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PART-A

CHAPTER - 1
INTRODUCTION TO COMPANIES

1. Section 2 (20) provides for the definition of _____
(a) Company (b) CA
(c) CS (c) Cost Accountant
2. Section 2 (20) provides that a company means a company incorporated under this Act, or under any _____
(a) Company Law (b) Previous Company Law
(c) Act (d) Foreign Company Law
3. In the famous case Lee v/s Lee farming Mr. Lee was appointed as _____
(a) Director, Pilot (b) Managing Director
(c) Director, Chief Pilot (d) Managing Director, Pilot
4. Salmon & Company Ltd. was _____
(a) One Person Company (b) One Man Company
(c) Both (a) and (b) (d) Neither (a) nor (b)
5. In case of Company Limited by Guarantee, the liability of subscriber to MOA arises in the event of _____
(a) Merger (b) Demerger
(c) Reconstruction (d) Winding Up
6. Member may come & member may go but company continues forever. This Principal is called _____
(a) Separate Legal Entity (b) Body Corporate
(c) Corporation Soul (d) Perpetual Succession
7. Sec ___ of company Act 2013 provides that shares are _____ property.
(a) 42, Movable Property (b) 44, Movable Property
(c) 42, Immovable Property (d) 44, Immovable Property

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8. The official signatures of the company are called _____
(a) Company Seal (b) Official Seal
(c) Corporate Seal (d) Common Seal
9. A company is _____ association for profit.
(a) Compulsory (b) Voluntary
(c) Mandatory (d) Discretionary
10. In the case of State Trading Corporation v/s Commercial Tax Officer the status of the Company as _____ has been interpreted
(a) National (b) President
(c) Person (d) Citizen
11. Residential status of company is to be determined for the purpose of _____
(a) Exemption (b) Registration
(c) Tax liability (d) Perpetual succession
12. The term body corporate has been defined under _____
(a) Sec 2 (10) (b) Sec 2 (11)
(c) Sec 2 (12) (d) Sec 2 (13)
13. Body Corporate can also be termed as _____
(a) Corporation (b) Corporation Aggregate
(c) Both (a) and (b) (d) Company
14. Body Corporate _____ Company incorporate outside India.
(a) Means (b) Includes
(c) Stated (d) Excludes
15. Sec 2(11) specifically excludes _____ from the definition of body corporate.
(a) Society (b) Co-operative Society
(c) Trust (d) Trade union
16. Which of the following statement is false?
(a) The term body corporate includes financial institutions
(b) The term body corporate includes nationalized Banks
(c) The term body corporate includes foreign company
(d) The term company is wider than the term body corporate

17. Rule 10 of Companies (Miscellaneous) Rules, 2014 states that Illegal Association is a partnership consisting of more than _____ persons.
 (a) 10 (b) 20
 (c) 50 (d) 100
18. The limit of 50 persons u/s 464 read with rule is not applicable to _____
 (i) HUF
 (ii) Association of CA
 (iii) Association of CS
 (iv) Association of Cost Accountants
 (a) I (b) I+II
 (b) I+II+III (d) I+II+III+IV
19. Members of illegal association shall be liable to fine extended to ₹ _____
 (a) 10,000 (b) 50,000
 (c) 1,00,000 (d) 5,00,000
20. The offence under sec 464 is
 (a) Compoundable (b) Non-compoundable
 (c) Partially compoundable (d) Liable to imprisonment
21. Offence u/s 464 is compounded by _____
 (a) RD (b) ROC
 (c) NCLT (d) MCA
22. When the law disregards the corporate entity and instead pay regards to the individual member behind the legal façade, it is Constructive Notice _____
 (a) Doctrine of Constructive Notice (b) Doctrine of Ultra Vires
 (c) Doctrine of Indoor Management (d) Doctrine of Alter Ego
23. When the law disregards the corporate entity and instead pay regards to the individual member behind the legal façade, it is known as _____
 (a) Separate legal entity (b) Perpetual success
 (c) Corporate veil (d) Lifting of Corporate Veil

ANSWER KEY

1	2	3	4	5	6	7	8	9	10
(a)	(b)	(c)	(b)	(d)	(d)	(b)	(d)	(b)	(d)
11	12	13	14	15	16	17	18	19	20
(c)	(b)	(c)	(b)	(b)	(d)	(c)	(d)	(c)	(a)
21	22	23							
(a)	(d)	(d)							

CHAPTER -2

CLASSIFICATION OF COMPANIES

1. Section 2 (68) of companies Act, 2013 provides for_____

(a) Private Company	(b) Public Company
(c) Government Company	(d) Prospectus

2. Every Private Company must have at least _____ Directors

(a) 1	(b) 2
(c) 3	(d) 7

3. The maximum number of members in Private Company not to exceed_____

(a) 10	(b) 50
(c) 100	(d) 200

4. OPC is a company with

(a) One Member	(b) One Director
(c) One Officer	(d) One Business

5. An OPC is a _____

(a) Public Company	(b) Private Company
(c) Small Company	(d) Both (b) and (c)

6. The annual return of OPC has to be signed by _____

(a) CS	(b) At least 2 Directors
(c) CS and 2 Directors	(d) 1 Member and 1 Director

7. If OPC has 2 Directors, then at least _____ Board meetings in a year must be convened

(a) 2	(b) 3
(c) 4	(d) 6

8. Consent of nominee under OPC shall be taken in form_____

(a) INC-1	(b) INC-2
(c) INC-3	(d) INC-4

9. In case of change in nominee under OPC, an intimation to ROC shall be given in form_____

(a) INC-1	(b) INC-2
(c) INC-3	(d) INC-4



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10. In the event of death of member of OPC, the new member shall nominate a new member shall nominate a new nominee within _____ days of becoming a member
- (a) 7 (b) 10
(c) 15 (d) 30
11. Which of the following statement about OPC is untrue?
- (a) OPC can't carry out non-banking
(b) No minor shall become nominee in OPC
(c) OPC can invest in securities of a body corporate
(d) A person can't invest in securities of a body corporate
12. Section 2 (85) states about
- (a) Private company (b) Small company
(c) Public company (d) Subsidiary company
13. The paid up share capital of a small company shall not exceed ₹ _____
- (a) 10 lakh (b) 25 lakh
(c) 50 lakh (d) 5 crore
14. The minimum number of members and directors under public company are _____ and _____
- (a) 7, 3 (b) 3, 7
(c) 7, 2 (d) 3, 5
15. Which of the following isn't a kind of company?
- (a) Company Limited by Guarantee
(b) Company Limited by Shares
(c) Unlimited Company
(d) Personal Liability Company
16. Section 2(92) of Company Act, 2013 provides for _____
- (a) Unlimited Company (b) Whole Time Director
(c) Total Voting Power (d) Turnover
17. Which of the following statement is false about Section 8 Company?
- (a) It doesn't intend to pay dividend
(b) It can't amalgamate with other Companies
(c) License is granted by CG
(d) Partnership firm can become its member

18. Section 8 Company can't alter its provision of MOA and AOA except prior approval of _____

- (a) NCLT (b) CG
(c) RD (d) ROC

19. The annual report of Government Companies has to be placed before parliament within _____ months of _____

- (a) 6 months, financial year
(b) 3 months, financial year
(c) 1 month, AGM
(d) 3 month, AGM

20. Holding Company controls more than half of the total _____ of its subsidiary company

- (a) Share Capital (b) Equity Share Capital
(c) Voting Power (d) Assets

21. Section 2(42) deals with _____

- (a) Associate Company (b) Foreign Company
(c) Free Reserves (d) Government Company

22. Which of the following isn't PFI?

- (a) LIC of India (b) IDFC Ltd.
(c) ICICI Bank (d) UTI

ANSWER KEY

1	2	3	4	5
(a)	(b)	(d)	(a)	(d)
6	7	8	9	10
(a)	(a)	(c)	(d)	(c)
11	12	13	14	15
(c)	(b)	(c)	(a)	(d)
16	17	18	19	20
(a)	(b)	(b)	(d)	(c)
21	22			
(b)	(c)			

CHAPTER -3

PROMOTION AND FORMATION OF COMPANIES

1. The term promoter is defined under Section _____ of Companies Act, 2013.
 (a) Section 2(69) (b) Section 2(70) (c) Section 2(88) (d) Section 2(89)
2. The promoter is a person who is named as such in _____.
 (a) Prospectus (b) Annual Return (c) Both a & b (d) Either a & b
3. A person with direct or indirect control over company is called _____.
 (a) Subscriber (b) Director (c) Promoter (d) Chairperson
4. Which of the following statement is true about Promoter of the Company?
 (a) The term promoter is defined under section 2(68)
 (b) Promoter is the agent of company
 (c) Promoter is the agent of company
 (d) Promoter stands in fiduciary relationship with the company.
5. Promoter must have personal business interest. It was held in the case of
 (a) Darry v/s peek (b) Lydney & Wigpool from Ore Co. v/s Bird
 (c) Peek v/s Gurney (d) Nash v/s Lynde
6. Which of the following can be exercised by company against promoter ?
 (a) Rescind the contract (b) Payment of original cost only
 (b) Sue for misfeasance (c) All of the above
7. Company cannot ratify pre-incorporation contracts. It was held in the case of _____.
 (a) Derry v/s Peek
 (b) Peek v/s Gurney
 (c) Kelner v/s Baxter
 (d) Howard v/s patent Fuory Manufacturing Company
8. An application for availability of name with ROC is to be made through _____.
 (a) INC-1 (b) DIR-2 (c) RUN (d) CIN
9. Declaration by Professional while incorporation of company shall be made in _____.
 (a) INC -8 (b) INC-9 (c) INC -10 (d) INC-2

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10. Consent for appointment of Director is to filed in form _____.

- (a) INC-11 (b) DIR-2 (c) DIR -8 (d) INC-9

11. A specified IFSC Public Company & Specified IFSC Private company shall be formed only as ___.

- (a) Company limited by shares (b) Company limited by Guarantee
(c) Unlimited Company (d) Closely held company

12. RUN stands for _____.

- (a) Reserve Unique Name (b) Reserve Unique Number
(c) Recreate Unique Name (d) Rectify Unique Name

13. Certificate of information shall be provided by ROC in form _____.

- (a) COI- 11 (b) INC-11 (c) COI-1 (d) INC-22

14. SPICE stands for _____.

- (a) Simplified Proforma for incorporating company electronically.
(b) Simplified Procedure for the incorporating easily.
(c) Simplified Proforma for incorporation of company through email.
(d) Simplified Proforma for incorporation company through Electronic Documentation format (EDF)

ANSWER KEY

1	2	3	4	5	6	7
(a)	(d)	(c)	(d)	(b)	(c)	(c)
8	9	10	11	12	13	14
(c)	(a)	(b)	(a)	(a)	(b)	(a)

CHAPTER -4

MEMORANDUM AND ARTICLES OF ASSOCIATION

1. The term MOA has been defined under _____ of Companies Act, 2013.
 (a) Section 2(5) (b) Section 2(56) (c) Section 2(55) (d) Section 2(57)
2. _____ is the supreme charter of the company & defines the powers of the company.
 (a) Memorandum of association (b) Articles of Association
 (c) Certificate of Incorporation (d) prospectus
3. In Case of Company Limited by Shares the memorandum shall be made as per _____.
 (a) Table D (b) Table C (c) Table B (d) Table A
4. The MOA of OPC has to be signed by _____.
 (a) 1 Person (b) 2 person (c) 3 person (d) 7 person
5. Who among the following can become subscriber to MOA?
 (a) Natural Person (b) Artificial Person
 (c) Minor (d) Both a & b
6. Who among the following cannot be the subscriber?
 (a) Company (b) LLP
 (b) Minor (d) Body Corporate
7. Minor cannot be a subscriber to MOA. It was held in the case of _____.
 (a) Re-Metal Constituents Company
 (b) Palaniappa Mudaliar v/s Official Liquidator, Pashupati Bank Ltd.
 (c) Miss Nandita jain v/s Bennett Coleman.
 (d) Derry v/s Perk
8. A company is under obligation to display its former name along with its name, if changed the name during last _____.
 (a) 2 years (b) 1 year (c) 6 months (d) 3 months
9. While reserving the name of company, penalty up to ₹ _____ may be imposed if wrong information has been provided by promoter's _____.
 (a) ₹ 10,000 (b) ₹ 50,000 (c) ₹ 1 Lakh (d) ₹ 5 Lakh

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10. Intimation of registered office to ROC can be made in form _____.
- (a) INC-11 (b) INC-10 (c) INC-21 (d) INC-22
11. The second clause of MOA is called _____ ,
- (a) State Clause (b) Registered office clause
(c) Domicile Clause (d) All of the above
12. The authorized Capital of the company can also be termed as _____.
- (a) Registered Capital (b) Nominal Capital
(c) Issued Capital (d) Both a & b
13. In case there is change in name of company, then the new COI shall be issued by ROC is _____.
- (a) INC-11 (b) INC 22 (c) INC – 25 (d) INC -28
14. The registered office of the company can be shifted form one city to another by passing.
- (a) BR(Board Resolution) (b) OR(Ordinary Resolution)
(c) SR(Special Resolution) (d) UR(Unanimous Resolution)
15. Notice of change in registered office to ROC shall be filed by specified IFSC Companies in _____.
- (a) 15 Days (b) 30 Days
(c) 45 Days (d) 60 Days
16. An application for shift in registered office involving change in ROC shall be made in Form _____ to RD
- (a) INC- 22 (b) INC -23 (c) INC-25 (d) INC-28
17. A state government cannot oppose the shifting of registered office of a company from one state to another on the ground that by this change the state would be deprived of its revenue. It was held in case of _____.
- (a) Minerva Mills Ltd. v/s Government of Maharashtra
(b) Atlas Cycles Ltd v/s Government of Haryana
(c) Cotton Mills v/s Government of Punjab
(d) Tikri Chemicals Ltd v/s State of Rajasthan
18. For change in object clause the special Resolution need not be passed by Postal Ballot if members in a company doesn't exceeds _____.
- (a) 100 (b) 200 (c) 250 (d) 500
19. Notice of alternation in Capital Clause shall be filed in form _____.
- (a) SH-7 (b) INC-24 (c) MGT-11 (d) PAS-5

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20. Table H provides for the format of AOA for _____.
- (a) Company Ltd by Shares
 (b) Company Ltd by Guarantee without Share Capital
 (c) Company Ltd. by Guarantee & Share Capital
 (d) Unlimited Company
21. Which of the following content is not specified in AOA of the Company ?
- (a) General meeting
 (b) Remuneration
 (c) Liabilities Clause
 (d) Winding up
22. Section 5 Companies Act, 2013 provides for _____
- (a) MOA
 (b) AOA
 (c) Alteration
 (d) Entrenchment Provision
23. AOA cannot be altered if :-
- (a) Against MOA
 (b) Against Company Law
 (c) Against Public Policy
 (d) All of the above
24. Company is not bound to the outsider for the contents specified in its AOA. It was laid down in the case of :-
- (a) Woods v/s Odessa Waterworks Co.
 (b) Royfield v/s Hands
 (c) Eley v/s Positive Life Insurance Co.
 (d) Boreland's trustee v/s Steel Brothers & Co. Ltd.
25. Ashbury Railways Carriage & Iron Co. v/s Richie(1875) is a landmark judgement in _____
- (a) Doctrine of Alter Ego
 (b) Doctrine of Ultra Vires
 (c) Doctrine of Constructive Notice
 (d) Doctrine of Indoor management
26. "Omnia Praesumuntur Rit Esse Acts" is a maximum related to _____
- (a) Doctrine of Alter Ego
 (b) Doctrine of Ultra Vires
 (c) Doctrine of Constructive Notice
 (d) Doctrine of Indoor management.

ANSWER KEY

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

CHAPTER -5 MEMBERSHIP

1. Section 2(55) of Companies Act, 2013 States about _____.
 (a) Member (b) Membership (c) Shareholder (d) Subscriber

2. Who among the following shall be considered as member of the company ?
 (a) Subscriber to MOA (b) Transfer of shares
 (c) Beneficial owner (d) All Of the Above

3. Shareholder + Registered with depositories or company is _____.
 (a) Member (b) Subscriber (c) Director (d) Co-Partner

4. Subscriber to MOA cannot rescind the contract for the purchase of shares , it was held in the case _____.
 (a) Derry v/s Peek (b) Miss Nandita jain v/s Bennett Coleman
 (c) Re – Metal Constituents Co. (d) Pashupati Bank v/s Presiding Officer

5. Section 19 provides that _____.
 (a) Subsidiary company cannot become member of holding company
 (b) Sui Juris
 (c) Partnership firm can't become member
 (d) OPC cannot member in company

6. Partnership firm _____ become a member of _____ company
 (a) can, Sec 8 (b) cannot , Sec 8
 (c) can, Private Company (d) cannot, Private Company

7. Minor can apply for registration of share if _____.
 (a) Fully , paid up (b) Through natural guardian
 (c) Both (a) and (b) (d) Statement given is false

8. Which of the following statement is false?
 (a) Pawnee shall not become member in a company.
 (b) Pawnee is also known as pledge.
 (c) Pawnee cannot sell the share pawned to him
 (d) Shares can be pledged not mortgaged.

9. Person applying for shares in factitious is liable to imprisonment extended to _____.
 (a) 6 months (b) 1 years (c) 3 years (d) 10 years

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10. Mr. A has applied for shares through multiple identities. This offence is _____.
- (a) Compoundable (b) Non-Compoundable
(c) Partial compoundable (d) Any of the above
11. _____ is short cut to forfeiture.
- (a) Transfer (b) Transmission (c) Surrender (d) Estoppel
12. Examine the following statements & state false statement.
- (a) AOA may provide for expulsion of member.
(b) AOA is a contract between company and its member.
(c) Member is empowered with the right to transfer his shares.
(d) Where shares are held by CG, share certificate is issued in the name of president.
13. Joint members are counted as 1 in case of _____.
- (a) Private Company (b) Public Company
(c) Sec 8 (d) One Person Company
14. Shares of CG & SG can be held in the name of President & Governor as empowered by Article _____.
- (a) 297 (b) 298 (c) 299 (d) 300
15. Share held by government in any company cannot be issued share certificate in the name of _____.
- (a) President (b) Governor (c) Collector (d) None of the above
16. For variation of members rights, consent in writing of the holder of not less than _____ of the issued capital of shall of that class.
- (a) 2/3 (b) 3/4 (c) 1/4 (d) 1/10
17. Petition to NCLT for the cancellation of variation in members rights shall be made to NCLT within _____ days of which consent was given.
- (a) 7 Days (b) 15 Days (c) 21 Days (d) 30 Days
18. SR should is passed through postal ballot except _____.
- (a) OPC (b) Private company
(c) Both (a) and (b) (d) Neither (a) and (b)
19. If any violation has been made by the company under sec 48, then the penalty not less than extending to _____ can be imposed on company.
- (a) 25000 to 1 Lakh (b) 10000 to 1 Lakh
(c) 10000 to 5 Lakh (d) 25000 to 5 Lakh
20. In case of company with guarantee _____ is transferred
- (a) Shares (b) Interest (c) Guarantee (d) Subscription

SWAPNIL PATNI CLASSES**Answer Keys**

1	2	3	4	5	6	7
(a)	(d)	(a)	(c)	(a)	(a)	(c)
8	9	10	11	12	13	14
(c)	(d)	(b)	(c)	(a)	(a)	(c)
15	16	17	18	19	20	
(c)	(b)	(c)	(c)	(d)	(b)	

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CHAPTER -6

PROSPECTUS AND ALLOTMENT

1. Section 23 provides for _____
 (a) Abridged prospectus (b) Self-prospectus
 (b) Red-hearing (d) Methods of issuing securities
2. The prospectus is defined under _____
 (a) 2(69) (b) 2(70) (c) 2(71) (d) 2(72)
3. Sec 2(70) of Company Act, 2013. Define prospectus issued to _____
 (a) Company (b) Body Corporate
 (c) Corporation soul (d) Foreign company
4. A single private communication between business fiends shall not satisfy the term _____
 (a) Prospectus (b) Issue
 (c) Public issue (d) Private Placement
5. Prospectus must be issued to public is was held in case of _____
 (a) Immugan v/s Rangaram
 (b) Nash v/s Lynde
 (c) Derry v/s Peek
 (d) South of England Natural Gas Petroleum Ltd.
6. Prospectus must contain opinion of _____
 (a) Expert (b) Independent expert
 (c) Independent director (d) Director
7. The Prospectus must be issued to public within _____ days of _____ to ROC
 (a) 30, delivery (b) 60, delivery (c) 90, delivery (d) 90, registration
8. If the Company makes any default u/s 33 it shall be liable for penalty of _____
 (a) 5,000 (b) 50,000 (c) 100,000 (d) 500,000
9. In order to constitute offer for sale, such on offer made to public within ____ months after allotment to underwriter.
 (a) 1 Months (b) 3 Months (c) 6 Months (d) 12 Months
10. Prospects under Section 25 is _____
 (a) Deemed Prospectus (b) Constructive Prospectus
 (c) Prospect by implication (d) All of the above

11. Section 28 states about _____
(a) Shelf Prospectus (b) Red herring Prospectus
(b) Deemed Prospectus (d) Offer for sale
12. Self-Prospectus is valid for the period _____
(a) 1 Months (b) 3 Months (c) 6 Months (d) 1 Year
13. Prospectus without complete particular of quantum of price of the Securities is called _____
(a) Shelf (b) Abridged (c) Red Herring (d) Deemed
14. In case of Misstatement in prospectus _____ can be imposed
(a) Civil Liability (b) Criminal Liability
(c) Both (a) and (b) (d) Either (a) or (b)
15. In case of Misrepresentation in Prospectus _____
(a) Remedy against Company only (b) Remedy against Director & Promoter
(c) Experts along with director & Promoter (d) All of the above
16. A subsequent purchaser of share in open market has no remedy against the company or Director or promoters held in the case of
(a) Derry v/s Peek (b) Peek v/s Gurney
(c) Nash v/s Lynde (d) Lynde v/s Gurney
17. Section 37 states about _____
(a) Criminal liability (b) Civil Liability
(b) Fraudulent Inducement (d) Class Action Suit
18. Section 24 of Companies Act, 2013 empowers _____
(a) SEBI (b) NCLT (c) ROC (d) RD
19. If company is willing to utilize the amount raised for the purpose other than specified in prospectus then _____ is required to be passed
(a) OR (b) SR (c) BR (d) None
20. Public offer shall mandatorily be made through dematerialized form as stated in Section _____ 29
(a) 29 (b) 30 (c) 31 (d) 32
21. An act of appropriation of Capital by BOD is called _____
(a) Allotment (b) Public issue (c) Transfer (d) Apostallization

22. Application money shall not be less than _____ of the nominal value of securities.
(a) 2.5% (b) 5% (c) 10% (d) 25%
23. Company shall receive minimum subscription within 30 days from date of ____
(a) Publication of Prospectus (b) Registration of Prospectus
(b) Issue of Prospectus (d) From the date of opening of issue
24. If the company has not received minimum subscription, then the amount received is to be repaid within ____ day from closure of issue.
(a) 5 days (b) 7 days (c) 15 days (d) 30 days
25. Return of allotment to be filled by company in form _____ to ROC in ____ days.
(a) PAS-1,30 days (b) PAS-2,30 days
(c) PAS-3,30 days (d) PAS-4,30 days
26. Sec 42 provides that a company cannot make _____ to more than 200 person in aggregate in financial year.
(a) Allotment (b) Offer for securities
(b) Transfer (c) Issue
27. Letter of offer to be issued by company in ____
(a) PAS 2 (b) PAS 4 (c) PAS 5 (d) PAS 6
28. In order to make private placement securities is _____ required
(a) BR (b) SR (c) OR (d) UR
29. While calculating the limit of 200 person under Section 42 _____
(a) QIB is included (b) Employees stock option included
(c) QIB & ESOP is excluded (d) QIB is included & ESOP is excluded
30. The minimum investment size for private placement shall not be less than _____ as per ____
(a) ₹ 20,000, issue price (b) ₹ 20,000, market value
(c) ₹ 20,000, face value (d) ₹ none of the above
31. Allotment under private placement is to be made within _____ day of receiving application money under IFSC public and IFSC Private Company.
(a) 30 days (b) 60 days (c) 90 days (d) 100 days

ANSWER KEY

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

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CHAPTER -7

UNDERWRITING COMMISSION

1. Underwriter is _____

(a) Agent	(b) Del Credere agent
(c) Factor agent	(d) Business agent

2. _____ is a member of stock exchange

(a) Company	(b) Underwriter
(c) Broker	(d) Debenture trustee

3. The rate of underwriting commission is _____% in shares, and _____% in case debentures of issue price

(a) 7.5%, 2.5%	(b) 2.5%, 2.5%
(b) 5%, 10%	(d) 5%, 2.5%

4. Underwriting commission is paid out of _____

(a) Proceed of issue	(b) Profit of company
(b) Out of reserve	(d) Either (a) or (b)

5. Copy of underwriter agreement should be delivered to _____

(a) Register Of Companies	(b) NCLT
(b) RD	(d) MCA

6. _____ is insurer against under subscription of securities.

(a) Broker	(b) Underwriter	(c) Company	(d) Stock exchange
------------	-----------------	-------------	--------------------

7. Section _____ of Companies Act read with rule _____ of the Companies (Prospectus and Allotment of Securities) Rules, 2014, permits the company to pay Underwriting commission.

(a) 40, 12	(b) 40, 13	(c) 40, 15	(d) 40, 17
------------	------------	------------	------------

8. The payment of Underwriting Commission authorized by _____

(a) MOA	(b) AOA	(c) SR	(d) OR
---------	---------	--------	--------

9. Which statement is false?
 - (a) Underwriting commission to be disclosed in prospectus.
 - (b) Underwriting commission shall be paid on all securities allotted to underwriter.
 - (c) Prospectus shall disclose number of shares Underwritten.
 - (d) Underwriting commission shall not be paid on these securities which are not offered to public for subscription.

ANSWER KEYS

1	2	3	4	5
(b)	(c)	(a)	(d)	(a)
6	7	8	9	
(b)	(b)	(b)	(b)	

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CHAPTER - 8

SHARE CAPITAL OF A COMPANY

1. Section 2(50) of Companies Act, 2013 provides for _____
 (a) Subscribed Capital (b) Issued Capital
 (c) Called Up Capital (d) Paid Up Share Capital
2. As per Section 2(84) Share means share in the share capital of a Company and includes _____
 (a) Debentures (b) Preference Shares (c) Stocks (d) Bonds
3. Section 43 provides for _____
 (a) Buy Back of Shares (b) Kinds of Shares
 (c) Issue of shares at Premium (d) Reduction in Share Capital
4. Company can bring of Preference shares by passing _____
 (a) Board Resolution (b) Ordinary Resolution
 (c) Unanimous Resolution (d) Special Resolution
5. Company engaged in the setting up of infrastructural projects may issue preference shares for a period not exceeding _____
 (a) 30 Years (b) 20 Years (c) 10 Years (d) 5 Years
6. Where a Company is not in a position to redeem its Preference shares, it may redeem unredeemed preference shares by issue of further preference shares with consent of holders of _____ in value of such preference shares.
 (a) 10% (b) 51% (c) 75% (d) 100%
7. In case of Redemption of Preference shares, the Company is required to submit SH-7 to ROC in _____
 (a) 7 days (b) 14 days (c) 30 days (d) 60 days
8. A Company may issue equity shares with differential rights upon expiry of _____ years from the end of the financial year in which such default was made good.
 (a) 2 (b) 3 (c) 5 (d) 7
9. The equity Capital with differential voting rights shall not exceed _____ of the total post issue paid up equity share Capital.
 (a) 24% (b) 26% (c) 51% (d) 1/10%th
10. In order to issue DVR shares, the Company needs to obtain the approval of the shareholders in a General Meeting by way of _____
 (a) Ordinary Resolution (b) Special Resolution
 (c) Super majority Resolution (d) Unanimous Resolution

11. The detail with respect to issue to DVR shares shall be provided by company in its _____
(a) Annual Report (b) Annual Return
(c) Board Report (d) Internal Audit Report
12. In case of Nidhi Company, no member shall exercise voting rights on poll in excess of _____ percentage of total voting rights of equity shareholders.
(a) 2% (b) 3% (c) 5% (d) 11%
13. Preference shares are entitled to vote on every resolution placed before the company at any meeting if the dividend due on such shares are in arrears for a period of _____ or more
(a) 2 years (b) 3 years (c) 4 years (d) 1 years
14. Company may purchase its own shares out of _____
(a) Free Reserves (b) Securities Premium A/c
(c) Proceeds of earlier issue (d) All of the above
15. By passing Board Resolution, company may buy back shares up to _____
(a) 10% of the aggregate of Paid up Equity and Free reserves
(b) 10% of the aggregate of Paid up Capital and Free reserves
(c) 25% of the aggregate of Paid up Equity and Free reserves
(d) 25% of the aggregate of paid up Capital and Free reserves
16. Letter of Buy Back offer shall be as per format prescribed in _____
(a) PAS-4 (b) SH-8 (c) MHT-4 (d) PAS-8
17. Where _____ resolution is passed, the offer for buy back may remain open for a period less than 15 days.
(a) Ordinary (b) Special (c) Super majority (d) Unanimous
18. Form SH-9 provides for _____
(a) Letter of Buy Back (b) Declaration of Solvency
(c) Return of Buy Back (d) Registered of Buy Back
19. Which of the following statement about Securities Premium is False?
(a) To be maintained with same sanctity as share capital
(b) Cannot be treated as free reserves
(c) Can be treated a profits
(d) To be kept in Securities Premium A/c
20. Securities Premium cannot be utilized towards:-
(a) Issuing fully paid up Bonus Shares (b) Buy Back of Shares
(c) Reduction in Share Capital (d) Writing off the expenses or commission paid.
21. Sweat Equity shares can be issued by company by passing:-
(a) Board Resolution (b) Ordinary Resolution
(c) Special Resolution (d) Unanimous Resolution

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22. Sweat Equity shares shall not exceed _____ of the paid up equity Capital of the Company of the company at any time.
(a) 5% (b) 15% (c) 25% (d) 26%
23. The special resolution passed for the issuance of Sweat Equity Shares is valid for a period of _____
(a) 6 months (b) 12 months (c) 15 months (d) 18 months
24. Sweat equity shares issued to the directors or employers shall be locked in for a period of _____ years from the date of allotment.
(a) 2 years (b) 3 years (c) 5 years (d) 10 years
25. Register of Sweat Equity Shares is to be maintained in _____
(a) SH-7 (b) MGT-3 (c) SH-3 (d) SH-11
26. Notice of right offer shall be dispatched to all the shareholders at least _____ days before opening of the offer.
(a) 2 days (b) 3 days (c) 5 days (d) 10 days
27. When the Company is bringing issue at a price lesser than market price for its existing holders. It is called _____
(a) Right Issue (b) Right of first Refusal
(c) Pre-emptive right (d) All of the above
28. For issuing employees stock option _____ is required to be passed by Company.
(a) Ordinary Resolution (b) Special Resolution
(c) Unanimous Resolution (d) Board Resolution
29. Preferential Allotment of shares can be made by Company if authorized by _____ of members.
(a) Special Resolution (b) Ordinary Resolution
(c) Supermajority (d) Unanimous Resolution
30. A company may issue Bonus shares, out of _____
(a) Free reserves (b) Securities Premium A/c
(c) Capital redemption reserve A/c (d) All of the above

ANSWER KEYS

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

CHAPTER - 9

SHARE CERTIFICATE

1. Share Certificate is to be issued in Form _____
 (a) SH-1 (b) SH-2 (c) SH-3 (d) SC-1
2. In case of listed Company the form and contents of Share Certificates has to be approved by _____
 (a) SEBI (b) RBI
 (c) Stock Exchange (d) Compliance officer of CG
3. Share Certificate is a prima facie evidence of _____
 (a) Estoppel as to a Payment (b) Estoppel as to Title
 (c) Both A and B (d) Neither A nor B
4. Register of Duplicate Share Certificate is to be maintained by Company in _____
 (a) SH-2 (b) SH-3 (c) SC-2 (d) MGT-2
5. The identity of the shares is established by _____
 (a) Name of Company (b) Common Seal
 (c) No of shares held (d) Distinctive number of shares
6. Which of the following statement is untrue?
 (a) Share Certificate is issued to be subscribers to MOA in 2 months of COI
 (b) Share certificate is issued to shareholders holding shares in depository
 (c) Share Certificate specifies the name of holder and amount paid up
 (d) Shares do not carry its distinctive numbers in Physical Form
7. Company may while issuing duplicate share certificate fees not exceeding _____
 (a) ₹ 10/- per share (b) ₹ 10/- per share certificate
 (c) ₹ 50/- per share certificate (d) ₹ 50/- per share
8. In case of Unlisted company, the duplicate share Certificate shall be issued within _____
 (a) 45 days (b) 30 days (c) 3 months (d) 60 days

ANSWER KEYS

1	2	3	4	5	6	7	8
(a)	(c)	(c)	(a)	(d)	(b)	(c)	(c)

CHAPTER -10

TRANSFER AND TRASNMISSION

1. Provision regarding transfer of shares are given under _____
 (a) Sec 55 (b) Sec 56 (c) Sec 57 (d) Sec 58
2. Instrument of transfer of securities shall be made in _____
 (a) SH- 1 (b) SH-2 (c) SH-4 (d) SH-5
3. Transferee under obligation to file registration application with company within _____ days of execution.
 (a) 15 (b) 30 (c) 45 (d) 60
4. The requirement of SH-4 in 60 days shall not be applicable in case of _____
 (a) Equity shares issued by govt. company (b) Preference share issued by govt. company
 (c) Bonds issued by govt. company (d) Municipal bonds
5. An instrument on which signature of transferor is forged is called _____
 (a) Blank transfer (b) Inchoate transfer
 (c) Valid transfer (d) None of the above
6. Forged transfer is _____
 (a) Void (b) Voidable (c) Void-ab-initio (d) Valid
7. In case of transfer of partly paid share notice in form _____ is to be served by company to Transferee Shareholder.
 (a) SH-4 (b) SH-5 (c) SH-6 (d) SH-7
8. In case of partly paid up shares, transferee is under obligation to response within _____ from the date of receiving company notice
 (a) 7 days (b) 2 weeks (c) 15 days (d) 21 days
9. AOA of the Company may allow joint holding in the names of _____ persons
 (a) 2 (b) 3 (c) 4 (d) 5
10. Section 58 of company act, 2013 states about _____
 (a) Transfer & Transmission
 (b) Transfer by fictitious person
 (c) Rectification in register of member
 (d) Circumstances under which Company may refuse to register transfer



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11. Share certificate shall be issued to subscriber to MOA within _____ from _____
(a) 1 month, date of 1st board meeting (b) 2 months, date of 1st board meeting
(c) 1 month, date of incorporation (d) 2 months, date of incorporation
12. Debentures certificate is to be issued within _____ months of allotment
(a) 2 months (b) 3 months (c) 6 months (d) 9 months
13. Probate can also be termed as _____
(a) Affidavit (b) Indemnity bond (c) Attested copy Will (d) NOC
14. IFSC Private Company must deliver share certificate within _____ days from the date of receipt of transmission application.
(a) 15 (b) 60 (c) 30 (d) 90

ANSWER KEYS

1	2	3	4	5	6	7	8	9	10
(b)	(c)	(d)	(a)	(d)	(a)	(b)	(b)	(c)	(d)
11	12	13	14						
(d)	(c)	(c)	(b)						

CHAPTER -11 DEBENTURES

1. Section 2(30) states that debenture includes_____
 - (a) Debenture stock
 - (b) Bonds
 - (c) Other Security
 - (d) All of the above

2. Which of the following statements is false?
 - (a) Convertible debentures can be issued by passing SR.
 - (b) Company may issue debentures with voting rights
 - (c) Debenture is a document which creates and acknowledges debt.
 - (d) Specific performance can be enforced against company by debenture holders

3. Which of the following statement is untrue?
 - (a) Debenture is usually in the form of the certificate
 - (b) Debenture provides for the payment of a specified sum at specified date.
 - (c) Even zero rate of interest debentures can be issued
 - (d) Debentures can't be issued at discount.

4. For rollover of debentures, the approval of debenture holders by way of _____ is required.
 - (a) Ordinary
 - (b) Special
 - (c) Super Majority
 - (d) Unanimous

5. Infrastructure Debt Fund Non-Banking Financial Companies can issue debentures for a period of _____
 - (a) 10 years
 - (b) 15 years
 - (c) 20 years
 - (d) 30 years

6. Debentures must be listed before expiry of _____ weeks from the date of closing of subscription.
 - (a) 2
 - (b) 4
 - (c) 6
 - (d) 10

7. Company shall not issue prospectus to more than _____ persons without appointing debentures trustee
 - (a) 50
 - (b) 100
 - (c) 200
 - (d) 500

8. Debenture trustee can be removed by consent of not less than _____ in value of debenture holders at their meeting.
 - (a) 1/10th
 - (b) Half
 - (c) 3/4th
 - (d) 1/4th

9. The copy of Debenture trust Deed shall be forwarded to member or debenture holders within _____ days of request made
 - (a) 3
 - (b) 5
 - (c) 7
 - (d) 10

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10. Rule 18(7) of the companies (share Capital and Debenture Rules, 2014 states about _____
- (a) Debenture Trustee (b) Debenture Trust Deed
(c) Debenture Redemption Reserve (d) Roll Over of Debenture
11. The term debenture includes debenture stock, bonds and securities except excluded by _____
- (a) RBI or CG (b) CG or NCLT
(c) RBI or SEBI (d) RBI or NCLT
12. Debenture Trust Deed has to be executed between company and trustee within _____
- (a) 3 months of closure of offer (b) 21 days of allotment of debentures
(c) 60 days of issue opening date (d) 90 days of issuing prospectus

ANSWER KEYS

1	2	3	4	5	6	7	8	9	10
(d)	(b)	(d)	(b)	(d)	(d)	(d)	(c)	(c)	(c)
11	12								
(a)	(a)								

CHAPTER -12

ACCEPTANCE OF DEPOSIT BY COMPANIES

1. Eligible Company is a public company with net worth of ₹ _____ or Turnover of ₹ _____
 (a) 50 Crore, 250 Crore (b) 100 Crore, 500 Crore
 (c) 10 Crore, 100 Crore (d) 250 Crore, 1000 Crore
2. An eligible Company can raise deposits up to _____ of Paid Up Capital & Free Reserves & Securities Premium
 (a) 10% (b) 25% (c) 35% (d) 100%
3. An Eligible Company (Govt. Co.) can raise up to _____ of Paid Up Capital & Free Reserves & Securities Premium.
 (a) 10% (b) 25% (c) 35% (d) 100%
4. An IFSC Public Companies and other Private Companies can raise up to _____ of Paid Up Capital & Free Reserves & Securities Premium
 (a) 10% (b) 25% (c) 35% (d) 100%
5. Which of the following Private Companies cannot accept deposits from its members without any limit _____
 (a) Start Up Company within 5 years of COI
 (b) Private Company whose borrowing is not more than Paid up Capital or ` 20 Crore (whichever is less)
 (c) Private Company which is not subsidiary or associate of any Company
 (d) No default in repayment of borrowings
6. Circular regarding deposits is to be issued in newspaper in Form _____
 (a) DPT-1 (b) DPT-2 (c) DPT-3 (d) DPT-4
7. Copy of circular to ROC has to be filed by Company at least _____ days before issue
 (a) 10 days (b) 15 days (c) 30 days (d) 45 days
8. In case of default by the Company in repayment of deposits, an insurance company within 30 days from _____
 (a) ₹ 25,000, actual amount with interest, less. (b) ₹ 50,000, actual amount, more
 (c) ₹ 25,000, actual amount, more (d) ₹ 50,000, actual amount with interest, less

9. In case of secured deposits, security has to be created by company within 30 days from _____
 (a) Date of Circular issued
 (b) Date of copy of circular filed to ROC
 (c) Date of closure of application period or deposit period
 (d) Date of acceptance
10. The Trust Deed has to be executed between Company & Trustee of Depositor in _____
 (a) DPT-1 (b) DPT-2 (c) DPT-3 (d) DPT-4
11. Meeting is to be called by Debenture Trustee if request is made by _____ depositors in _____
 (a) 1/10th, value (b) 3/4th, number (c) 3/4th, value (d) 1/10th, number
12. Deposit receipt is to be issued by company to the Company to the depositor within _____ days of realization of cheque
 (a) 7 (b) 15 (c) 21 (d) 30
13. Register of deposits is to be preserved by company for _____
 (a) 5 calendar years (b) 8 accounting years
 (c) 5 accounting years (d) 8 calendar years
14. Return of Deposits is to be filed by company to ROC in _____ on or before _____ every years
 (a) DPT-3, 30th June (b) DPT-2, 30th April
 (c) DPT-3, 30th April (d) DPT-3, 30th September
15. Penal rate of interest in case of default in repayment of deposits for overdue period is _____
 (a) 12 % (b) 15 % (c) 18 % (d) 24 %
16. Which of the following is covered under the definition of Deposits?
 (a) Amount received as a facility from bank
 (b) Amount received from other company
 (c) Any interest bearing amount received or held in trust
 (d) Amount received from Multilateral Financial institution

ANSWER KEYS

1	2	3	4	5	6	7	8	9	10
(b)	(b)	(c)	(d)	(b)	(a)	(c)	(a)	(d)	(b)
11	12	13	14	15	16				
(a)	(c)	(d)	(a)	(c)	(c)				

CHAPTER -13 CHARGES

1. The term charge has been defined under Section _____ of Companies Act, 2013
 (a) 2(14) (b) 2(15) (c) 2(16) (d) 2(21)
2. Under Companies Act, 2013 Charge mean an interest or lien created on the property on the property or assets of a Company or any of its undertaking or both as security and includes a _____
 (a) Pledge (b) Mortgage (c) Hypothecation (d) All of the above
3. Which of the following is a kind of charge?
 (a) Fixed Charge (b) Flexible Charge (c) Both A and B (d) Neither A and B
4. Charge may be created by _____
 (a) Act of Parties (b) Operation of Law (c) Both A and B (d) Neither A and B
5. A Floating charge crystallizes when _____
 (a) The Company goes into liquidation (b) The company ceases to carry on the business
 (b) Happening of event specified by deed (d) All of the above
6. Company is under obligation to register the Charge with ROC within _____ days.
 (a) 7 (b) 15 (c) 30 (d) 60
7. Certificate of Registration of Charge is issued by ROC to Company in Form _____
 (a) CHG-1 (b) CHG-2 (c) CHG-3 (d) CHG-4
8. In case of non- registration of Charge with ROC in 300 days, condemnation application shall be made to _____ in Form _____
 (a) RD, CHG-8 (b) NCLT, CHG-8 (c) CG, CHG-3 (d) NCLT, CHG-6
9. Section 77 of Companies Act, 2013 is not applicable to the charges prescribed in consultation with _____
 (a) SEBI (b) RBI (c) CG (d) NCLT
10. Certificate of modification of charge is issued by ROC to Company in Form _____
 (a) CHG-1 (b) CHG-2 (c) CHG-3 (d) CHG-4
11. The register of charges maintained by Company can be inspected by members and creditors _____
 (a) Free of cost (b) Payment of ₹ 10
 (c) Payment of ₹ 100 (d) Payment specified in AOA



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12. CHG-7 is a format for _____
 (a) Appointment of Receiver (b) Satisfaction of Charge
 (b) Charge in respect of debentures (c) Register of Charges
13. If the charge has been created in respect of the property situated in India, the certificate of verification shall be provided by _____
 (a) Director (b) Company Secretary
 (c) Authorized officer of Charge holder (d) Any of the above
14. Charge, if not registered is _____
 (a) Valid against the liquidator (b) Void against the liquidator
 (c) Discretion of liquidation (d) Any of the above
15. For non- registration of charge Company may be fined not less than ₹ _____ and not exceeding ₹ _____
 (a) ₹ 25,000 , ₹5,00,000 (b) ₹ 50,000 , ₹ 5,00,000
 (c) ₹ 1,00,000 , ₹10,00,000 (d) ₹ 25,000 , ₹ 10,00,000
16. Section 87 of Companies Act, 2013 deals with _____
 (a) Satisfaction of Charge (b) Condonation by CG
 (c) Register of Charges (d) Penalty for non- registration of Charges

ANSWER KEY

1	2	3	4	5	6	7	8	9	10
(c)	(b)	(c)	(c)	(d)	(c)	(b)	(c)	(b)	(c)
11	12	13	14	15	16				
(a)	(d)	(d)	(b)	(c)	(b)				

CHAPTER -14

REGISTERS AND RETURNS

1. Section 92 of Companies Act, 2013 states about _____
 (a) Annual Report (b) Annual Accounts
 (c) Annual Return (d) Prospectus
2. Accounting books are also known as _____
 (a) Statutory Books (b) Non-statutory Books
 (c) Statistical Books (d) Optional Books
3. Under Section 88 _____ number of registers are to be maintained by company
 (a) 3 (b) 4 (c) 5 (d) 6
4. Which of the following register is not to be maintained statutorily
 (a) Register of Sweat equity Shares (b) Register of charges
 (c) Register of Allotees (d) Register of Deposits
5. An Index of securities is not necessary to be maintained if the number of security holders are less than _____
 (a) 20 (b) 50 (c) 100 (d) 200
6. The Company shall inform the _____ about the foreign address within _____ days from the date of keeping foreign registers in _____
 (a) RD, 30, MGT 4 (b) ROC, 30, MGT 3
 (c) NCLT, 15, MGT 2 (d) MCA,7, OPM 1
7. Where any person who is not member but does hold any interest such person make declaration in _____ form.
 (a) MGT-4 (b) MGT-5 (c) MGT-6 (d) SH-8
8. Declaration In Respect of Sec 89 shall be given by IFSC company within _____ days
 (a) 30 (b) 60 (c) 90 (d) 120
9. Company other than _____ is under obligation to give declaration of beneficial interest
 (a) Private (b) Public (c) IFSC (d) Government
10. The register of company can be closed for any period not exceeding in the aggregate _____ days in the years
 (a) 15 (b) 30 (c) 45 (d) 60
11. Date fixed by the company for taking record of its shareholder is called _____ date
 (a) Relevant (b) Reference (c) Effective (d) Record

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12. A company may keep its registers at any place in India where more than _____ total members reside
 (a) $\frac{1}{4}$ (b) $\frac{1}{10}$ (c) $\frac{2}{3}$ (d) $\frac{3}{4}$
13. A Ltd. is willing to keep its statutory registers at a place in India where more than _____ total members reside.
 (a) BR (b) OR (c) SR (d) RD approval
14. If company has not rectified the register of members on direction of NCLT, then Company shall be liable to penalty not less than _____ and not exceeding _____
 (a) 1 lakh, 5 lakh (b) 25,000, 5 lakh
 (c) 1 lakh, 25,00,000 (d) No penalty will be imposed
15. Returns which are required when contingency arises are called _____
 (a) Annual Return (b) Period Return
 (c) Casual Return (d) Contractual Return
16. Annual return is to be filled in form _____ to _____ in _____ days
 (a) MGT 9, ROC, 30 Days (b) MGT 7, ROC, 60 Days
 (c) MGT 7, ROC, 30 Days (d) MDT 7, ROC, 60 Days
17. A Private Company is exempted for disclosed in its Annual Return _____
 (a) Indebtness (b) Changes in KMP
 (c) Remuneration of KMP (d) Shareholding Pattern
18. Certification of Annual Report by PCS to be given under _____
 (a) MGT 7 (b) MGT 8
 (c) MGT 9 (d) MGT 10
19. Annual Report of Company is to be certified by PCS if _____
 (a) Paid up capital 10 crore (b) Turnover 50 crore
 (c) Both (a) and (b) (d) Either (a) or (b)
20. Sec 93 is applicable to _____
 (a) Every Company (b) Public Company
 (c) Private Company (d) Listed Company

ANSWER KEYS

1	2	3	4	5	6	7	8	9	10
(c)	(c)	(d)	(c)	(b)	(b)	(a)	(b)	(d)	(c)
11	12	13	14	15	16	17	18	19	20
(d)	(b)	(c)	(a)	(c)	(d)	(c)	(b)	(d)	(d)

CHAPTER -15

GENERAL MEETINGS

2. Business which are usually transacted in AGM are called_____
 - (a) Ordinary
 - (b) Special
 - (c) Extra- Ordinary
 - (d) Documentary
3. A Company shall hold its first AGM within a period of _____ from the date of closure of financial year
 - (a) 3 months
 - (b) 6 months
 - (c) 9 months
 - (d) 12 months
4. A Company shall convene its AGM (other than first) within a period of _____ from the date of closure of financial year.
 - (a) 3 months
 - (b) 6 months
 - (c) 9 months
 - (d) 12 months
5. The gap between 2 AGM's shouldn't exceed _____
 - (a) 12 months
 - (b) 15 months
 - (c) 6 months
 - (d) 9 months
6. Application for extensive of time period to convene AGM is to be made by company to ROC in _____ Form
 - (a) GNL-1
 - (b) MSC-1
 - (c) EXT-1
 - (d) MGT-1
7. Annual general meeting of an unlisted company may be held at any place in India if consent is given in writing or by electronic mode by _____ in advance.
 - (a) All the members
 - (b) More than half of the members
 - (b) $\frac{3}{4}$ th of the members
 - (d) $\frac{1}{10}$ th of the members
8. Annual return is to be filed by company to ROC in form _____ in _____ days of AGM
 - (a) MGT-9, 60 Days
 - (b) MGT-9, 30 Days
 - (b) MGT-7, 60 Days
 - (d) MGT-7, 30 Days
9. Failure to call AGM may attract the penalty which may extend to _____
 - (a) ₹ 25,000
 - (b) ₹ 50,000
 - (c) ₹ 1,00,000
 - (d) ₹ 5,00,000
10. _____ provides that all general meetings, other than AGMs are called
 - (a) Regulation 41 of Table A, Extra Ordinary General Meetings
 - (b) Regulation 42 of Table A, emergency General Meeting
 - (c) Regulation 42 of Table F, Extra Ordinary General Meeting
 - (d) Section 100 of Companies Act, 2013, Extra Ordinary General Meeting

11. EGM shall be held at any place in India or outside India. This rule is applicable to _____
- (a) Dormant Company
(b) Small Company
(c) IFSC Private Company & IFSC Public Company
(d) IFSC Private Company
12. Members not less than _____ of the paid up capital may request for EGM
- (a) $1/5^{\text{th}}$ (b) $1/10^{\text{th}}$ (c) Half (d) $3/4^{\text{th}}$
13. Board of Directors must convene the EGM within _____ days from the date of receipt of requisition from members
- (a) 14 days (b) 21 days (c) 45 days (d) 90 days
14. If Board doesn't convene EGM even after requisition is made by members, then members may convene EGM by themselves within a period of _____ from the date of requisition
- (a) 45 days (b) 3 months (c) 6 months (d) 21 months
15. Sec 98 of Companies Act, 2013 states about _____
- (a) Calling of AGM by NCLT (b) Calling of EGM by NCLT
(c) Penalty for non- convening of AGM (d) None of the above
16. Which of the following isn't a requisite of a valid General Meeting?
- (a) Notice (b) Quorum (c) Chairperson (d) Minutes
17. In case of Sec 8 Companies, GM may be called by giving not less than _____ days' notice
- (a) 7 (b) 14 (c) 21 (d) 30
18. In case of failure in delivery of notice of GM by e-mail, physical copy of notice is to be sent to the members within _____ of the original attempt.
- (a) 12 hours (b) 24 hours (c) 48 hours (d) 72 hours
19. Notice of GM in electronic form can be sent in _____
- (a) Portable Document Form (PDF) (b) Electronic Documentation Form (EDF)
(c) (a)&(b) (d) (a) or (b)
20. The minimum number of members required to be present at General Meeting is called _____
- (a) Proxy (b) Quorum (c) Requisition (d) Representation
21. In case of public company with 855 members, the requirement of quorum is
- (a) 5 members (b) 15 members (c) 30 members (d) 50 members
22. If the members in a company exceed _____ the requirement of quorum is 30 members personally present.
- (a) 1,000 (b) 5,000 (c) 10,000 (d) 2,500
23. Who among the following shall not form a part of Quorum?
- (a) Member Personally Present (b) Members Present through Proxy
(c) Representative of Govt. (d) Representative of Body Corporate

24. In case of an adjournment of meeting, the company shall give not less than _____ notice to its members
(a) 3 days (b) 1 week (c) 14 days (d) 21 days
25. If a poll is demanded on the election of the Chairman, it shall be taken _____
(a) Within 7 days (b) Within 3 days
(c) Within 48 hours (d) Immediately
26. Penalty for non- mentioning the right of a member to appoint proxy in notice of GM may be extended to ` _____
(a) 5,000 (b) 25,000 (c) 75,000 (d) 1,00,000
27. A person appointed as proxy shall not act as proxy on behalf of more than _____ members
(a) 10 (b) 20 (c) 50 (d) 100
28. Who among the following cant appoint Proxy?
(a) Member (b) Proxy
(b) Representative of body corporate (d) Representative of President & Governor
29. A Proxy form should be deposited at registered office of the company at least _____ hours before the time fixed for a meeting
(a) 7 hours (b) 14 hours (c) 24 hours (d) 48 hours
30. Proxy Form is to be filed in Form _____
(a) MGT-11 (b) MGT-15 (c) PRX-11 (d) GML-13
31. If a Company is indulged in canvassing for appointment of Proxy, then penalty up to ₹ _____ can be imposed
(a) ₹25,000 (b) ₹50,000 (c) ₹1,00,000 (d) ₹5,00,000
32. A member willing to inspect Proxies list may file his request with company at least _____ days before the GM
(a) 3 (b) 7 (c) 10 (d) 14
33. In first instance, a resolution is put to vote in GM by _____
(a) Poll (b) Circulation (c) Postal Ballot (d) Show of Hands
34. Which of the following companies need not provide E- Voting facility?
(a) Companies whose debentures or preference shares are listed only
(b) Companies listed on SME trading platforms
(c) Companies listed on Institutional Trading platforms
(d) All of the above
35. The demand for Poll can be made by members not being less than _____ of the total voting power on which aggregate sum of not less than ₹ _____ has been paid up
(a) $1/10^{\text{th}}$, ₹ 5 lakh (b) $1/5^{\text{th}}$, ₹ 5 lakh
(b) $3/4^{\text{th}}$, ₹ 25 lakh (d) $1/10^{\text{th}}$, ₹ 10 lakh

36. In voting by Poll, scrutinizer report shall be submitted to chairman in form _____
(a) MGT-11 (b) MGT-12 (c) MGT-13 (d) MGT-15
37. Section 106 states about _____
(a) Voting by Hands (b) Voting by Poll
(c) Postal Ballot (d) Restriction on exercise of voting rights
38. A _____ is the primary stage & the _____ is the posterior stage.
(a) Resolution, Motion (b) Motion, Resolution
(c) Voting, Motion (d) Voting, Resolution
39. Resolution in which votes cast favour are not less than 3 times the votes cast against it is called _____
(a) Ordinary resolution (b) Special resolution
(c) Unanimous resolution (d) Resolution by Circulation
40. In case of Special resolution being passed by Specified IFSC Companies MGT-14 is to be filed with ROC within _____ days
(a) 15 (b) 30 (c) 45 (d) 60
41. As per rule 25 of Companies (Management & Administration) Rules, 2014, minutes are to be kept in custody of _____
(a) Chairman (b) CEO (c) CS (d) Auditor
42. If a person is found guilty of tampering within the minutes of the meeting, he shall be punishable with imprisonment for a term which may extend to _____ years and fine not be less than ₹ _____ but may extend to ₹ _____
(a) 2 years; ₹25,000 ; ₹1 lakh (b) 1 year; ₹25,000; ₹1 lakh
(c) 3 years; ₹50,000 ; ₹5 lakh (d) 3 years; ₹25,000; ₹1 lakh
43. A member shall be entitled to be furnished copy of minutes for inspection within _____ working days of request made.
(a) 3 (b) 7 (c) 10 (d) 14
44. Report on AGM to be filed by _____
(a) Private Company (b) Public Company
(c) Every Company (d) Listed Company
45. Report on AGM is to be filed to the Registrar in Form _____
(a) MGT-11 (b) MGT-12 (c) MGT-13 (d) MGT-15

SWAPNIL PATNI CLASSES

46. The report on AGM shall be signed & dated by _____
 (a) Chairman (b) CEO (c) CFO (d) Scrutinizer
47. Report on AGM is to be filed in ROC in _____ days of the conclusion of AGM
 (a) 10 (b) 15 (c) 30 (d) 60
48. Which of the following resolution is required to be filed with ROC?
 (a) Ordinary Resolution (b) Special Resolution
 (c) Unanimous Resolution (d) Resolution by Circulation
49. In case of an Equality of votes on a matter required Ordinary Resolution, casting vote is provided to Chairman if _____
 (a) Provided in AOA
 (b) Consented by more than half members present in meeting
 (c) Consented by 3/4th members present in meeting
 (d) Consented by all members present in meeting without any member against it.

ANSWER KEYS

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

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Under One Roof With Team SPC



CHAPTER -16

DIVISIBLE PROFITS & DIVIDENDS

1. Which of the following statement about dividend is untrue?
 - (a) Paid to Shareholders in proportion of amount paid up
 - (b) Preference Shareholders are given priority
 - (c) Section 8 Companies can declare dividend
 - (d) Dividend can also be paid from accumulated profits

2. Which of the following statement is untrue?
 - (a) Dividend declared in AGM shall not exceed the dividend recommended in Board Meeting
 - (b) No dividend is to be declared without adoption of accounts
 - (c) If dividend is not declared in AGM, then it cannot be declared in EGM
 - (d) Dividend not to be paid out of capital

3. Dividend can be paid by the company from _____
 - (a) Profits of such year
 - (b) Profits of Previous years
 - (c) Amount provided by government
 - (d) Any of the above

4. In case of inadequacy of profits, Rule 3 of Companies(Declaration and Payment of Dividend) Rules, 2014 is to be complied for payment of dividend except in case of _____
 - (a) Private Company
 - (b) Small Company
 - (c) Government Company
 - (d) Wholly Owned Government Company

5. Dividend once declared has to be deposited in separate bank account within _____
 - (a) 7 days of AGM
 - (b) 30 days of recommendation
 - (c) 5 days of declaration
 - (d) 60 days from 30th September or AGM whichever is earlier

6. If Company is willing to declare dividend even if there are no profits in such year, then the rate of dividend shall not exceed _____
 - (a) The Dividend paid for immediately preceding financial year
 - (b) The Average of Dividend paid in immediately preceding three financial years
 - (c) Interim Dividend
 - (d) 15% of the paid up capital and free reserves

7. As per Rule 3 of Companies (Declaration and Payment of Dividend) Rules, 2014, in case of inadequacy of profit the dividend amount drawn shall not exceed _____
 - (a) Average of Dividend for immediately preceding 3 financial years
 - (b) 1/10th of the paid up capital and free reserves
 - (c) 15% of the paid up capital
 - (d) 50% of the Dividend paid during immediately preceding financial year

SWAPNIL PATNI CLASSES

8. If dividend is not claimed by the member, then shall be transferred to Unpaid Dividend Account in _____ days after expiry of _____ days
(a) 5, 30 (b) 7, 30 (c) 7, 14 (d) 5, 15
9. Dividend declared by the company but not claimed by the member for 7 years shall be transferred to _____
(a) Investor Protection Fund (b) Investor Education and Protection Fund
(b) Investor Protection and Education Fund (d) Investor Education and Protection Fund
10. The amount of IEPF can be utilized towards Class Action Suit sanctioned by _____
(a) NCLT (b) RD (c) ROC (d) CG
11. Nidhi Company may give declaration in local newspaper and display on notice board for at least _____ months, if amount of Dividend is not more than ₹ _____
(a) 3 months, ₹ 1,000 (b) 3 months, ₹ 100
(c) 3 months, ₹ 500 (d) 2 months, ₹ 100
12. The term dividend has been defined under section _____
(a) 2(34) (b) 2(35) (c) 2(36) (d) 2(43)
13. The provision regarding Declaration of Divisible profits and dividend are provided under _____
(a) Section 88 to 95 (b) Section 123 to 127
(c) Section 128 to 140 (d) Section 77 to 87
14. The Transfer of shares by Companies to IEPF shall be deemed as _____
(a) Issue of Shares (b) Transfer of Share
(c) Re-issue of Shares (d) Transmission of Shares

ANSWER KEYS

1	2	3	4	5	6	7	8	9	10
(c)	(c)	(d)	(d)	(c)	(b)	(b)	(b)	(d)	(a)
11	12	13	14						
(b)	(b)	(b)	(d)						

CHAPTER -17

ACCOUNTS

1. Board may keep the accounts at place other than registered office by filing Form _____ to _____ in _____ days

(a) AOC-3, ROC, 30 days	(b) AOC-4, ROC, 30 days
(c) AOC-5, ROC, 7 days	(d) AOC-5, ROC, 15 days

2. Company shall provide information to the director who has requested within _____ days of receipt of request.

(a) 7	(b) 10	(c) 15	(d) 21
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3. The books of Accounts has to be preserved by Company for a period of _____

(a) 5 calendar years	(b) 8 calendar years	(c) 8 financial years	(d) 8 years immediately preceding the relevant financial year
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4. The term branch office has been defined under section _____

(a) 2(14)	(b) 2(15)	(c) 2(13)	(d) 2(12)
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5. Financial year in relation to any company or _____ shall mean the period ending on the 31st day of March every year

(a) LLP	(b) Foreign Company
(c) Body Corporate	(d) Public Financial Institutions

6. In case of Small Company, the Term Financial Statement does not include

(a) Statement of Change in equity	(b) Cash Flow Statement
(c) Body Corporate	(d) Public Financial Institutions

7. Cash Flow Statement is included in the Financial Statement for _____

(a) Small Company	(b) Dormant Company
(c) Private Company	(d) One Person Company

8. The statement containing salient feature of the financial statement of a Company's subsidiaries or associate company shall be in Form _____

(a) AOC-1	(b) AOC-2	(c) AOC-3	(d) AOC-4
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9. An application for voluntary revision to the tribunal shall be made within _____ of decision taken by Board

(a) 12 weeks	(b) 10 weeks	(c) 8 weeks	(d) 2 weeks
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SWAPNIL PATNI CLASSES

10. Company cannot request ROC to allow voluntary revision of financial statement or Board's report without prior approval of _____
 (a) IBBI (Insolvency & Bankruptcy Board of India)
 (b) NCLT (National Company Law Tribunal)
 (c) RD (Regional Director)
 (d) CG (Central Government)
11. NFRA may impose the penalty of not less than _____ rupees which may extend to _____ times of the fees received in case of firms.
 (a) 10 lakhs, 5 times (b) 5 lakh, 10 times (c) 1 lakh, 5 times (d) 10 lakh, 10 times
12. NFRA may debar the member or firm from engaging himself or itself from practice for _____
 (a) 5 years (b) 10 years
 (c) 6 months to 5 years (d) 6 months to 10 years
13. Financial Statement should be signed on behalf of Board by _____
 (a) Chairman & 1 Director
 (b) Chairman & 1 MD
 (c) Chairman & 2 MDs
 (d) Chairman & 2 Director (with at least 1 MD, if any)
14. Financial Statement is to be filed by Company to ROC in Form _____ in _____ days
 (a) AOC-3, 15 days (b) AOC-4, 60 days
 (c) AOC-4, 30 days (d) AOC-3, 60 days
15. OPC shall file financial statements to ROC within _____
 (a) 30 days of AGM (b) 180 days from closure of financial year
 (c) 30 days from closure of financial year (d) 60 days from AGM
16. Which of the following companies is not required to file e-form AOC-4 XBRL:-
 (a) Listed Company
 (b) Company with Paid up Capital of ₹5 crore or more
 (c) Company having Turnover of ₹5 crore or more
 (d) Company covered under IND-AS
17. Which of the following companies is not required to appoint Internal Auditor
 (a) Listed company
 (b) Private company with turnover of ₹100 crore or more
 (c) Public company with paid up Capital of ₹50 crore or more
 (d) Public company with outstanding deposits of ₹25 crore

ANSWER KEYS

1	2	3	4	5	6	7	8	9	10
(c)	(c)	(d)	(a)	(c)	(b)	(c)	(a)	(d)	(b)
11	12	13	14	15	16	17			
(b)	(d)	(d)	(c)	(b)	(c)	(b)			

CHAPTER -18

CORPORATE SOCIAL RESPONSIBILITIES

1. Corporate Social Responsibility (CRS) is provided under section _____ of Companies Act, 2013
 (a) Section 134 (b) Section 135 (c) Section 136 (d) Section 137
2. Which of the following company shall constitute a CSR committee?
 (a) Company with Net Worth of ₹500 crore (b) Company with Turnover of ₹100 crore
 (c) Company with Net Profit of ₹5 crore (d) All of the above
3. CSR Contribution is at least _____ % of average net profits of the Company
 (a) 1% (b) 2% (c) 3% (d) 5%
4. Section 135 shall not apply to the Specified IFSC Companies for a period of _____ years from the commencement of business
 (a) One year (b) Four years (c) Three years (d) Five years
5. CSR Committee shall consist of at least _____
 (a) 2 Directors (b) 3 Directors
 (c) 5 Directors (d) 1/3rd of total Directors
6. The activities included in CSR policy of the Company shall be one of those specified in _____ of the Companies Act.
 (a) Table A (b) Schedule VII
 (c) Table F (d) Schedule VI
7. Which of the following activities isn't specified in schedule pertaining to CSR?
 (a) Rural Development Project (b) Slum Area Development
 (c) Smart City (d) Swachh Bharat Kosh
8. CSR Committee shall consists of _____ independent directors
 (a) 1 (b) 2 (c) 3 (d) 1/3rd
9. The Composition of CSR committee shall be disclosed in _____
 (a) Board Report (b) Corporate Governance Report
 (b) Secretarial Audit Report (b) Management Discussion & Analysis Report

ANSWER KEYS

1	2	3	4	5	6	7	8	9
(b)	(d)	(b)	(d)	(b)	(b)	(c)	(a)	(a)

CHAPTER -19

AUDIT

1. Which of the following can be appointed as an auditor?

(a) LLP	(b) Person covered under section 144
(c) Both	(c) None

2. Which of the following company is covered under the maximum limit of an auditor?

(i) Dormant Company	
(ii) (OPC)	
(iii) Small Company	
(iv) Small company private Company with p.u Capital of less than ₹100 crore	
(a) I+II	(b) II+III
(c) I+II+III	(d) I+II+III+IV

3. The first auditor of a company other than a Government Company, is to be appointed by BOD within _____ days of COI

(a) 15	(b) 30	(c) 60	(d) 90
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4. The first auditor so appointed is to hold office till _____

(a) Conclusion of First AGM	(b) Conclusion of First GM
(c) Lapse of 1 year	(d) The expiry of 6 th AGM

5. The company shall file a notice of appointment of Auditor with ROC in _____ in _____ days in case of IFSC Public & IFSC Private Companies

(a) ADT-2, 15 days	(b) ADT-2, 30 days
(c) ADT-1, 30 days	(d) ADT-1, 15 days

6. Which of the following company may appoint firm as auditor for more than 2 terms of 5 consecutive years?

(a) Listed Company	
(b) Unlisted Public Company with paid up capital of ₹10 crore	
(c) Private Company with borrowing of ₹50 crore	
(d) Private Company with paid up capital of ₹20 crore	

7. In Case of Prescribed Companies, after expiry of 2 terms of 5 consecutive years, cooling off period of _____ is required to re-appoint same auditor.

(a) 1 year	(b) 3 years	(c) 5 years	(d) 10 years
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8. In case of Government Company, first auditor is to be appointed by CAGI in _____ days from COI.

(a) 15	(b) 60	(c) 180	(d) 180
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9. In case of subsequent Auditor for existing government Companies, CAGI shall appoint auditor within _____ days from commencement of _____
 (a) 180, financial year (b) 60 days, AGM
 (b) 180, AGM (d) 60 days, financial year
10. The casual vacancy in the officer of auditor of Govt. Co. shall be filled by CAGI in 30 days & if failure than by _____ in next _____ days
 (a) Members, 30 days (b) BOD, 30 days
 (c) CG, 90 days (d) CFO, 30 days
11. The auditor who has resigned from the company shall file a statement in Form _____
 (a) ADT-1 (b) ADT-2 (c) ADT-3 (d) ADT-4
12. In order to remove an auditor, _____ of the members in GM is to be passed within _____ days of approval of _____
 (a) Ordinary Resolution, 60, ROC (b) Special Resolution, 60, CG
 (b) Special Resolution, 60, NCLT (d) Unanimous Resolution, 30, RD
13. The auditor shall report the fraud to the Board within _____ of discovery
 (a) 2 days (b) 3 days (c) 7 days (d) 10 days
14. Fraud discovered by auditor involving ₹ _____ or more is required to be forwarded to CG
 (a) 50 lakhs (b) 1crore (c) 5crore (d) 10crore
15. Cost Audit Report is to be made in form _____
 (a) CRA-1 (b) ADT-1 (c) CRA-4 (d) CRA-3

ANSWER KEYS

1	2	3	4	5	6	7	8	9	10
(a)	(d)	(b)	(a)	(c)	(d)	(c)	(b)	(a)	(b)
11	12	13	14	15					
(c)	(b)	(a)	(b)	(c)					

PART-B

CHAPTER -1
INDIAN CONTRACT ACT

1. Suraj delivers his car to Chanda, a garage owner for repair. Who is the Bailor In this case?
 - (a) Suraj
 - (b) Chanda
 - (c) None of the above
 - (d) Both Suraj and Chanda

2. Ram had to travel to a different town for 5 Days. He left his Cow in the custody of Shyam so that she can be taken care of. After 2 Days the cow delivers a calf. Now Shyam has to return to Ram:
 - (a) Only the cow
 - (b) Only the calf
 - (c) Both the cow and Calf
 - (d) Either the cow or the calf

3. S and P go into a shop. S says to the shopkeeper C, "Let P have the goods and if he sdoes not pay you, I will." This is
 - (a) Contract of Guarantee
 - (b) Contract of Indemnity
 - (c) Wagering agreement
 - (d) Quasi Contract

4. A Guarantee obtained by a creditor by keeping silence as to material circumstances is :
 - (a) Valid
 - (b) Voidable
 - (c) Unenforceable
 - (d) Invalid

5. A contract of Indemnity is a
 - (a) Contingent Contract
 - (b) Wagering Contract
 - (b) Quasi Contract
 - (d) Void Contract

6. A, B and C are sureties for D, enter into Bonds, each in a different penalty, namely, A in the penalty of 100000, B in that of 200000, C in that of 400000, conditioned for D's duly accounting to E. D to the extent of 300000. According to the Indian Contract Act:
 - (a) Only A is liable
 - (b) A and B each are liable to pay 100000 and 200000 respectively
 - (c) A and B are each liable to pay 100000
 - (d) A,B,C are each liable to pay 100000

7. Mr A, puts 'M' as his cashier under Mr B and agrees to stand as surety provided that B checks the cash every Month. M embezzles cash. According to the Indian Contract Act 1872,
 - (a) A and B shall equally share the loss
 - (b) No one is liable to pay the penalty
 - (c) A is not responsible, if B failed to verify the cash
 - (d) A is responsible, even if B failed to verify the cash every month

8. A guarantees to C, to the extent of 2,00,000 rupees, payment for rice to be supplied by C to B. C supplies to B rice to a less amount than 2,00,000 rupees, but obtains from A payment of the sum of 2,00,000 rupees in respect of the rice supplied. As per the provisions of the Indian Contract Act, 1872:
- (a) A can recover from B more than the price of the rice actually supplied.
 - (b) A cannot recover from B more than the price of the rice actually supplied.
 - (c) A can recover from C the price of the rice actually supplied.
 - (d) C can recover from A the price of the rice actually supplied.
9. A contracts with B for a fixed price to construct a house for B within a stipulated time. B would supply the necessary material to be used in the construction. C guarantees A's performance of the contract. B does not supply the material as per the agreement. As per the provisions of the Indian Contract Act, 1872:
- (a) C is liable to A
 - (b) C is liable to B
 - (c) C is liable to A for the cost material not supplied
 - (d) C is discharged from his liability
10. Which contract is entered with the objective of promisee against anticipated loss?
- (a) Indemnity
 - (b) Pledge
 - (c) Agency
 - (d) Bailment
11. Which of these is included in contract of indemnity?
- (a) Express promise to make good the losses
 - (b) Event not depending on conduct of promisor
 - (c) Life insurance contracts
 - (d) Loss caused by accident
12. Promisee is entitled to sue for specific performance on when he has incurred _____ & it is covered under contract.
- (a) Anticipated liability
 - (b) Absolute liability
 - (c) Contingent liability
 - (d) Present Liability
13. Which of these is a contract to perform the promise, or discharge the liability of a third person in case of his default?
- (a) Indemnity
 - (b) Pledge
 - (c) Guarantee
 - (d) Bailment
14. Which party's Liability under guarantee is Co-extensive with the liability of principal debtor?
- (a) Creditor
 - (b) Third Party
 - (c) Guarantor
 - (d) Debtor

15. The Nature of surety's liability under contract of guarantee is _____
(a) Primary & Independent (b) Secondary & Unconditional
(c) Primary & Dependent (d) Secondary & Conditional
16. After payment of debt under contract of guarantee the surety get all the right which creditor had against Principal debtor, This is called right of _____
(a) Repossession (b) Subrogation (c) Disruption (d) Distortion
17. When the repayment of debt is to principal debtor is guaranteed by more than one person, they are called _____
(a) Guarantor (b) Creditor (c) Debtor (d) Co-Surety
18. Which is not the way of revocation for discharge of surety?
(a) Notice (b) Death (c) Insolvency (d) Novation
19. In this contract one person transfers possession of goods to another person on condition that such another person will restore them to the transferor.
(a) Agency (b) Indemnity (c) Bailment (d) Guarantee
20. Putting goods in possession of a person who agrees to hold them as a bailee for another person, although this transfer does not actually take place.
(a) Symbolic Delivery (b) Constructive delivery
(b) Actual Delivery (d) None of these
21. In which type of bailment the liability for non-disclosure of unknown faults is with the bailer?
(a) Gratuitous Bailment (b) Non-gratuitous Bailment
(c) Both (a) & (b) (d) Neither (a) nor (b)
22. Right of premature termination of bailment is available for bailor under _____
(a) Gratuitous Bailment (b) Non-gratuitous Bailment
(c) Both (a) & (b) (d) Neither (a) nor (b)
23. Which is not the duty of the bailee?
(a) Not to Set up Adverse title (b) Retain accretion to goods
(c) Take care of goods (d) Authorized use of goods
24. In case of non-gratuitous bailment the bailer is liable to pay _____
(a) Ordinary Expenses (b) Extraordinary expenses
(c) (a) & (b) Both (d) None of these

25. Who has no rights to have general lien?
(a) Banker (b) Factors (c) Wharfingers (d) Bailor
26. Which is known as bailment of goods used as security for payment of debt or performance of a promise?
(a) Indemnity (b) Pledge (c) Guarantee (d) Agency
27. Which is the right of Pawnee?
(a) Right of retainer (b) Right to extraordinary expense
(c) Sue for sell of goods (d) All the Above
28. The pawnor has every right of the _____
(a) Ordinary Debtor (b) Ordinary Creditor
(c) Manager (d) Owner
29. Which is not the duty of pawnor?
(a) Pay the Debt (b) Pay deficit on sell
(c) Disclose faults in goods (d) Pay Ordinary expense
30. Who is the person appointed to do any act for another in dealing with third party
(a) Bailor (b) Indemnifier (c) Pawnee (d) Agent
31. In which the existence of consideration is not at all necessary for its validity/caution?
(a) Sale (b) Barter (c) Agency (d) Exchange
32. When a person has by his conduct, induced other to believe that certain person is his agent, known as _____
(a) Agency by Estoppel (b) Agency By Holding Out
(c) Agency by Ratification (d) None of these
33. When a person by his positive conduct leads third person to believe person doing some act in his behalf is authorized. Known as _____
(a) Agency by Estoppel (b) Agency By Holding Out
(c) Agency by Ratification (d) None of these
34. Which is an important element under agency by ratification?
(a) Communication (b) Full Knowledge
(c) Reasonable Time (d) All the above

35. A person employed by, and acting under the control of, the original agent in the business of agency is known as _____
- (a) Substituted Agent (b) Sub-Agent
(c) Special Agent (d) Del-credere Agent
36. Who is authorized to do all the acts which the principal can lawfully do and delegate?
- (a) Universal Agent (b) Sub-Agent
(c) Special Agent (d) Del-credere Agent
37. Wife is considered as an _____ of her husband.
- (a) Implied Agent (b) Express Agent
(c) Implied Principal (d) Express Principal
38. A person who untruly represents himself to be authorized agent of another & thereby induced third party to deal with him.
- (a) Implied Agent (b) Universal Agent
(c) Pretended Agent (d) General Agent
39. Which is not the duty of an agent?
- (a) Communicate with principal (b) Keep and render accounts
(c) Set-up adverse title (d) Not to delegate authority
40. In case of undisclosed principal who is personally liable to the third party?
- (a) Undisclosed Principal (b) Agents
(c) Both (d) None of these
41. Which is the reason of termination of agency by operation of law?
- (a) Expiry of period (b) Death
(c) Destruction of subject matter (d) All of the above

SWAPNIL PATNI CLASSES**Answer Keys**

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

CHAPTER -2

Negotiable Instrument Act, 1881

1. Negotiable Instruments Act was enacted in the year _____
 (a) 1872 (b) 1881 (c) 1930 (d) 2013
2. Section 4 Negotiable Instruments Act, 1881 deals with _____
 (a) Promissory Note (b) Bills of Exchange
 (c) Negotiated by Delivery (d) Endorsement
3. Bearer instrument can be transferred by _____
 (a) Assignment (b) Negotiation by Delivery
 (c) Negotiation by Delivery (d) Negotiation by endorsement and delivery
4. Which of the instrument is not liable to stamp duty?
 (a) Promissory note (b) Cheque
 (c) Hundi (d) (b) and (c)
5. Every _____ is a _____ but every _____ is not a _____
 (a) HDC, holder, holder, HDC
 (b) Assignment, Negotiation, Negotiation, Assignment
 (c) Order instrument, bearer, bearer instrument, order
 (d) Foreign instrument, inland, inland instrument, foreign
6. Which of the following is not a presumption as to Negotiable Instrument?
 (a) Consideration (b) Date
 (c) Time of Transfer (d) Parties
7. Which of the following statement is false about Negotiable Instrument?
 (a) Negotiable by Statute (b) Issued for certain amount of money
 (c) Not negotiable by Custom (d) Freely Transferable
8. Which of the following statement is untrue about promissory not?
 (a) Written Promise (b) Certain sum of Money
 (c) 2 parties (d) Conditional Undertaking
9. Order instrument can be negotiated by _____
 (a) Endorsement only (b) Delivery only
 (c) Endorsement and delivery (d) Either (a) or (b)

10. Which of the following promissory note is valid?
(a) Without date (b) Signed by minor
(c) Acknowledgement of debt (d) Jointly by minor and major
11. There are usually _____ parties in BOE.
(a) 2 (b) 3 (c) 4 (d) 5
12. Bill of exchange is _____
(a) A written undertaking (b) An unconditional promise
(c) An unconditional order (d) A written acknowledgement
13. Which of the following is not an essential element of a BOE?
(a) Unconditional Order (b) Signed by maker
(c) Certain sum of money (d) Acceptance by drawee
14. There are usually _____ parties in Promissory note whereas _____ in BOE.
(a) 2,3 (b) 3, 2 (c) 2, 2 (d) 3, 3
15. Liability of a maker of a note is _____
(a) Secondary (b) Vicarious (c) Primary (d) Strict
16. Cheque is a bill of exchange drawn on _____
(a) Payer (b) Drawee (c) Banker (d) Buyer
17. Electronic cheque is a cheque drawn in electronic form by using computer resource and signed with digital signature and _____
(a) Hash Function (b) Asymmetric Crypto System
(c) Symmetric Crypto System (d) Automated Date & Processing System
18. Truncated cheque is a cheque which is truncated during _____
(a) The deposit in Payee's Bank (b) The Transfer to the Drawer's bank
(c) The course of clearing cycle (d) The time of payment
19. Which of the following is an essential element of Electronic Cheque?
(a) No use of paper (b) Digital signature
(c) Originally in Electronic form (d) All of the above
20. Noting and protesting isn't required in case there is dishonor of _____
(a) Promissory note (b) Bill of exchange (c) Cheque (d) Hundi
21. Which of the following negotiable instrument can be crossed?
(a) Cheque (b) BOE (c) Promissory note (d) Hundi

22. Generally an acceptance is _____
(a) Qualified (b) Unqualified (c) Conditional (d) Contingent
23. If Mr. A is the seller of goods and drawn BOE on Mr. B i.e. the buyer in such case, Mr. B shall be
(a) Drawee (b) Acceptor (c) Payer (d) All of the above
24. The person who accepts the bill for the honour of the other is _____
(a) Acceptance in need (b) Angel Acceptor
(c) Acceptor for honour (d) Drawee acceptor
25. A person who pays a bill for any other person is called _____
(a) Payer (b) Drawee
(c) Drawee in need (d) Payer for honour
26. Payer for Honour can recover the sum from _____
(a) Payer only (b) All prior parties
(c) Last 2 prior parties (d) Drawee only
27. Which of the following statement is untrue about holder?
(a) Entitled to possess the instrument (b) Entitled to receive or recover the amount
(c) Not to legally transfer the instrument (d) To enforce payment
28. Mr. A, father of Mr. B issued cheque of ₹5,000 in favour of Mr. B due to natural love and affection, Here Mr. B is _____
(a) Holder (b) Holder in Due Course
(c) Payee for Honour (d) Donee for honour
29. A blank cheque signed by Mr. A has been found by Mr. B, in such a Case Mr. B is _____
(a) Holder (b) Holder in due course
(c) Payee (d) None of the above
30. A cheque has been issued by Mr. A to Mr. B on 1st Jan & has been endorsed by Mr. B on 15th Feb and by Mr. C to Mr. D on 5th April. Here, Mr. D is _____
(a) Holder in Due Course (b) Acceptor in Due Course
(c) Holder (d) Drawee
31. Which one of the following is untrue about the Holder in Due Course?
(a) Better title than transfer (b) Cure all defects in instrument
(c) Rights is affected by Inchoate instrument (d) All prior parties are liable
32. Which of the following is an essential requirement of a HDC?
(a) With Consideration (b) Before maturity
(c) Bonafide (d) All of the above

33. Section 9 of Negotiable Instruments Act, 1881 states about_____
- (a) Endorsement (b)Acceptance
(c) Cheque (d) Holder in Due Course
34. Mr. A issued promissory note in favour of Mr. B to be paid on 15th March, but instead make the payment to Mr. B on 10th March. This transaction between Mr. A and Mr. B on 10th March shall be called_____
- (a) Payment in Due Course (b) Payment
(c) Pre-payment (d) Discretionary payment
35. Which of the following statement is untrue about inland Bill?
- (a) Drawn in India (b) On person residing in India
(c) Payable in India Only (c) None of the above
36. A bill payable drawn and accepted to provide financial help to other is _____
- (a) Time bill (b) Date bill
(c) Demand bill (d) On Sight Bill
37. A bill drawn and accepted to provide financial help to other is _____
- (a) Trade Bill (b) Accommodation Bill
(b) Assignment (d) Endorsement and Delivery
38. Transfer of ownership in any article under Transfer of Property Act can be made by_____
- (a) Negotiation (b) Endorsement
(c) Assignment (d) Endorsement and delivery
39. Which of the following is not a kind of endorsement?
- (a) Restrictive (b) Special (c) Impartial (d) Sans Recourse
40. Which of the following is not a kind of instrument?
- (i) Deed (ii) Currency Note
(iii) Document (iv) Promissory Note
- (a) (i) + (ii) (b) (ii) + (iii) (c) (i) + (iii) (d) ii + iv
41. An instrument issued with certain spaces left blank is called_____
- (a) Blank instrument (b) Inchoate Instrument
(c) Unmature instrument (d) Ambiguous instrument
42. When the day on which B.O.E is at maturity is a public holiday the instrument shall be deemed to be due on _____
- (a) One day prior to maturity date (b) Next day
(c) Next business day (d) Next working day

43. The expression public holiday includes Sunday and any other day declared by the _____ by notification in Official Gazette.
 (a) Central Govt. (b) State Govt.
 (c) Appropriate Govt. (d) Government
44. When two parallel transverse lines are drawn on the face of cheque, it is called _____
 (a) Endorsement (b) Crossing
 (c) Accommodating (d) Negotiation
45. If the crossing on a Cheque is cancelled, it is called _____
 (a) Cancellation of crossing (b) Opening of crossing
 (c) Re-opening of crossing (d) Crossing with endorsement
46. When can the banker may not refuse the payment?
 (a) Payment is Countermanded (b) Defect in the title of person
 (c) Post Dated cheque (d) Incomplete cheque
47. Which of the following alteration is not authorized by the Act?
 (a) Rate of interest (b) Negotiation Bank
 (c) Completion of inchoate instrument (d) Conversion of blank endorsement into full
48. A negotiable instrument can be dishonored by _____
 (a) Non-acceptance (b) Non-Payment
 (c) Both (a) & (b) (d) Neither (a) nor (b)
49. Section 93 to 98 of Negotiable Instrument Act, 1881 deals with _____
 (a) Dishonor by Non- acceptance (b) Notice of Dishonor
 (c) Dishonor by Non- payment (d) Dishonor
50. Formal Certificate of Dishonor is called _____
 (a) Noting (b) Protesting
 (b) Endorsement (d) Crossing

ANSWER KEYS

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

CHAPTER -3

THE GENERAL CLAUSE ACT 1897

1. _____ is one of the objective of the General Clauses Act, 1897
 - (a) To shorten the language of legal Central Acts;
 - (b) To study the bare Acts;
 - (c) To understand the law word to word;
 - (d) To learn the rules and regulations of the constitution;

2. Which one of the following is one of the purpose of this Act
 - (a) To present different statutes
 - (b) To present one single statute
 - (c) Not to present any statute
 - (d) None of the above

3. Section 3(18) of the General Clauses Act, 1897 provides for _____
 - (a) Central Act
 - (b) Central Government
 - (c) Commencement
 - (d) Document

4. Section 3(26) of the General Clauses Act, 1897 provides for _____
 - (a) Government
 - (b) Government Securities
 - (c) Immovable Property
 - (d) Imprisonment

5. Section 3(36) of the General Clauses Act, 1897 provides for _____
 - (a) Month
 - (b) Movable Property
 - (c) Oath
 - (d) Offence

6. Section 3(42) of the General Clauses Act, 1897 provides for _____
 - (a) Person
 - (b) Official Gazette
 - (c) Registered
 - (d) Rule

7. According to the General Clauses Act, 1897 _____ is a Movable Property.
 - (a) Trees
 - (b) Buildings
 - (c) Timber
 - (d) Rights of way to access land

8. According to the General Clauses Act, 1897 _____ is a Movable Property.
 - (a) Standing Crop
 - (b) Machinery fixed to soil
 - (c) Land
 - (d) Right to drain of water

9. Which of the following shall be included in the expression – “Writing”
 - (a) Printing
 - (b) Lithography
 - (c) Photography
 - (d) All of the above

10. According to the General Clauses Act, 1897 Official Gazette shall mean
 (a) The Gazette of India (b) The Gazette of a State
 (c) (a) and b (d) (a) or b
11. Which of the following is included in the definition of “Person” according to the General Clauses Act, 1897
 (a) Any Company (b) Association
 (c) (a) and b (d) (a) or b
12. According to Sec 9, it shall be sufficient, for the purpose of _____ the first in series of days to use the word “from” and for the purpose of _____ the last in a series of days, to use the word “to”.
 (a) Include, exclude (b) Exclude, include
 (c) Include, include (d) Exclude, exclude
13. According to Sec 11, for the purpose of any Central Act or Regulation made after the commencement of this Act, that distance shall, unless a different intention appears, be measured in a _____ line on a horizontal plane.
 (a) Curvy Line (b) Straight Line
 (c) Zigzag Line (d) None of the above
14. As per Sec14 of this Act, where, by any Central Act or Regulation made after the commencement of this Act, any power is conferred, then unless a different intention appears that powers may be exercised_____
 (a) From time to time (b) Only once
 (c) Can’t say (d) None of the above
15. Mr. Ram, an advocate has fraudulently deceived his client Mr. Shyam, who was taking his expert advice on taxation matters. According to Sec 26 of this Act, Mr. Ram’s offence is punishable under which Act or Acts?
 (a) Advocates Act, 1961 (b) IPC
 (c) (a) & (b) (d) (a) or b
16. A notice when required under the Statutory rules to be sent by “registered post acknowledgment due” is instead sent by “registered post” only. Referring to the provisions of the General Clauses Act, 1897, state whether the protection of presumption regarding serving of notice by “registered post” under the General Clauses Act is tenable?
 (a) Yes (b) No (c) Maybe (d) Can’t say

ANSWER KEYS

1	2	3	4	5	6	7	8
(a)	(b)	(d)	(c)	(b)	(a)	(c)	(d)
9	10	11	12	13	14	15	16
(d)	(d)	(c)	(b)	(b)	(a)	(d)	(b)

CHAPTER -4

INTERPRETATION OF STATUTES

1. _____ is the first rule of interpretation

(a) Rule of literal construction	(b) Rule of grammar construction
(c) Both of the above	(d) None of the above

2. Rule I is used if _____

(a) Words in statute are clear	(b) Language used in statute is plain
(c) Literal meaning is clear and unambiguous	(d) All of the above

3. If word relates to particular trade such word shall be given meaning which is understood by everybody conversant with such trade even though such meaning is different from popular meaning.

(a) Correct	(b) Incorrect
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4. Can courts legislate over the rules?

(a) Yes	(b) No	(c) Maybe	(d) Don't know
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5. Where ordinary meaning is absurd and literal Interpretation fails to achieve the purpose _____ rule is applicable

(a) Correct	(b) Incorrect
-------------	---------------

6. Is rule 2 applicable is meaning is clear and intention of law can be gathered precisely?

(b) Yes	(b) No	(c) Maybe	(d) Don't know
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7. Mischief rules are not generally applied in fiscal statutes.

(a) Correct	(b) Incorrect
-------------	---------------

8. Rule of _____ construction is applied if there is conflict between two or more provisions

(a) Heydon's rule	(b) Harmonious construction
(c) Grammar construction	(b) None of the above

9. Sultana begam v/s prem chand jain case was related to rule _____

(a) Harmonious construction	(b) Heydon's rule
(c) Grammar construction	(d) None of the above

10. The effect of provision containing the word 'notwithstanding' is opposite to a provision containing the 'subject to'

(a) Correct	(b) Incorrect
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11. The words without prejudice means
(a) Without surprise (b) Without affecting
(b) None of the above
12. _____ are the types of provision.
(a) Mandatory provision (b) Directory provision
(c) Both of the above (d) Voluntary provision
13. _____ rule is used if two or more things belonging to a particular class are mentioned, other members of that class are silently excluded.
(a) Expressio unius est exclusio alterius (b) Noscitur a sociis
(c) Eiusdem generis (d) None of the above
14. _____ rule specifies that if two or more words which are capable of analogous meaning are grouped together, they should be understood in cognate sense. i.e., they their colour from each other and are given a similar or related meaning.
(a) Expression unius est exclusio alterius (b) Noscitur a sociis
(c) Eiusdem generis (d) None of the above
15. If words are clear, still preamble can be used.
(a) Yes (b) No
16. Can managerial notes be used for constructing a statute?
(a) No (b) No (c) Maybe (d) None of the above
17. Use of words means and include, imply definition is exhaustive.
(a) Correct (b) Incorrect
18. _____ means consideration of statutes of affairs behind enactment of act.
(a) Parliamentary history (b) Historical facts
(c) External aids (d) Internal aids
19. In rule of interpretation of deeds and documents the golden rule is _____
(a) Consider the circumstances in which particular words have been used
(b) Read document as whole
(c) Both of the above
(d) None of the above
20. Record is an element of document.
(a) True (b) False
21. _____ means a formal legal document which creates or confirms a right or records a fact:
(a) Contract (b) Statute (c) Instrument (d) None of the above
22. In rule of interpretation of deeds and documents the golden rule is _____
(a)
23. Interpretation is not the process by which the real meaning of an Act and the intention of the legislature in enacting it is ascertained:

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(a) True (b) False

24. An interpretation of Act serves as the bridge between statute making and process of interpretation of statutes:

(a) True (b) False

25. It is _____ when its purpose is to discover real and true meaning of statute:

(a) Doctrinal (b) Legal (c) Interpretation (d) Functional

26. On occasions when choice has to be made between two interpretations, narrower and wider one should adopt _____ interpretation.

(a) Narrower (b) Wider (c) Any of the above (d) None of the above

27. The rule of _____ stands for elimination of statutes and words in a statute which defeat the real objective of the statute or make no sense.

(a) Exceptional Construction
 (b) Beneficial Construction
 (c) Heydon's rule
 (d) Harmonious Construction

ANSWER KEYS

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



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