraj.)</p>	<p>3. a (Hint: The source of Indian law relating to such instruments is admittedly the English Common Law. The main objective of the Act is to legalize the system by which instruments contemplated by it could pass from hand to hand by negotiation like any other goods.)</p>	<p>4. d (Hint: The Act applies to the whole of India, but nothing herein contained affects the Reserve Bank of India Act, 1934, Section 21 which provides the Bank to have the right to transact Government business in India, or affects any local usage relating to any instrument in an oriental language.)</p>
<p>5. b (Hint: Negotiable Instruments is an instrument which is transferable (by customs of trade) by delivery, like cash, and is also capable of being sued upon by the person holding it for the time being. The property in such an instrument passes to a bona fide transferee for value.)</p>	<p>6. c (Hint: According to section 4 of the Negotiable Instruments Act, 1881 "A "promissory note" is an instrument in writing (not being a bank-note or a currency-note) containing an unconditional undertaking signed by the maker, to pay a certain sum of money only to, or to the order of, a certain person, or to the bearer of the</p>	<p>7. b (Hint: When no rate of interest is specified in the instrument— interest on the amount due thereon shall be calculated at the rate of 18% per annum, from the date at which the same ought to have been paid by the party charged, until tender or realization of the amount due thereon, or until such date after the institution of a suit to recover such amount as the court directs.)</p>	<p>8. d (Hint: "Holder [Section 8]— The "holder of a promissory note, bill of exchange or cheque means— any person - entitled in his own name to the possession thereof, and -to receive or recover the amount due thereon from the parties thereto. Where the note, bill or cheque is lost or destroyed, its holder is the person so entitled at the time of</p>

	instrument.)		loss or destruction.)
9. d (Hint: Discharge by allowing drawer more than forty-eight hours to accept [Section 83]:- If the holder of a bill of exchange allows the drawer more than forty eight hours, exclusive of public holidays, to consider whether he will accept the same, all previous parties not consenting to such allowance are thereby discharged from liability to such holder.)	10.c (Hint: Power of Court to try cases summarily [Section 143]:- In case of summary trial : Provided that in the case of any conviction in a summary trial under this section, it shall be lawful for the Magistrate to pass a sentence of imprisonment for a term not exceeding one year and an amount of fine exceeding five thousand rupees.)	11. b (Hint: A promissory note, bill of exchange or cheque is payable order which is expressed to be so payable or which is expressed to be payable to a particular person, and does not contain words prohibiting transfer or indicating an intention that it shall not be transferable.)	12. a (Hint: A combined reading of Section 5 and 6 tells us that a bill of exchange is a negotiable instrument in writing containing an instruction to a third party to pay a stated sum of money at a designated future date or on demand. Whereas, a cheque is also a bill of exchange but is drawn on a banker and payable on demand.)
13. a (Hint: Instruments payable on demand (Section 19) A promissory note or bill of exchange, in which no time for payment is specified, and a cheque, are payable on demand.)	14.d (Hint: SuraJ draws a cheque for Rs.19, 000 and hands It over to Shekhar by way of gift on his marriage. Shekhar is a holder but not a holder in due course as he does not get the cheque for value and consideration. His title is good and bonafide. As a holder he is entitled to receive Rs.19, 000 from the bank on whom the cheque is drawn)	15. a (Hint: When day of maturity is a holiday [Section 25] When the day on which a promissory note or bill of exchange is at maturity is a public holiday, the instrument shall be deemed to be due on the next preceding business day. Explanation: The expression "Public Holiday" Includes Sundays and any other day declared by the Central Government, by notification in the Official Gazette, to be a public holiday.)	16. a (Hint: Holder's right to duplicate of lost bill (Section 454) Where a bill of exchange has been lost before it is overdue, - the person who was the holder of it may apply - to the drawer to give him another bill of the same tenor, - giving security to the drawer, if required.)
17. c (Hint: In calculating the date at which a promissory note or bill of exchange made payable at certain number of days after date or after sight or after a certain event is at maturity, the day of the date, or of presentment for acceptance or sight, or of protest for non-acceptance, or on which the event happens, shall be excluded. Section 24 of the Negotiable Instruments Act 1881 states that where a bill or note is payable after date or after sight or after happening of a specified event, the time of payment is	18.c (Hint: Endorsement [Section 15]: When the maker or holder of a negotiable instrument signs the same (otherwise than as such maker)— for the purpose of negotiation - on the back or face thereof or on a slip of paper annexed thereto, or so signs for the same purpose a	19. c (Hint: A combined reading of section 5 and 6 tells us that a bill of exchange is a negotiable instrument in writing containing an instruction to a third party to pay a stated sum of money at a designated	20. b (Hint: Cheque [Section 6]:- A cheque is a bill of exchange drawn on a specified banker and not expressed to be payable otherwise than on demand and it includes the electronic image of a truncated cheque and a cheque in the electronic form. 1. Explanation I : For the purposes of this section, the expressions- (a) Cheque In the electronic form- means a cheque

12.6

<p>determined by excluding the day from which the time begins to run. Therefore, in the given case, Suraj will succeed in objecting to Shekhar's claim. Bharat paid rightly "three days after sight". Since the bill was presented on 1st March, Bharat was required to pay only on the 4th and not on 3rd March, as contended by Suraj.)</p>	<p>stamped paper intended to be completed as a negotiable instrument, - he (maker/holder) is said to indorse the same, and is called the "endorser".)</p>	<p>future date or on demand. Whereas, a cheque is also a bill of exchange but is drawn on a banker and payable on demand.)</p>	<p>drawn in electronic form by using any computer resource, and signed in a secure system with a digital signature (with/without biometric signature) and asymmetric crypto system or electronic signature, as the case may be.)</p>
<p>21. b (Hint: After the drawee of a bill has signed his assent upon the bill, or, if there are more parts thereof than one, upon one of such parts, and delivered the same, or given notice of such signing to the holder or to some person on his behalf, he is called the "acceptor".)</p>	<p>22. d (Hint: The maker of a bill of exchange or cheque is called the "drawer". The person thereby directed to pay is called the "drawee".)</p>	<p>23. a</p>	<p>24. c (Hint: "Holder in due course"[Section 9] means any person - who for consideration - became the possessor of a promissory note, bill of exchange or cheque (if payable to bearer), or the payee or endorsee thereof, (if payable to order), - before the amount mentioned in it became payable, and - without having sufficient cause to believe that any defect existed in the title of the person from whom he derived his title.)</p>
<p>25. a</p>	<p>26. a (Hint: According to section 4 of the Negotiable Instruments Act, 1881 A "promissory note" is an instrument in writing (not being a bank-note or a currency-note) containing an unconditional undertaking signed by the maker, to pay a certain sum of money only to, or to the order of, a certain person, or to the bearer of the instrument.)</p>	<p>27. d (Hint: According to section 4 of THE NEGOTIABLE INSTRUMENTS ACT, 1881 "A "promissory note" is an instrument in writing (not being a bank-note or a currency-note) containing an unconditional undertaking signed by the maker, to pay a certain sum of money only to, or to the order of, a certain person, or to the bearer of the instrument.")</p>	<p>28. a</p>
<p>29. d (Hint: When in the bill or in any endorsement thereon the name of any person is given in addition to the drawee to be resorted to in case of need such person is called a "drawee in case of need")</p>	<p>30. b (Hint: Section 13 says, A "negotiable instrument" means a promissory note, bill of exchange or cheque payable either to order or to bearer.)</p>	<p>31. b (Hint: A note or bill, which is not expressed to be payable on demand, at sight or on presentment, is at maturity on the third day after the day on which it is expressed to be payable. Three days are allowed as days of grace (Section 22).)</p>	

Chapter 13 : THE GENERAL CLAUSES, 1897

13.1

1. A word.....raise a presumption of something which is not mandatory.			
a. Shall	b. May	c. Could	d. Can
2. Where legislation has not specifically mentioned date to come into force on a prescribed date, it shall be implemented on.....			
a. Day that receives the assent of prime minister	b. Day that receives the assent of president	c. Both of them	d. None of the above
3. The preamble is most important in any legislation, it.....			
a. Provides definitions in the act	b. Expresses scope, object and purpose of act	c. Provides summary of entire act	d. None of the above
4. Some definitions used.....such as definitions are exhaustive definitions and exactly define the term.			
a. Imply	b. Include	c. Points	d. Means
5. The act.....defines any "Territorial extent- clause.			
a. Mearley	b. Not	c. Fully	d. None of the above
6. Official gazette means -			
a. The gazette of India	b. The official gazette of the India	c. Both of them	d. None of the above
7. Which of the following is not included in the definition of Immovable property u/s 3(26):			
a. Machinery fixed to the soil	b. Buildings	c. Timber	d. Standing crops
8. Any matter written, expressed or described upon any substance by means of letters, figures or more than one means for purpose of recording is called.....			
a. Deed	b. Document	c. Agreement	d. Contract
9. Section shall mean a.....			
a. Section of act or regulation in which word occurs	b. Schedule to act and or regulation in which word occurs	c. Both of them	d. None of the above
10. Service by post shall be deemed to be effected when:			
a. Properly addressing	b. Pre- paying	c. Posting by registered post	d. All of the above
11. Financial year shall mean the year commencing on the first day of.....			
a. January	b. December	c. April	d. None of the above
12. 'Year" means Year according to the British calendar?			
a. True	b. False		
13. Government includes			
a. Central government	b. State government	c. Both of them	d. None of the above
14. An interpretation act has been called.....			
a. Law of all laws	b. Rule of all rules	c. Laws of all rules	d. Rules of all laws

13.2

15.shall include affirmation and declaration in case of persons by law allowed to affirm.			
a. Affidavit	b. Preamble	c. Act	d. None of the above
16. Power to appoint includes.....			
a. Power to appoint ex-officio	b. Power to suspend or dismiss	c. Both of them	d. None of the above
17. Every act has a preamble which express.....act.			
a. Scope, objective and purpose	b. Meaning, objective and purpose	c. Meaning, implication and purpose	d. None of the above
18. "Immovable property" excludes:-			
a. Land	b. Timber	c. Things attached to earth	d. None of the above
19. Some definitions such as.....shows extensive definitions.			
a. Include	b. Mean	c. Conclude	d. Point
20. Which is not object of General clauses act?			
a. To shorten the language the central act	b. To provide as far as possible for uniformity of expression in central act, by giving definitions of a series of terms In common use	c. To elaborate language act	d. None of the above
21. Scope, object and purpose of the act is expressed through:			
a. Legislation	b. Preamble	c. Rules	d. Statute
22. Imprisonment shall mean imprisonment of either description as defined in.....?			
a. Indian penal code	b. Central act	c. Both of them	d. None of the above
23. Official gazette means-			
a. the gazette of India	b. the official gazette of the state	c. both of them	d. none of the above
24.shall include any matter written, expressed or described upon any substance by means of letters, figures.			
a. File	b. Document	c. None of the above	d. Both A & B
25. Where any legislation requires any document to be served by post, unless a different intention appears, it deemed as.....			
a. Properly addressing	b. Pre-paying	c. Posting by registered post	d. All the above
26. Calendar year starts from.....			
a. January	b. December	c. April	d. None of the above
27. General Clauses Act defines..... of some words and also some general principle of interpretation.			
a. Meaning	b. Symbolification	c. Definition	d. Delineate
28. official gazette shall mean:			
a. the gazette of India	b. the official gazette of state	c. either (a) or (b)	d. none of the above

29. A word.....raise a presumption of something which is mandatory.			
a. May	b. Could	c. Shall	d. Can
30. The word "Person" shall include.....			
a. The company	b. Association	c. Both of them	d. None of the above

1. b		2. b		3. b		4. d	
5. b	6. b	7. c (Hint: Timer Is not immovable property as the same are not permanently attached to the earth.)		8. b (Hint: Document Is any matter written expressed or described upon any substance by means of letters, figures or more than one means for purpose of recording.)			
9. a			10.d (Hint: All the conditions are necessary.)		11. c		12. a
13. c		14.a			15. a		16. c
17. a		18.b			19. a		20. c
21. b (Hint: Every act has a preamble which expresses the scope, object and purpose of the act.)			22.a		23. c		24. b
25. d	26.a	27. c	28. c (Hint: official gazette shall mean the gazette of India or the official gazette of state as defined U/S 3(39))				
29. c		30.c					

Chapter 14 : INTERPRETATION OF STATUES, DEEDS AND DOCUMENTS

1. Rule of liberal construction should generally be applied in which type of case.			
a. criminal case	b. civil case	c. labour and welfare case	d. property case
2. Which out of the following is/are presumption for interpretation of statute?			
a. A statute is not Intended to be consistent with principles of international law	b. the state is not affected by a statute unless It specifically mention	c. guilty mind is required for a criminal act	d. all of the above
3. According to Maxwell, interpretation of statues, a statute has been defined as:			
a. the authenticity of morals and conduct	b. a fundamental right	c. social responsibility	d. a will of the legislature
4. Which rule is also called as 'literal Legis':			
a. rule of literal construction	b. rule of reasonable construction	c. rule of reasonable construction	d. rule of beneficial construction
5. In the process of interpretation, non-statutory aids are illustrated by:			
a. common law rules of Interpretation	b. case law relating to Interpretation of statute	c. both of the above	d. none of the above
6. The interpretation of statute's primary rule of literal construction that suggests that interpretation should not be given such that they would make other provisions redundant was discussed in the case law.			
a. Nand Prakash Vohra v State of HP	b. Heydon's case	c. K S Venkataraman & Co vs. State Of Madras	d. AK Gopalan vs. The State Of Madras Union
7. In the process of interpretation, statutory aids are illustrated by:			
a. general clauses act	b. Specific definition contained In individual act	c. both of the above	d. none of the above
8. The constitution of India does not use the term 'but it employs the term' to describe an exercise of legislative power:			
a. law; statute	b. statute; law	c. enactment; law	d. enactment; law
9. Which of the following word generally act as a conjunctive word while Interpretation:			
a. or	b. and	C. shall	D. may
10. What sets out in general terms, the purpose of the act and it often precedes the preamble:			
a. preamble	b. title	c. heading	d. marginal notes
11. Where the words are used in different context, the word 'plant' shall be given a different meaning when constructing the word 'plant and machinery' and different when constructing the word 'plant and trees' is example for which of the rule of interpretation:			
a. rule of exceptional construction	b. noscitur a sociis	c. expression unis est exclusion alterius	d. contemporanea exposition

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12. The function of what is to except and to deal with a case, which would otherwise fall within the general enactment			
a. title	b. proviso	c. schedule	d. margins
13. Which of the following statute is passed to cure defects in prior law and to validate legal proceedings, Instruments or acts of public and private administrative powers?			
a. Declaratory	b. curative	c. consolidating	d. restraining
14. Which rule of Interpretation means, interpreting a statute or other document by reference to the exposition it has received from contemporary authority			
a. rule of exceptional construction	b. noscitur a sociis	c. expression unis est exclusion alterius	d. contemporanea exposition
15. In a statute, In the definition section, definition can be.....			
a. Complete or incomplete	a. Complete or incomplete	a. Complete or incomplete	a. Complete or incomplete
16. Which statute either expressly or by necessary Implication revokes or terminates another statute			
a. repealing statute	a. declaratory statute	a. amending statute	a. codifying statute
17. Which of the following word generally act as a Disjunctive word while interpretation			
a. or	b. and	c. shall	d. may
18. For imposing social conduct on people, certain laws are enacted by the legislature for imposing fines and penalty on wrong doer, the law is called:			
a. criminal law	b. property law	c. law of tort	d. penal laws
19. Which of the following word is construed as compulsory, whenever the object of the power is to give effect to a legal right and has discretion coupled with an obligation			
a. may	b. must	c. shall	d. should
20. The general words must follow the specific words is condition of which rule of interpretation:			
a. rule of literal construction	b. rule of reasonable construction	c. rule of harmonious construction	d. rule of ejusdem generis
21. Contemporanea expositio est optima et fortissimo in lege rule will not be applied by court when applying this rule will lead to:			
a. effect on title of property	b. transaction gets affected	c. either (a) or (b)	d. there is not restriction/prohibition
22. the maxim 'Expressio Unius Est Exclusio Alterius' e means:			
a. mention of one thing excludes all others.	b. referring each to each	c. construction of a rule should give effect to the rule rather than destroying it	d. same class/species.
23. What is not interpreted as stating a general rule:			
a. Explanations	b. Interpretation Clause	c. marginal notes	c. proviso
24. The term 'Ejusdem Generis' means:			
a. at the generic nature	b. general interpretation	c. general law of statute	d. of the same class/species

25. Heydon's rule of interpretation does not apply when/to:			
a. the words are clear	b. fiscal statute	c. all of the above	d. none of the above
26. Rule of strict construction should generally be applied in which type of case:			
a. criminal case	b. civil case	c. labour and welfare case	d. marriage case
27. In which case supreme court observed that principles of interpretation can be applied only if there is an ambiguity in a provision, and not permissible first to create an artificial ambiguity.			
a. CIT vi Indian Bank Ltd. AIR (1965) SC 1473	b. Saleh Bros. V K Rajendran and Anr., AIR 1970 Mad 165,	c. Nagpur Railway Co. Ltd, v. Ruttanp Ramp, AIR 1938 PC 67.	d. Mercara v. KodimaniandraDeviah, AIR 1962 SC 847.
28. Consolidating statutes and previous law is aid of interpretation.			
a. internal	b. external	c. all of the above	d. none of the above
29. Which of the following are not internal or intrinsic aids to interpretation:			
a. schedule	b. proviso	c. punctuation	d. none of the above
30. Which of the following word when used would not of itself make the provision of the act mandatory, but prima facie when used by statute. it is mandatory			
a. may	b. must	c. shall	d. should
31. Which of the following interpretation applies when the purpose is to discover real and true meaning of the statute?			
a. Doctrinal interpretation	b. legal interpretation	c. usual interpretation	d. logical interpretation
32. which is the element of document by which permanent form is acquire and those can be letters any figures marks, symbols which can be used to communicate between two persons.			
a. matter	b. record	c. substance	d. means
33. Which term means the laws and regulations of every sort without considering from which source they emanate?			
a. general laws	b. document	c. statute	d. Interpretation
34. when there are two or more provisions which cannot be reconciled with each other' they should be Interpreted, whenever possible' as to give effect to all of them' is given in which of the following rule of construction			
a. rule of reasonable construction	b. rule of harmonious construction	c. rule of ejusdem construction	d. rule of beneficial construction
35. Authentic Interpretation falls under which branch of interpretation:			
a. legal interpretation	b. usual interpretation	c. Doctrinal interpretation	d. logical Interpretation
36. When there are two or more provisions which cannot be reconciled with each other they should be interpreted, whenever possible as to give effect to all of them is given in which of the following rule of construction			
a. rule of literal construction	b. rule of reasonable construction	c. rule of harmonious construction	d. rule of beneficial construction

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37. Which out of the following aid does the court use for interpreting the statute:			
a. parliamentary history	b. foreign decisions	c. dictionaries	d. all of the above
38. Which among the following is false: Statute are commonly divided into:			
a. general	b. codifying	c. remedial	d. disabling
39. In which of the following rule of construction the words of statute must be constructed so as to lead to a sensible meaning			
a. rule of literal construction	b. rule of reasonable construction	c. rule of harmonious construction	d. rule of beneficial construction
40. Rule of beneficial construction is also called:			
a. ut res magis valeat quam pereat rule	b. heydon rule	c. a quo tacit per allum per se rule	d. all of the above.
41. What is the process by which the real meaning of the act or a document and the intention of the legislature in enacting it is ascertained?			
a. preamble	b. statutes	c. interpretation	d. construction
42. Which of the following interpretation applies when there is actual rule of law which binds the judge to place a certain interpretation of the statute:			
a. Doctrinal interpretation	b. legal interpretation	c. usual Interpretation	d. logical interpretation
43. What is termed as drawing of conclusion respecting subjects that lie beyond the direct expression of the text:			
a. interpretation	b. construction	c. summary	d. plaint
44. In which case it was decided that it is the duty of the court to give effect to the meaning of the act when the meaning can be known			
a. State of Bihar v. CIT	b. CWT v. Smt. Muthu Zulaika	c. State of Madras v. Gannon Dunkerly C. AIR 1958	d. Bhagwati Prasad Kedia v. CIT(2001)
45. Grammatical interpretation falls under which branch of interpretation:			
a. legal interpretation	b. usual interpretation	c. Doctrinal interpretation	d. logical interpretation
46. All instruments are deeds. The statement is			
a. correct	b. incorrect	c. partly correct	d. partly incorrect
47. Which term means a paper or any other material thing giving information, proof or evidence of anything?			
a. Document	b. Instrument	c. agreement	d. Deed
48. An internal aid that may be added to include something within the section or to exclude something from it, is—			
a. Proviso	b. Explanation	c. Schedule	d. Illustrations
49. Which is the element of document by which a mental or intellectual elements comes to find a permanent form.			
a. matter	b. record	c. substance	d. means
50. According to the mischief rule , the court while applying the rule should consider:			

a. what was the common law before making the act	b. what remedy the parliament has resolved and appointed to cure and true reason of the remedy	c. what was the mischief and defect for which the common law did not provide	d. all of the above
51. Which out of the following is not an external aid in interpretation?			
a. explanations	b. reference to other statute	c. reference to reports	d. dictionaries
52. Is reference to marginal note permitted			
a. yes	b. no	c. yes. only by high court	d. yes. only by supreme court
53. which statute either expressly or by necessary implication revokes or terminates another statute:			
a. amending statute	b. repealing statute	c. declaratory statute	d. codifying statute
54. According to harmonious construction, it is the duty of whom to avoid a clash between two section of the same act:			
a. plaintiff	b. defendant	c. court	d. government
55. Which of the following interpretation applies to ordinary rules or speech to find out meanings of the Words:			
a. authentic interpretation	b. usual interpretation	c. grammatical interpretation	d. logical interpretation
56. In which of the following rule of construction if a word has a definite and clear meaning, it should be Interpreted with that meaning only, Irrespective of its consequences.			
a. rule of literal construction	b. rule of reasonable construction	c. rule of harmonious construction	d. rule of beneficial construction
57. What is attached to a section to explain the meaning of words contained in the section?			
a. proviso	b. schedule	c. explanations	d. examples
58. which or the following Interpretation applies when the court goes beyond the words and tries to discover the Intention of statute In some other way:			
a. authentic interpretation	b. usual interpretation	c. grammatical interpretation	d. logical interpretation

Answer

1. <i>c (Hint: rule of liberal construction should generally be applied to labour and welfare case as it involves question of facts.)</i>	2. <i>d (Hint: all of the above are presumed for interpreting a statute)</i>	3. <i>d (Hint: according to Maxwell, a statute has been defined as Will of the legislature.)</i>	4. <i>a (Hint: rule of literal construction is also called 'literal Legis')</i>
5. <i>c (Hint: in the process of interpretation, non-statutory aids are illustrated by common law rules of Interpretation and/or case law relating to interpretation of statute.)</i>	6. <i>a (Hint: Nand Prakash Vohra v state of HP, it was stated that interpretation should not be given such that they would make other provisions redundant.)</i>	7. <i>c (Hint: in the process of Interpretation' non statutory aids are illustrated by general clauses act and/or case law relating to Interpretation of statute.)</i>	8. <i>b (Hint: The constitution of India does not use the term 'statute but employs the term law' to describe an exercise of legislative power.)</i>
9. <i>b (Hint: the word "and' generally act as a Conjunctive word while interpretation)</i>	10. <i>b (Hint: title sets out in general terms, the purpose of the act and it often precedes the preamble.)</i>	11. <i>b (Hint: rule of interpretation, noscitur a sociis means , the meaning of the words is derived from its associates words.)</i>	12. <i>b (Hint: proviso act as an exception, it deal with a case, which would otherwise fall within the general enactment.)</i>
13. <i>b (Hint: curative statute is passed to cure defects in the prior law and to validate legal proceedings, instruments or acts of public and private administrative powers.)</i>	14. <i>d (Hint: the maxim Contemporanea exposition means interpreting a statue or other document by reference to the exposition it has received from contemporary authority.)</i>	15. <i>d (Hint: In a statute, in the definition section, definition can be either restrictive or extensive or inclusive or exclusive.)</i>	16. <i>a (Hint: repealing statute either expressly or by necessary implication revoke or terminates another statute).</i>
17. <i>a (Hint: the word 'or' generally act as a Disjunctive word while interpretation)</i>	18. <i>d (Hint: penal laws are enacted by the legislature for imposing fines and penalty on wrong doer.)</i>	19. <i>a (Hint: The word 'may is construed as compulsory, whenever the object of the power is to give effect to a legal right and has discretion coupled with an obligation.)</i>	20. <i>d (Hint: The general words must follow the specific words is condition of rule of ejusdem generis.)</i>
21. <i>c (Hint: contemporanea expositio est optima et fortissimo in lege means It is the process of ascertaining the true meaning of the words used in a statute, rule will not be applied by court when applying this rule will lead to effect on title of property and/or transaction gets affected.)</i>	22. <i>a (Hint: The maxim 'Expressio Unius Est Exclusio Alterius' means mention of one thing excludes all others.)</i>	23. <i>b (Hint: Proviso are is not interpreted as stating a general rule.)</i>	24. <i>d (Hint: The primary rule of interpretation called Eiusdem Genes means of the same class/specie)</i>

25. c (Hint: Heydon's rule of interpretation does not apply when there is no ambiguity and to fiscal statute like Income tax and central excise act.)	26. a (Hint: Strict construction must be applied to Criminal statutes This means that a criminal statute may not be enlarged by implication or intent beyond the fair meaning of the language used or the meaning that is reasonably justified by its terms.)	27. a (Hint: in case CIT v. Indian Bank Ltd. AIR (1965) SC 1473)	28. b (Hint: consolidating statutes and previous law is external aid of interpretation)
29. d (Hint: All of them are Internal or Intrinsic aids to Interpretation.)	30. c (Hint: The word 'shall' when used not of itself make the provision of the act mandatory, but prime facie when used by statute, it is mandatory.	31. a (Hint: Doctrinal interpretation applies when the purpose is to discover real and true meaning of the statute.)	32. d (Hint: Means is the fourth element of document by which can be used to communicate between two persons.)
33. c (Hint: Statute generally means the laws and regulations of every sort without considering from which source they emanate.)	34. b (Hint: When there are two or more provisions which cannot be reconciled with each other' they should be interpreted, whenever possible' as to give effect to all of them' is given in rule of harmonious construction.)		35. a (Hint: Authentic interpretation falls under legal interpretation)
36. c	37. d (Hint: Any aid that is legal can be used by court.)	38. a (Hint: General statute is not a category of statute)	39. b (Hint: Under rule or reasonable construction the words at statute must be Constructed so as to lead to a sensible meaning)
40. b (Hint: Rule of beneficial construction is also called heydon rule)	41. c (Hint: Interpretation is the process by which the real meaning of the act or a document and the intention of the legislature in enacting it is ascertained.)	42. b (Hint: legal interpretation applies when there is actual rule of law which binds the Judge to place a certain interpretation of the statute.)	43. b (Hint: construction is termed as drawing of conclusion respecting subjects that lie beyond the direct expression of the text.)
44. c (Hint: It is the duty of the court to give effect to the meaning of an act when the meaning can be equitably gathered from the words used (State of Madras v. Gannon Dunkerly C. AIR1958))	45. c (Hint: grammatical interpretation falls under Doctrinal interpretation.)	46. b (Hint: deeds are instruments. but all instruments are not deed)	47. a (Hint: a Document means a paper or any other material thing giving information, proof or evidence of anything.)
48. b	49. c (Hint: substance is the third element of document by which a mental or Intellectual elements comes to find a permanent form)	50. d (Hint: the court while applying the mischief rule should consider all the above parameters.)	51. a (Hint: explanations cannot be said as aid in interpretation.)
52. a (Hint: reference to marginal note permitted by all)	53. b (Hint: repealing statute is defined as a statute which either expressly or by necessary implication revokes or terminates another statute.)	54. c (Hint: according to harmonious construction, it is the duty of the court to avoid a clash between two section of the same act)	55. c (Hint: grammatical interpretation applies to ordinary rules of speech to find out meanings of the words.)
56. a (Hint: under rule of literal construction. If a word has a definite and clear meaning, it should be interpreted with that meaning only. Irrespective of its consequence.)			

14.8	57. c (Hint: sections are made available in lay man's language through explanations.)	58. d(Hint: when the court goes the words and tries to discover the intention of statute in some other way, it is said resort to what is called logical interpretation)	
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