

Burhani Coaching Classes

MANAGEMENT & ADMINISTRATION

1. What is the maximum fine for a company failing to comply with the provisions for Annual General Meetings (AGMs)?
(a) ₹10,000 (b) ₹25,000
(c) ₹1,00,000 (d) ₹5,00,000
2. What is the minimum notice period required for calling an Annual General Meeting (AGM)?
(a) 7 days (b) 14 days
(c) 21 days (d) 30 days
3. Which section of the Companies Act 2013 deals with the appointment of auditors at the first AGM?
(a) Section 139 (b) Section 140
(c) Section 141 (d) Section 142
4. How long can the registers of a company be closed according to Section 91?
(a) Maximum of 30 days at a time
(b) Maximum of 45 days in aggregate in a year
(c) Maximum of 60 days in aggregate in a year
(d) No closing is allowed
5. What is the form number for the abridged annual return to be filed by One Person Company and Small Company?
(a) MGT-7 (b) MGT-7A
(c) MGT-8 (d) MGT-9
6. Who can inspect the minutes of any general meeting according to the Companies Act?
(a) Only the Board of Directors
(b) Any member of the company
(c) Only shareholders holding at least 10% of shares
(d) Only the Company Secretary
7. What is the maximum number of days within which specified resolutions and agreements should be filed with the Registrar?
(a) Within 15 days (b) Within 30 days
(c) Within 45 days (d) Within 60 days
8. As per the Companies Act, what is the maximum fine for a company failing to file its annual return within the specified period?
(a) ₹1,00,000 (b) 22,00,000
(c) 25,00,000 (d) ₹10,00,000
9. What is the minimum number of members required to demand a poll in a company having a share capital?
(a) Members holding at least 5% of the voting power
(b) Members holding at least 10% of the voting power
(c) Members holding at least 15% of the voting power
(d) Any member with voting rights
10. How much notice is required for calling a general meeting with a shorter notice period?
(a) Consent of 75% of members
(b) Consent of 90% of members
(c) Consent of 95% of members
(d) Unanimous consent of all members
11. What is the penalty for a company that does not file a copy of the report on its AGM within the specified time limit?
(a) ₹25,000 (b) ₹50,000
(c) ₹1,00,000 (d) ₹5,00,000
12. Under which section can the Registrar extend the time for holding the first AGM of a company?
(a) Section 96 (b) Section 97
(c) Section 98 (d) Section 99
13. When can a general meeting be called with shorter notice than the usual requirement?
(a) If approved by the Board of Directors
(b) If approved by the Registrar of Companies
(c) If consented to by a specified percentage of members
(d) If it is an emergency meeting
14. What is the key purpose of requiring a significant beneficial owner to declare their interest in a company?
(a) To ensure proper taxation of dividends
(b) To maintain transparency in the ownership structure
(c) To prevent fraudulent activities
(d) To facilitate easier transfer of shares
15. Why is it necessary for a company to file an annual return?

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- (a) To inform the public about the company's financial position
(b) To comply with statutory requirements under the Companies Act
(c) To declare dividends to shareholders
(d) To prepare for the Annual General Meeting
16. What is the purpose of Section 91 of the Companies Act 2013, which deals with the closure of the company's registers?
(a) To allow for updating and maintenance of the registers
(b) To prevent public access to sensitive information
(c) To facilitate the transfer of shares
(d) To comply with stock exchange regulations
17. Why must a listed public company file a report on its AGM with the Registrar of Companies?
(a) As a record for future reference
(b) To comply with regulatory requirements
(c) For the purposes of auditing
(d) To inform shareholders who were not present
18. What is the rationale behind allowing electronic voting for shareholders in a company's general meeting?
(a) To reduce the cost of holding meetings
(b) To increase shareholder participation
(c) To speed up the voting process
(d) To maintain a record of votes
19. Why are some resolutions at a company's general meeting required to be passed as special resolutions?
(a) To expedite the decision-making process
(b) For matters that require a higher level of consensus
(c) To comply with the requirements of minority shareholders
(d) To distinguish between ordinary and extraordinary business
20. What is the significance of the requirement for a quorum in company meetings?
(a) To ensure that decisions are made democratically
(b) To comply with legal requirements of the Companies Act
(c) To provide a platform for discussion among majority shareholders
(d) To enable efficient and quick decision-making
21. Why is it necessary for a company to hold its Annual General Meeting (AGM) within a prescribed time frame?
(a) To enable timely declaration of dividends
(b) To ensure regulatory compliance and transparency
(c) To facilitate the election of new directors
(d) To review and approve the company's long-term strategy
22. What is the purpose of allowing shareholders to appoint a proxy for company meetings?
(a) To ensure that all shareholders' interests are represented
(b) To enable participation without being physically present
(c) To meet the quorum requirement
(d) To facilitate anonymous voting
23. Why do companies need to keep detailed minutes of their meetings?
(a) To serve as a legal record of decisions and discussions
(b) To assist in preparing future agendas
(c) To inform absent members about the meeting proceedings
(d) To provide content for annual reports
24. What is the purpose of having different types of general meetings (AGM and EGM) in a company?
(a) To differentiate between regular and urgent matters
(b) To comply with the varying requirements of shareholders
(c) To manage the company's operational and strategic decisions separately
(d) To allocate different responsibilities to the board and shareholders
25. Why must significant beneficial ownership information be disclosed to the company?
(a) To ensure proper distribution of dividends
(b) To maintain accurate and transparent ownership records
(c) To assist in the valuation of shares
(d) To facilitate the appointment of directors
26. What is the importance of filing specified resolutions and agreements with the Registrar of Companies?
(a) To maintain public trust and transparency

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- (b) To adhere to internal company policies
(c) To provide a basis for future resolutions
(d) To assist in resolving internal disputes
27. Why is the role of the Chairman crucial in company meetings?
(a) To ensure that meetings are conducted in an orderly manner
(b) To make the final decision on all resolutions
(c) To represent the company in legal matters
(d) To act as a mediator between shareholders and the board
28. What is the significance of Section 94 of the Companies Act 2013 regarding the maintenance of registers and returns?
(a) To facilitate easy access to information for
(b) To ensure compliance with legal requirements
(c) To assist in the audit process
(d) To aid in the resolution of shareholder disputes
29. Why are the minutes of a company's meeting signed and maintained?
(a) To confirm the authenticity of the meeting's proceedings
(b) To act as a reference for future meetings
(c) To provide evidence in legal disputes
(d) To comply with the requirements of the board of directors
30. What is the rationale behind the requirement for a company to hold an Extraordinary General Meeting (EGM)?
(a) To address urgent and unexpected matters
(b) To comply with regulatory requirements
(c) To discuss routine operational issues
(d) To facilitate the election of new directors
31. Why does the Companies Act require the filing of an annual return?
(a) To provide a summary of the company's financial status
(b) To record changes in the company's management
(c) To document the company's compliance with legal obligations
(d) To facilitate tax calculations
32. What is the purpose of specifying the nature of business to be transacted in a meeting notice?
(a) To inform shareholders about the agenda in advance
(b) To comply with legal documentation requirements
(c) To allocate sufficient time for each agenda item
(d) To determine the voting rights of shareholders
33. Why are special resolutions used for making significant decisions in a company?
(a) To ensure a higher degree of approval among shareholders
(b) To facilitate quicker decision-making
(c) To comply with statutory audit requirements
(d) To distinguish between operational and strategic decisions
34. What is the importance of the provision allowing shareholders to demand a poll during a meeting?
(a) To ensure a more accurate reflection of shareholders' opinions
(b) To speed up the decision-making process
(c) To comply with the requirements of minority shareholders
(d) To facilitate electronic voting
35. Why must a company's AGM be held during business hours on a working day?
(a) To ensure maximum attendance by shareholders
(b) To comply with legal and regulatory requirements
(c) To facilitate live broadcasting of the meeting
(d) To align with stock market operating hours
36. What is the purpose of the requirement for members to personally present to constitute a quorum?
(a) To ensure that decisions are made by a representative group of members
(b) To facilitate the formal opening of the meeting
(c) To comply with corporate governance standards
(d) To enable live discussion and debate on agenda items
37. Why is it necessary for significant beneficial owners to report their ownership annually?
(a) To maintain updated records for tax purposes
(b) To ensure transparency and accountability in ownership
(c) To assist in the calculation of dividends
(d) To comply with international financial regulations

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38. What is the significance of a member's right to propose resolutions for consideration at general meetings?
- (a) To encourage democratic participation in decision-making
 - (b) To comply with legal requirements for shareholder meetings
 - (c) To facilitate the management, understanding of shareholder concerns
 - (d) To streamline the process of amending company policies
39. Why are the minutes of a general meeting open for inspection by members?
- (a) To ensure transparency and accountability in company governance
 - (b) To comply requirements with statutory audit
 - (c) To assist members in preparing for subsequent meetings
 - (d) To provide legal evidence in case of disputes
40. In a situation where a significant beneficial owner fails to declare their interest, what is the immediate step the company should take?
- (a) Report the matter to the Registrar of Companies
 - (b) Issue a public notice seeking information about the owner
 - (c) Freeze the shares in question
 - (d) Conduct an internal investigation
41. How should a company proceed if it fails to hold its AGM within the prescribed time frame?
- (a) Postpone the AGM to the next financial year
 - (b) Apply to the Tribunal for an extension
 - (c) Hold an EGM instead
 - (d) File a report with the Registrar of Companies explaining the delay
42. When a company receives a requisition to call an EGM from the required number of members, what are its obligations?
- (a) To immediately hold an EGM within 30 days
 - (b) To ignore the requisition if it deems the matter non-urgent
 - (c) To call the EGM within a stipulated time frame
 - (d) To consult with the Board before calling the EGM
43. If a listed company wants to amend its Articles of Association, what type of resolution is required?
- (a) Ordinary resolution
 - (b) Special resolution
 - (c) Unanimous resolution
 - (d) Board resolution
44. How should a company proceed if it wants to extend the duration for filing its annual return beyond the statutory period?
- (a) Apply for an extension to the Ministry of Corporate Affairs
 - (b) Pass a resolution in the Board meeting
 - (c) Seek approval from the shareholders in the AGM
 - (d) There is no provision for extending the filing duration
45. When a company decides to increase its authorized share capital, what procedural step must it follow?
- (a) Amend its Memorandum of Association
 - (b) File a return with the Registrar of Companies
 - (c) Conduct a board meeting to approve the increase
 - (d) Obtain approval from the Securities and Exchange Board of India
46. If a company's AGM is scheduled but the quorum is not present, what should be the immediate action?
- (a) The meeting should be cancelled
 - (b) The meeting should be held with the members present
 - (c) The meeting should be adjourned to another date
 - (d) The agenda items should be passed by default
47. In the event of a deadlock during a board meeting, what is the typical procedure to resolve it?
- (a) The Chairman has a casting vote
 - (b) The matter is referred to the shareholders
 - (c) The decision is postponed to the next meeting
 - (d) An external arbitrator is called in
48. How should a company handle a situation where two different proxy forms are received from the same member for the same meeting?
- (a) Accept the first proxy form received
 - (b) Accept the latest proxy form received
 - (c) Reject both proxy forms
 - (d) Allow both proxies to attend but only one to vote
49. If a company needs to change the date of its AGM, what is the appropriate course of action?
- (a) Notify the shareholders through a public notice
 - (b) Seek approval from the Registrar of Companies
 - (c) Issue a fresh notice to all shareholders

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- (d) Conduct a board meeting to approve the change
50. When a company wants to pass a resolution related to a significant alteration in its business operations, what kind of resolution is typically required?
(a) Ordinary resolution (b) Special resolution
(c) Board resolution (d) Unanimous resolution
51. How should a company proceed if it wants to convert from public to private?
(a) File an application with the Registrar of Companies
(b) Pass a special resolution in a general meeting
(c) Obtain approval from the Ministry of Corporate Affairs
(d) Conduct a board meeting and approve the conversion
52. If a company decides to issue sweat equity shares, what kind of resolution must it pass?
(a) Ordinary resolution (b) Special resolution
(c) Unanimous resolution (d) Board resolution
53. In a situation where a significant beneficial owner does not comply with the declaration requirement, what implications could this have for the company's transparency and governance?
(a) It might lead to misinformation about the company's ownership structure
(b) It could result in incorrect financial disclosures
(c) It would have no significant impact
(d) It might lead to operational inefficiencies
54. How does the requirement of filing specified resolutions and agreements with the Registrar of Companies impact the company's legal compliance?
(a) It primarily affects the company's operational strategies.
(b) It ensures legal compliance and transparency in significant decisions
(c) It has a minimal impact on legal compliance
(d) It mainly influences the company's financial reporting
55. When analyzing the consequences of not holding an AGM within the prescribed period, what are the potential regulatory and governance impacts on the company?
(a) It may lead to penalties and legal non-compliance
(b) It primarily affects the company's market reputation
- (c) It has no significant impact if the financial statements are audited
(d) It only affects the internal management of the company
56. In assessing the role of electronic voting in shareholder participation, what is the primary benefit observed in a company's decision-making process?
(a) Increased efficiency in vote counting
(b) Enhanced shareholder engagement and participation
(c) Reduced costs of conducting meetings
(d) Streamlining of the company's internal processes
57. Considering the requirement for a special resolution for significant decisions, how does this affect the balance of power among shareholders?
(a) It gives more power to minority shareholders
(b) It ensures decisions are taken with a broader consensus
(c) It has no real impact on the decision making process
(d) It centralizes power among the board of directors
58. What impact does the requirement of a quorum in company meetings have on the decision making process?
(a) It ensures that decisions are made by a representative portion of members
(b) It delays the decision-making process
(c) It has no significant impact as long as the board agrees
(d) It gives disproportionate power to large shareholders
59. How does the provision for shareholders to appoint proxies for company meetings affect shareholder rights and representation?
(a) It dilutes the individual voting power of shareholders
(b) It allows for better representation of shareholders who cannot attend
(c) It increases the administrative burden on the company
(d) It has minimal impact on the overall voting process
60. When considering the role of the Chairman in company meetings, how does this position influence the outcome of meetings?
(a) It ensures orderly conduct but has limited impact on outcomes

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- (b) The Chairman's role is pivotal in steering discussions and outcomes
- (c) It is a ceremonial role with no real impact
- (d) The Chairman's influence is limited to logistical aspects of the meeting
61. Analyzing the impact of not maintaining accurate minutes of meetings, what are the potential consequences for a company?
- (a) It may lead to legal disputes, and questions of compliance
- (b) It primarily affects the company's operational efficiency
- (c) It has little impact as long as the decisions are implemented
- (d) It only affects the archival records of the company
62. Considering the closure of the company's registers, what could be the potential impact on shareholder rights and company operations?
- (a) It can lead to temporary limitations on share transfers
- (b) It primarily affects the company's financial reporting
- (c) It has no significant impact on shareholder rights
- (d) It disrupts the regular operational activities of the company
63. How does the filing of an annual return in a timely manner impact a company's regulatory compliance and stakeholder relations?
- (a) It is crucial for maintaining transparency and regulatory compliance
- (b) It primarily affects the company's credit ratings
- (c) It has a minimal impact as long as financial statements are audited
- (d) It is only relevant for internal record-keeping
64. When a company decides to hold a general meeting outside India, what are the potential implications for shareholder participation and legal compliance?
- (a) It may lead to reduced shareholder participation
- (b) It primarily affects the company's international operations
- (c) It has no significant legal or participatory implications
- (d) It enhances the company's global image
65. Analyzing the requirement for a proxy to be deposited with the company before a meeting, what impact does this have on the proxy's ability to represent the shareholder?
- (a) It ensures proper verification and representation
- (b) It restricts the proxy's ability to make informed decisions
- (c) It has minimal impact on the proxy's representation
- (d) It leads to increased administrative work for the company
66. When a company wants to convert from public to private, what are the implications for its governance structure and shareholder rights?
- (a) It increases regulatory compliance and transparency
- (b) It may lead to changes in shareholder rights and company policies
- (c) It has minimal impact on the company's operational aspects
- (d) It primarily affects the company's market presence and public image
67. Evaluate the impact of non-compliance with the declaration by significant beneficial owners in terms of the company's governance and legal risk.
- (a) It could lead to significant legal and regulatory repercussions for the company
- (b) It has a moderate impact on governance but limited legal implications
- (c) It primarily affects the company's internal management processes
- (d) It has no significant impact as long as the company's financials are in order
68. Assess the consequences of a company failing to hold its AGM within the specified timeframe in terms of regulatory compliance and shareholder rights.
- (a) It could lead to penalties and might infringe on shareholder rights
- (b) It primarily affects the company's operational flexibility
- (c) It has minimal impact if the financial reports are audited and published
- (d) It is mainly a procedural issue with limited substantive consequences
69. Evaluate the effectiveness of electronic voting in enhancing shareholder participation decision-making in company meetings. and
- (a) It significantly increases participation and the quality of decisions

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- (b) It has a moderate impact on participation but not on decision-making
- (c) Its impact is limited to logistical convenience
- (d) It primarily benefits the company's management rather than shareholders
70. Analyze the impact of requiring a special resolution for major company decisions on corporate governance and minority shareholder protection.
- (a) It leads to delays in decision-making but offers better oversight
- (b) It has a minimal impact on governance and shareholder rights
- (c) It strengthens governance and protects minority shareholders
- (d) It creates an unnecessary bureaucratic process with limited benefits
71. Evaluate the implications of a company's failure to maintain accurate minutes of meetings on legal compliance and corporate transparency.
- (a) It poses significant risks for legal compliance and transparency
- (b) It primarily affects historical record-keeping with limited legal implications
- (c) It has no substantial impact as long as decisions are properly executed
- (d) It affects internal management more than external compliance
72. Assess the potential impact of holding a company's general meeting outside India on shareholder engagement and legal compliance.
- (a) It may hinder shareholder engagement and raise compliance issues
- (b) It primarily impacts logistical arrangements with minimal legal issues
- (c) It enhances the company's global presence with no negative implications
- (d) It has no significant impact on either engagement or compliance
73. Evaluate the role of the Chairman in influencing the outcomes of company meetings and overall corporate governance.
- (a) The Chairman's role is largely procedural with limited impact on outcomes
- (b) The Chairman plays a crucial role in shaping outcomes and governance
- (c) The impact is moderate, balancing procedural and decision-making aspects
- (d) The Chairman's influence is negligible in the presence of a strong board
74. Assess the significance of quorum requirements in company meetings for ensuring democratic decision-making and effective governance.
- (a) It is essential for democratic decision-making and effective governance
- (b) It is important but can sometimes hinder efficient decision-making
- (c) Its significance is limited to procedural compliance
- (d) It has minimal impact on governance as long as key decisions are made
75. Evaluate the effectiveness of the provision for proxies in ensuring representation of all shareholders' interests in company meetings.
- (a) It effectively ensures representation of all shareholders
- (b) It provides limited representation, favoring mainly large shareholders
- (c) Its effectiveness varies depending on the company's shareholder structure
- (d) It is more of a formality with minimal practical impact on representation
76. Analyze the impact of not filing annual returns within the statutory period on a company's regulatory standing and shareholder trust.
- (a) It has a moderate impact on compliance but limited effect on shareholder trust
- (b) It primarily affects record-keeping with minimal impact on shareholder relations
- (c) It is a minor procedural lapse with no major consequences
- (d) It significantly affects regulatory compliance and can erode shareholder trust
77. Design a strategy for a company to ensure compliance with the declaration of significant beneficial ownership while maintaining operational efficiency,
- (a) Implement an automated system for tracking and reporting ownership changes
- (b) Require significant beneficial owners to report changes annually
- (c) Conduct periodic internal audits to identify non-compliance

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- (d) Rely solely on external legal counsel for compliance monitoring
78. Propose a plan for a company to enhance shareholder participation in AGMs considering the challenges of geographical dispersion.
- (a) Hold AGMs in different locations each year
 - (b) Provide transport facilities to shareholders for attending AGMS
 - (c) Implement a robust system for electronic voting and virtual participation
 - (d) Limit AGMs to locations near the majority of shareholders
79. Develop a framework for a company to handle non-compliance issues with annual return filing deadlines while minimizing legal risks.
- (a) Negotiate with regulatory bodies for deadline extensions
 - (b) Establish a dedicated team for timely preparation and filing of returns
 - (c) Outsource the entire process to a third-party service provider
 - (d) Only focus on filing financial statements, ignoring other details
80. Create a process for a newly incorporated company to ensure its first AGM is conducted within the statutory time frame and in compliance with the Companies Act.
- (a) Schedule the AGM immediately after the end of the first financial year
 - (b) Seek an extension from the Tribunal for holding the first AGM
 - (c) Develop a detailed timeline and checklist for AGM preparation
 - (d) Conduct the AGM online irrespective of the number of shareholders
81. Propose a method for a company to streamline the process of appointing proxies for general meetings to ensure effective representation and voting
- (a) Allow proxies to be appointed through an online platform
 - (b) Require proxies to be appointed at least a week before the meeting
 - (c) Mandate that proxies must be company employees
 - (d) Limit the number of proxies a single shareholder can appoint
82. Design a system for a company to improve the accuracy and compliance of its annual return, considering the complexity of the data involved.
- (a) Automate data collection and filing processes with advanced software
 - (b) Assign the task to a specialized external agency
 - (c) Conduct quarterly reviews to prepare for the annual return
 - (d) Simplify the return by excluding non-essential information
83. Develop a protocol for a company to efficiently manage the adjournment and rescheduling of its AGM in case of unforeseen circumstances.
- (a) Have a backup date pre-scheduled and communicated in the original notice
 - (b) Reschedule the AGM to a later date at the discretion of the Board
 - (c) Cancel the AGM and combine it with the next scheduled meeting
 - (d) Conduct an EGM instead of rescheduling the AGM
84. Create a strategy for a company to effectively address and resolve disputes arising from shareholder voting outcomes in general meetings.
- (a) Establish an independent committee to review and address disputes
 - (b) Refer all disputes to external legal arbitration
 - (c) Allow the Board of Directors to have the final say in disputes
 - (d) Implement a more stringent voting process to avoid disputes anant and Administration
85. As per Section 92, what is the form number for the abridged annual return to be filled by One Person Company and Small Company from the financial year 2020-2021 onwards?
- (a) MGT-6
 - (b) MGT-7
 - (c) MGT-7A
 - (d) MGT-8
86. Which section of the Companies Act 2013 prescribes that every company shall file its Annual Return in Form No. MGT-7 except for certain types of companies?
- (a) Section 89
 - (b) Section 90
 - (c) Section 91
 - (d) Section 92
87. Under Section 94 of the Companies Act 2013, where should the registers and returns of a company be kept?
- (a) At the registered office of the company

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- (b) At the main branch office of the company
(c) At any place where more than 1/10th of the total members reside
(d) At any place approved by the Board of Directors
88. According to Section 96 of the Companies Act 2013, within how many months from the date of the closing of the financial year should the Annual General Meeting (AGM) be held?
(a) Within 6 months (b) Within 9 months
(c) Within 12 months (d) Within 15 months
89. As per Section 100 of the Companies Act 2013, who is authorized to call an Extraordinary General Meeting (EGM)?
(a) The President of India
(b) The Board of Directors
(c) Any member with more than 10% shares
(d) The Tribunal
90. Under Section 101 of the Companies Act 2013, what is the minimum notice period required for an Extraordinary General Meeting (EGM)?
(a) 7 days (b) 14 days
(c) 21 days (d) 30 days
91. In which form should the annual return of company be filed as per Section 92 of the Companies Act?
(a) Form MGT-7 (b) Form MGT-8
(c) Form MGT-9 (d) Form MGT-10
92. What is the time limit for filing the notice of appointment of an auditor as per Section 139 of the Companies Act 2013?
(a) Within 15 days of the AGM
(b) Within 30 days of the AGM
(c) Within 45 days of the AGM
(d) Within 60 days of the AGM
93. What is the maximum fine for defaulting on filing the annual return as required under Section 92 of the Companies Act?
(a) ₹50,000 (b) ₹1,00,000
(c) ₹5,00,000 (d) ₹10,00,000
94. Which section of the Companies Act 2013 specifies the requirement for companies to keep a register of their members?
(a) Section 88 (b) Section 89
(c) Section 90 (d) Section 91
95. As per Section 97, if a company fails to hold an AGM, who can call or direct the calling of such a meeting?
(a) The Board of Directors
(b) The Company Secretary
(c) The Tribunal
(d) The Registrar of Companies
96. Under Section 98 of the Companies Act, in what circumstances can the Tribunal call a general meeting of a company other than an AGM?
(a) If the company is not able to hold a scheduled meeting
(b) If the company fails to declare dividends
(c) If it is impracticable to call the meeting in any other way
(d) If there is a dispute among the board members
97. As per the Companies Act 2013, what is the maximum period within which a company must file its annual return with the Registrar?
(a) Within 30 days of the AGM
(b) Within 60 days of the AGM
(c) Within 90 days of the AGM
(d) Within 120 days of the AGM
98. Under Section 92 of the Companies Act, who is responsible for signing the annual return of a company?
(a) The Managing Director
(b) The Company Secretary
(c) The CEO (d) The CFO
99. Which section of the Companies Act 2013 prescribes the filing of resolutions and agreements with the Registrar?
(a) Section 117 (b) Section 118
(c) Section 119 (d) Section 120
100. As per the Companies Act, what information must be included in the Register of Members maintained under Section 88?
(a) Name and address of members
(b) Number of shares held by each member
(c) Date of acquisition of shares
(d) All of the above

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101. What is the time limit for a company to file the notice of change in the position of its directors as per the Companies Act 2013?
- (a) Within 15 days of the change
 - (b) Within 30 days of the change
 - (c) Within 45 days of the change
 - (d) Within 60 days of the change
102. Under Section 96 of the Companies Act, what is the maximum interval allowed between two consecutive Annual General Meetings (AGMs)?
- (a) 12 months
 - (b) 15 months
 - (c) 18 months
 - (d) 24 months
103. Which form must be filed with the Registrar of Companies for the appointment of auditors as per Section 139 of the Companies Act?
- (a) ADT-1
 - (b) ADT-2
 - (c) ADT-3
 - (d) ADT-4
104. According to the Companies Act, who has the right to access the minutes of general meetings?
- (a) Only the directors of the company
 - (b) All members of the company
 - (c) Only the shareholders of the company
 - (d) Only the auditors of the company
105. As per the Companies Act, what is the consequence for a company if it fails to hold its AGM within the prescribed period?
- (a) The company must pay a fine
 - (b) The directors are disqualified
 - (c) The company's license may be revoked
 - (d) The company may be wound up
106. Under Section 94, can a company refuse inspection of its registers and returns?
- (a) Yes, in all cases
 - (b) Yes, but only with the permission of the Tribunal
 - (c) No, except under specific circumstances prescribed by law
 - (d) No, inspection is always allowed
107. What is the purpose of Section 90 of the Companies Act 2013, which mandates significant beneficial owners to declare their interest in a company?
- (a) To ensure transparency in the ownership of the company
 - (b) To comply with international financial regulations
 - (c) To facilitate the distribution of dividends
 - (d) To prepare the company for public listing
108. Why does Section 91 of the Companies Act 2013 specify limits on the time for which a company's registers may be closed?
- (a) To allow for regular updating and maintenance of registers
 - (b) To prevent fraudulent activities related to share transfers
 - (c) To continuously ensure shareholders for inspection access to
 - (d) To comply with stock exchange regulations
109. What is the rationale behind requiring every company to file its Annual Return in Form No. MGT-7 as per Section 92?
- (a) To maintain a public record of the company's financial health
 - (b) To ensure compliance with statutory audit requirements
 - (c) To provide transparency about the company's operations to shareholders
 - (d) To facilitate the calculation of tax liabilities
110. According to Section 94 of the Companies Act. Why can a company's registers and returns be kept at a place other than its registered office?
- (a) To facilitate easier access for members residing in different locations
 - (b) To comply with regional legal requirements
 - (c) To provide convenience to the company's management
 - (d) To ensure better protection and confidentiality of records
111. Under Section 96, why must a company hold its Annual General Meeting (AGM) within 6 months from the closing of the financial year?
- (a) To ensure timely disclosure of the company's annual financial performance
 - (b) To comply with the requirements of shareholders and investors
 - (c) To facilitate the appointment and remuneration of directors
 - (d) To approve the company's budget for the next financial year

Burhani Coaching Classes

112. As per Section 100, what is the significance of authorizing the Board of Directors or a specified number of members to call an Extraordinary General Meeting (EGM)?
- (a) To address urgent matters that cannot wait until the next AGM
 - (b) To amend the company's articles of association or memorandum
 - (c) To comply with the directives of regulatory bodies
 - (d) To facilitate changes in the company's management
113. Why does the Companies Act require a notice period for general meetings, as stated in Section 101?
- (a) To allow shareholders adequate time to prepare for the meeting
 - (b) To ensure compliance with corporate governance standards
 - (c) To facilitate the arrangement of logistics for the meeting
 - (d) To allow for the drafting and distribution of the meeting's agenda
114. Why does Section 102 of the Companies Act mandate annexing a statement to the notice of a meeting for special business items?
- (a) To provide shareholders with detailed information for informed decision-making
 - (b) To comply with legal requirements for transparency and disclosure
 - (c) To prepare the members for potential changes in company policy
 - (d) To facilitate discussions and voting on important matters during the meeting
115. Under the Companies Act, why must the annual return be signed by a director and the Company Secretary as per Section 92?
- (a) To attest to the accuracy and completeness of the information provided
 - (b) To comply with statutory requirements for annual reporting
 - (c) To ensure accountability and responsibility for the contents of the return
 - (d) To facilitate the audit and review process of the annual return
116. What is the purpose of the provision under Section 96 that allows the Tribunal to call or direct the calling of an AGM?
- (a) To ensure that companies comply with statutory meeting requirements
 - (b) To provide a mechanism for intervention in cases of management deadlock
 - (c) To safeguard the interests of minority L shareholders
 - (d) To maintain regularity in the company's governance practices
117. What is the significance of Section 93 of the Companies Act, which requires listed companies to disclose changes in the shareholding position of promoters and top ten shareholders?
- (a) To monitor the market manipulation and insider trading
 - (b) To ensure transparency in shareholding patterns for investor confidence
 - (c) To comply with SEBI regulations for listed companies
 - (d) To facilitate better decision-making by other shareholders
118. Why is it important for a company to adhere to Section 94 of the Companies Act regarding the inspection of registers and returns?
- (a) To maintain transparency and accountability to its shareholders
 - (b) To comply with statutory audit requirements
 - (c) To facilitate internal management and decision-making
 - (d) To protect shareholder rights and interests
119. Under Section 96, why is the interval between two consecutive Annual General Meetings (AGMs) specifically limited to a maximum of 15 months?
- (a) To ensure regular shareholder engagement and oversight
 - (b) To comply with financial reporting and auditing timelines
 - (c) To maintain consistency in corporate governance practices
 - (d) To allow sufficient time for the preparation of annual financial statements

Burhani Coaching Classes

120. What is the rationale behind the requirement for companies to file resolutions and agreements with the Registrar, as mandated by Section 117?
- (a) To provide a public record of significant corporate decisions
 - (b) To ensure legal compliance and accountability
 - (c) To facilitate the audit process and transparency
 - (d) To monitor changes in the company's management and operations
121. Why does the Companies Act require the minutes of general meetings to be maintained and accessible, as per Section 118?
- (a) To serve as a legal record of the proceedings and decisions
 - (b) To assist in the preparation of future meetings
 - (c) To provide shareholders who were absent with information about the meeting
 - (d) To ensure transparency in the company's decision-making process
122. Why is it necessary for a significant beneficial owner to declare their interest in a company under Section 907?
- (a) To prevent conflicts of interest and ensure ethical governance
 - (b) To provide clarity on the ultimate ownership and control of the company
 - (c) To facilitate the accurate calculation of tax liabilities
 - (d) To ensure compliance with international financial regulations
123. As per Section 100, what is the objective of enabling members to requisition Extraordinary General Meeting (EGM)?
- (a) To address urgent business that cannot be deferred to the next AGM
 - (b) To ensure democratic participation in decision-making
 - (c) To balance the power between the board and the shareholders
 - (d) To comply with regulatory requirements for shareholder meetings
124. What is the significance of the requirement for minimum notice periods for general meetings under Section 101?
- (a) To ensure that shareholders have enough time to prepare for and attend the meeting
 - (b) To provide a standardized timeframe for organizing meetings
 - (c) To align with international best practices for corporate governance
 - (d) To manage the logistical aspects of organizing a large-scale meeting
125. Under Section 102, why is a statement required to be annexed to the notice for items of special business?
- (a) To give shareholders a clear understanding of the matters to be discussed
 - (b) To comply with legal requirements for informed decision-making
 - (c) To facilitate debate and discussion during the meeting
 - (d) To prepare shareholders for potential changes in company policy
126. Why is it essential for companies to file a report on their AGM with the Registrar, as required under Section 121?
- (a) To ensure compliance with statutory reporting requirements
 - (b) To provide a public record of the proceedings for transparency
 - (c) To assist in the audit and legal verification process
 - (d) To maintain an official record for future reference
127. What is the rationale behind the requirement for companies to keep a register of significant beneficial owners under Section 90?
- (a) To prevent event fraud and ensure transparency in ownership
 - (b) To assist in the assessment of company taxes
 - (c) To comply with international financial regulations
 - (d) To streamline the process of share transfers and dividends
128. Under Section 92, why must companies file an annual return within a specified period after the AGM?
- (a) To maintain up-to-date records of the company's financial and operational status
 - (b) To comply with regulatory requirements for continuous disclosure
 - (c) To provide shareholders with an annual update on the company's activities
 - (d) To ensure the company's accountability to regulatory authorities

Burhani Coaching Classes

129. What is the purpose of Section 94, which allows inspection of a company's registers and returns by members?
- (a) To promote transparency and allow shareholders to make informed decisions
 - (b) To ensure that all legal and regulatory requirements are being met
 - (c) To facilitate internal audits and checks by the company
 - (d) To provide a means of verification for shareholder disputes
130. Why does the Companies Act require the minutes of general meetings to be recorded and maintained as per Section 118?
- (a) To provide a legal record of decisions made and actions taken
 - (b) To serve as reference material for future meetings
 - (c) To enable shareholders who were not present to stay informed
 - (d) To comply with corporate governance and transparency norms
131. What is the significance of allowing shareholders to requisition an Extraordinary General Meeting under Section 100?
- (a) To address urgent matters that require immediate attention
 - (b) To empower shareholders to participate actively in governance
 - (c) To balance the power dynamics between the board and shareholders
 - (d) To ensure that significant issues are not overlooked by the board
132. Under the Companies Act, 2013, what is the responsibility of the person in charge of the maintenance and security of a company's electronic records?
- (a) Ensuring electronic records are accessible to all members of the company at all times.
 - (b) Keeping electronic records in a non-rewritable and non-erasable format like a pdf. version.
 - (c) Allowing electronic records to be altered for accuracy and updated as needed.
 - (d) Maintaining electronic records exclusively in a physical form to ensure security.
133. According to Rule 29 of the Companies Act, 2013, how are companies required to provide copies of records maintained in electronic form.
- (a) For free and in any format requested by individual
 - (b) On payment not exceeding 210 per page, containing a clear reproduction of the record.
 - (c) Only to government authorities and not to individual members.
 - (d) In a physical format irrespective of the original form of the record.
134. What is the maximum time gap allowed between two Annual General Meetings (AGMs) as per Section 96 of the Companies Act, 2013?
- (a) 12 months.
 - (b) 15 months.
 - (c) 18 months.
 - (d) 24 months..
135. Under Section 121 of the Companies Act, 2013, what is required from every listed public company after an AGM?
- (a) Publication of the AGM's minutes in a national newspaper.
 - (b) Submission of a detailed financial report to the shareholders.
 - (c) Filing a report on the AGM with the Registrar in Form No. MGT-15.
 - (d) A declaration of dividends within 30 days of the AGM.
136. Who is authorized to call an Extraordinary General Meeting (EGM) as per Section 100 of the Companies Act, 2013?
- (a) Only the CEO of the company.
 - (b) Any company stakeholder with a minimum share of 5%.
 - (c) The Board of Directors on their own or on a requisition.
 - (d) Only the shareholders with at least 25% voting power.
137. In case the Board does not call a meeting as per the requisition of members, within how many months can the requisitionists themselves call the meeting, according to Section 100 (4) of the companies Act, 2013?
- (a) 1 month.
 - (b) 2 months.
 - (c) 3 months.
 - (d) 6 months.

Burhani Coaching Classes

138. Under the Companies Act, 2013, what is the procedure for proposing a special resolution in an EGM convened by requisitionists?
- (a) The resolution must be approved by the Board before the meeting.
 - (b) The resolution is to be proposed as per sub-section (2) of section 114.
 - (c) A unanimous vote of all attending members is required during the meeting.
 - (d) Special resolutions are not permitted in such EGMs.
139. What happens if the Board of Directors fails to call a general meeting upon the requisition of members holding more than 1/10th voting power?
- (a) The members cannot call a meeting themselves.
 - (b) The requisitionists may call and hold the meeting within three months.
 - (c) The company is immediately dissolved.
 - (d) The Board must resign collectively.
140. Which sections of the Companies Act 2013 do not apply to a One Person Company (OPC)?
- (a) Sections 100 to 111.
 - (b) Sections 89 to 96.
 - (c) Sections 121 to 128.
 - (d) Sections 135 to 142.
141. As per Section 92 of the Companies Act 2013, who is required to sign the annual return of a One Person Company (OPC)?
- (a) The CEO of the company
 - (b) The Company Secretary or, in their absence, the director of the company.
 - (c) Any two directors of the company.
 - (d) The auditor of the company.
142. In the case of an AGM called with shorter notice, what percentage of members entitled to vote must give their consent for this arrangement?
- (a) 50%. (d) 95%.
 - (c) 91%. (b) 75%.
143. Which type of company is not required to provide its members the facility to exercise the right to vote by electronic mode under the Companies Act 2013?
- (a) A public company with both equity and preference shares listed on a stock exchange.
 - (b) A private company with only equity shares listed on a stock exchange.
 - (c) A company with preference shares listed on a stock exchange.
 - (d) A company with both equity and preference shares listed on a stock exchange.
144. If the chairman of a company is unavailable, who can sign the report of the AGM according to the Companies Act 2013?
- (a) Any two directors of the company, including an additional director.
 - (b) The managing director alone.
 - (c) The chief financial officer and the company secretary.
 - (d) The board must appoint a temporary chairman to sign.
145. Where should a company keep its registers and returns according to Section 94 of the Companies Act 2013?
- (a) At the registered office of the company or any other place approved by a special resolution.
 - (b) Exclusively in the headquarters of the company.
 - (c) In a centralized database accessible to all shareholders.
 - (d) At the residence of the managing director for security purposes.
146. Under Section 89 of the Companies Act, 2013, what is the procedure for a person holding a beneficial interest in the shares of a company?
- (a) The person must inform the company about their interest verbally during the Annual General Meeting.
 - (b) The person should intimate the company in Form No. MGT-4 or MGT-5, and the company must then inform the Registrar of Companies.
 - (c) The beneficial owner must directly inform the Registrar of Companies, bypassing the company
 - (d) No formal intimation is required unless the company requests it.
147. As per Section 92 of the Companies Act, 2013, who is responsible for signing the annual return of a One Person Company (OPC)?
- (a) CEO of the OPC.
 - (b) The Company Secretary or, in their absence, the director of the company,

Burhani Coaching Classes

- (c) Any two directors of the company.
(d) The auditor of the company.
148. According to Section 96, what is the maximum time gap allowed between two Annual General Meetings (AGMs) of a company?
(a) 12 months. (b) 15 months
(c) 18 months. (d) 24 months
149. For a newly incorporated company, within how many months from the closing of the first financial year should the first Annual General Meeting be held?
(a) Within 6 months.
(b) Within 9 months.
(c) Within 12 months.
(d) No AGM is required in the year of
150. Who is authorized to call an Extraordinary General Meeting (EGM) as per Section 100 of the Companies Act, 2013?
(a) Only the CEO of the company.
(b) Any company stakeholder with a minimum share of 5%.
(c) The Board of Directors on their own or on a requisition from members.
(d) Only the shareholders with at least 25% voting power.
151. Under Section 105 of the Companies Act, 2013, what rights do proxies have at a general meeting?
(a) Proxies have the right to speak and vote on a resolution by show of hands.
(b) Proxies can only vote on a poll and do not have the right to speak.
(c) Proxies have no voting rights but can participate in discussions.
(d) Proxies can vote by show of hands but cannot participate in discussions.
152. In case of a general meeting convened at shorter notice, what percentage of members entitled to vote must consent to such a notice?
(a) 50% (b) 75%
(c) 91% (d) 95%
153. Which of the following entities are exempt from the Companies (Significant Beneficial Owners) Rules 2018?
(a) All foreign companies.
(b) Companies with a turnover less than Rs. 50 crores.
(c) Entities like the Investor Education and Protection Fund Authority, SEBI registered Investment Vehicles, and controlled by the Central or State Governments.
(d) All private companies.
154. If a company has not held any general meeting since its incorporation, what is the time limit for holding its first AGM according to Section 9% of the Companies Act, 2013?
(a) Within 6 months from the date of incorporation.
(b) Within 9 months from the closure of the first financial year.
(c) Within 15 months from the date of incorporation.
(d) There is no specified time limit for the first AGM.
155. According to Section 101 of the Companies Act, 2013, how many clear days' notice is required to be served for calling a general meeting?
(a) 14 days. (b) 21 days
(c) 30 days. (d) 45 days
156. In case of an adjourned Annual General Meeting due to lack of quorum, what happens if there is no quorum at the adjourned meeting as well?
(a) The meeting is cancelled.
(b) The meeting stands adjourned indefinitely.
(c) The members present shall constitute the quorum.
(d) The meeting must be rescheduled with a new notice.
157. Can a general meeting of shareholders be called by giving shorter notice than 21 days as per the Companies Act, 2013?
(a) Yes, but only if all members consent to the shorter notice.
(b) Yes, but only if members holding at least 95% of the voting power consent.
(c) No, under no circumstances can a meeting be called with shorter notice.
(d) Yes, but only if the Board of Directors unanimously agrees.
158. What happens if the chairman of a meeting leaves the country without signing the minutes of the meeting, as per the Companies Act, 2013?
(a) The minutes cannot be finalized until the chairman returns and signs them.

Burhani Coaching Classes

- (b) The minutes must be signed by the CEO or Managing Director in the chairman's absence.
- (c) The minutes can be signed by any director authorized by the Board for this purpose.
- (d) The meeting and its resolutions become invalid.
159. Considering the provisions of Section 89 of the Companies Act, 2013, how effective is the requirement for a person holding beneficial interest in shares to notify the company and the Registrar of Companies?
- (a) Highly effective in ensuring transparency of shareholding.
- (b) Moderately effective, as it depends on the person's compliance
- (c) Ineffective, as it places unnecessary burden on the individual.
- (d) Only effective for large shareholders, not for minor ones.
160. How well do the rules in Section 92 about annual return filing ensure accountability and transparency in corporate governance?
- (a) Extremely well, by mandating comprehensive disclosures.
- (b) Adequately, but with some room for improvement.
- (c) Poorly, as they allow for too much discretion.
- (d) Not at all, as they are too complex to be effectively enforced.
161. How effective is Section 105 of the Companies Act, 2013, in ensuring that members' voting rights are represented through proxies at company meetings?
- (a) Highly effective, as it allows broad proxy appointment rights.
- (b) Moderately effective, but limited by the non-voting rights on show of hands.
- (c) Ineffective, as it restricts the active participation of proxies.
- (d) Varies significantly based on company policies and member engagement.
162. How effectively does Section 102 balance the need for comprehensive notice content for general meetings with operational efficiency?
- (a) Very effectively, by ensuring informed decision-making.
- (b) Moderately, although it can lead to longer preparation times.
- (c) Ineffectively, as it often results in overly detailed notices.
- (d) The effectiveness varies widely among different companies.
163. Assess the adequacy of the penalty provisions under Section 92 for companies that fail to file annual returns on time.
- (a) Highly adequate, as they impose significant fines.
- (b) Moderately adequate, but could be stricter for larger companies.
- (c) Inadequate, as penalties are too lenient to enforce compliance.
- (d) Overly harsh, particularly for smaller companies.
164. Evaluate the provisions under Section 94 regarding the location of registers and returns in terms of member access and company convenience.
- (a) Highly effective, as they offer flexibility while ensuring access.
- (b) Moderately effective, but can be logistically challenging.
- (c) Ineffective, as they complicate access for most members.
- (d) Varies based on company size and member distribution.
165. How effectively do the provisions of Section 96 ensure that AGMs are held within a reasonable timeframe?
- (a) Very effectively, by setting clear deadlines.
- (b) Moderately, though dependent on company adherence.
- (c) Ineffectively, as extensions can delay meetings significantly.
- (d) Effectiveness varies based on company size and complexity.
166. Imagine a scenario where a company's strict adherence to Section 89 leads to uncovering hidden conflicts of interest. What could be the potential outcomes?
- (a) Enhanced shareholder trust and improved corporate governance.
- (b) Legal complications shareholder lawsuits and potential
- (c) Minimal impact, as such disclosures are often overlooked.
- (d) Increased regulatory scrutiny and possible penalties.

Burhani Coaching Classes

167. Create a hypothetical situation where the application of Section 91's provisions on register closure significantly impacts a company's major decision.
- (a) Closure of registers during a crucial takeover bid.
 - (b) Temporary register closure during annual financial audits.
 - (c) Frequent closures leading to shareholder dissatisfaction.
 - (d) Strategic closure timing to facilitate a significant merger.
168. Devise a scenario in which the rules of Section 92 on annual return filing play a crucial role in a corporate governance crisis.
- (a) Discovery of fraudulent practices during annual return preparation.
 - (b) Shareholders using the annual return for strategic voting decisions.
 - (c) Public backlash due to disclosure of controversial business practices.
 - (d) Regulatory intervention triggered by inconsistencies in the return.
169. Imagine a situation where Section 100's provisions enable a company to effectively manage a sudden market change
- (a) Proxies overwhelming support a controversial resolution
 - (b) Delayed EGM resulting in missed market opportunities
 - (c) EGM called to address a sudden leader vacuum
 - (d) Overuse of EGMs leading to decision fatigue among members.
170. Create a scenario where the use of proxies, allowed by Section 105, significantly alters the outcome of a crucial company vote
- (a) Proxies overwhelmingly controversial resolution.
 - (b) Proxy votes lead to the unexpected rejection of a board proposal.
 - (c) Proxies are used strategically to pass a crucial merger decision.
 - (d) Ineffective use of proxies resulting in a leadership stalemate.
171. Envision a situation where the Tribunal's authority under Section 96 to call an AGM rectifies a major corporate governance issue.
- (a) Tribunal intervention leads to resolution of a longstanding dispute.
 - (b) AGM called by the Tribunal results in a complete board overhaul.
 - (c) Tribunal intervention seen as overreach, causing shareholder unrest.
 - (d) Minimal impact as the AGM proceeds as a formality.
172. Imagine a hypothetical case where a company creatively complies with Section 102's notice requirements to influence shareholder decision-making.
- (a) Detailed notices sway shareholders towards a specific decision.
 - (b) Minimalist notices lead to uninformed decision-making.
 - (c) Notices crafted to downplay controversial agenda items.
 - (d) Strategic notice timing to affect shareholder attendance.
173. Devise a scenario where a company's failure to comply with Section 92 results in significant legal and financial repercussions
- (a) Heavy penalties imposed for delayed annual return filing.
 - (b) Legal challenges due to non-disclosure of key financial data.
 - (c) Shareholder lawsuits triggered by lack of transparency.
 - (d) Regulatory crackdown leading to stricter governance policies.
174. Create a situation where the strategic location of registers and returns, as permitted by Section 94, benefits a large group of members.
- (a) Moving registers to a location with a high concentration of members.
 - (b) Digital access to registers enhancing member participation.
 - (c) Registers located in an inaccessible area, causing member dissatisfaction.
 - (d) Centralized location leading to increased member engagement.

Burhani Coaching Classes

175. Develop a hypothetical situation where the timing and content of AGM notices under Section 96 play a pivotal role in a corporate power struggle.
- (a) Early notices give an advantage to a faction seeking board control.
(b) Late notices lead to low attendance, affecting crucial votes.
(c) Notices omitting key agenda items to manipulate outcomes.
(d) Detailed notices leading to informed and strategic voting by members.
176. Under Section 134 of the Companies Act, 2013, who is responsible for signing the financial statements?
- (a) The CEO and CFO
(b) The Managing Director and Company Secretary
(c) The Chairman of the Board and the Managing Director
(d) The Chief Financial Officer and the Auditor
177. As per Section 92 of the Companies Act, 2013, which form is used for filing an Annual Return by companies other than One Person Companies and Small Companies?
- (a) MGT-7 (b) MGT-7A
(c) MGT-8 (d) MGT-9
178. What is the maximum number of directorships, including alternate directorships, a person can hold as per Section 165 of the Companies Act, 2013?
- (a) 10 (b) 15 (c) 20 (d) 25
179. Under Section 139 of the Companies Act, 2013, for how many consecutive years can a firm act as the auditor of a company?
- (a) 5 years (b) 10 years
(c) 15 years (d) 20 years
180. Which section of the Companies Act, 2013, mandates the requirement for having at least one woman director on the board of certain classes of companies?
- (a) Section 149 (b) Section 150
(c) Section 151 (d) Section 152
181. As per Section 177 of the Companies Act, 2013, what is the minimum number of members required in the Audit Committee for a listed company?
- (a) 2 (b) 3 (c) 4 (d) 5
182. Which section of the Companies Act, 2013, deals with the prohibition of insider trading of securities by company directors and key managerial personnel
- (a) Section 195 (b) Section 196
(c) Section 197 (d) Section 198
183. Under Section 188 of the Companies Act, 2013, transactions with related parties must be approved by what percentage of shareholders?
- (a) 50% (b) 60%
(c) 75% (d) 80%
184. What is the penalty for non-compliance with Section 184 related to disclosure of interest by a director in the Companies Act, 2013?
- (a) Up to ₹ 50,000 (d) Up to ₹1,00,000
(c) Up to ₹ 5,00,000 (d) Up to ₹10,00,000
185. As per Section 135 of the Companies Act, 2013, what is the minimum amount that needs to be spent on Corporate Social Responsibility (CSR) activities?
- (a) 1% of average net profits of last 3 years
(b) 2% of average net profits of last 3 years
(c) 3 % of average net profits years of last 3 years
(d) 5% of average net profits of last 3 years
186. Under Section 160 of the Companies Act, 2013 what is the minimum deposit amount required to propose a person for the appointment as director?
- (a) ₹50,000 (b) ₹ 1,00,000
(c) ₹1,50,000 (d) ₹ 2,00,000
187. Which section of the Companies Act, 2013 prescribes the rules for the rotation of auditors in certain companies?
- (a) Section 139 (b) Section 140
(c) Section 141 (d) Section 142
188. As per Section 203 of the Companies Act, 2013 which of the following is not considered a key managerial personnel (KMP) in a company?
- (a) CEO or Managing Director
(b) Chief Financial Officer
(c) Company Secretary
(d) Chief Compliance Officer
189. In the context of Section 149 of the Companies Act, 2013, what is the implication of having independent directors on a company's board?

Burhani Coaching Classes

- (a) To ensure that the board makes decision independently of the company management.
- (b) To comply with the legal requirements public companies.
- (c) To bring external expertise and perspective to the board.
- (d) To represent the interests of minorit sharehold

190. How does Section 135 concerning Corporate Social Responsibility (CSR) activities reflect a commitment to societal

- (a) By mandating a fixed percentage of profits to be allocated to CSR.
- (b) By encouraging voluntary participation in social activities.
- (c) By requiring companies to report CSR activities in their annual reports.
- (d) By linking CSR activities to the company's core business strategy.

191. What is the significance of the requirement under Section 188 for approval of related party transactions by shareholders?

- (a) To prevent conflicts of interest and ensure transparency.
- (b) To comply with international financial reporting standards.
- (c) To safeguard the interests of the company against undue influence.
- (d) To facilitate easier and quicker decision- making in the company.

192. Under Section 92, what does the filing of the annual return in Form MGT-7 indicate about a company's operational transparency?

- (a) It ensures public disclosure of key financial and governance details.
- (b) It fulfills a statutory requirement without revealing much operational detail.
- (c) It highlights the company's financial performance to attract investors.
- (d) It primarily serves to update the Registrar of Companies about changes in the company.

193. How does Section 139's provision on the rotation of auditors enhance the reliability of financial statements?

- (a) By ensuring a fresh perspective in auditing practices.
- (b) By complying with global auditing standards.
- (c) By reducing the risk of long-term relationships affecting audit impartiality.
- (d) By facilitating competition among auditing firms.

194. What is the rationale behind mandating the declaration of interest by directors in contracts or arrangements as per Section 1847

- (a) To prevent any form of nepotism or favoritism in the company.
- (b) To ensure that directors act in the best interest of the company.
- (c) To comply with international corporate governance norms.
- (d) To facilitate transparent and fair decision- making processes.

195. In the context of Section 177, how does the establishment of an Audit Committee contribute to effective corporate governance?

- (a) By ensuring the integrity of financial reporting and compliance with laws.
- (b) By overseeing the company's internal audit function.
- (c) By providing a platform for whistleblower complaints.
- (d) By supervising the company's risk management policies.

196. How does Section 203's specification of key managerial personnel (KMP) affect a company's operational efficiency?

- (a) By defining clear roles and responsibilities for top management.
- (b) By ensuring a balanced distribution of power among senior executives.
- (c) By facilitating better coordination between different departments.
- (d) By providing a clear hierarchy for decision- making and accountability.

197. What is the purpose of Section 160, which requires a deposit for proposing a person as a director?

- (a) To ensure that only serious and genuine nominations are made.

Burhani Coaching Classes

- (b) To generate additional revenue for the company.
(c) To discourage the frequent change of directors.
(d) To comply with SEBI regulations for listed companies.
198. How does Section 92's mandate for companies to file an annual return contribute to corporate accountability?
(a) By providing shareholders with a comprehensive review of the company's activities
(b) By ensuring regulatory compliance and transparency.
(c) By tracking the performance of the company for market analysis.
(d) By updating the government on the company's financial status.
199. What does the requirement under Section 105 for shareholders to appoint proxies signify in terms of shareholder rights?
(a) It allows shareholders to exercise their voting rights, even in their absence.
(b) It is a formality to comply with statutory requirements
(c) It indicates an active participation in the management by shareholders.
(d) It enhances the democratic process in decision-making at general meetings.
200. How does Section 96's stipulation of the timeline for AGMs assist in maintaining corporate discipline?
(a) By ensuring timely disclosure of annual financial results and company affairs.
(b) By aligning with the fiscal calendar for tax purposes.
(c) By providing a regular platform for shareholder engagement.
(d) By facilitating the election and appointment of directors.
201. In the context of Section 117, what is the impact of filing resolutions and agreements with the Registrar?
(a) It provides legal validity to the resolutions passed by the company.
(b) It ensures compliance with statutory requirements and transparency.
(c) It acts as a reference for future legal or administrative queries.
(d) It facilitates the monitoring of corporate decisions by regulatory authorities.
202. When a company secretary applies Section I of the Companies Act for related party transactions, what criteria should they use to determine if a transaction is 'at arm's length'?
(a) Comparison with similar transactions in the industry.
(b) Assessment based on the company's internal pricing policy.
(c) Evaluation by an independent external auditor.
(d) Approval from the majority of non interested board members.
203. While applying the provisions of Section 92 for filing the annual return, what specific information should be emphasized to reflect the company's commitment to good governance?
(a) Details of the company's financial statements.
(b) Information on responsibility activities corporate social
(c) Disclosure of relationships between directors and key managerial personnel.
(d) Listing of all shareholders and their shareholding patterns.
204. In the application of Section 177, how should the Audit Committee prioritize agenda items for their meetings?
(a) Based on the urgency of financial reporting issues.
(b) In the order of potential impact on the company's profitability
(c) Focusing on areas with significant risks or legal compliance issues.
(d) As recommended by the company's internal audit team.
205. When applying Section 184 regarding disclosure of interest by directors, what type of transactions should be scrutinized more carefully for potential conflicts of interest?
(a) Transactions involving high monetary values.
(b) Transactions with entities where directors have family relationships.
(c) Routine operational transactions of the company.
(d) Transactions proposed by newly appointed

Burhani Coaching Classes

206. In the context of Section 139 and auditor rotation, what strategy should a company apply to ensure a smooth transition during the change of auditors?
- (a) Conduct joint audits during the transition period.
 - (b) Choose an auditor from the same network as the outgoing firm.
 - (c) Implement an extensive knowledge transfer process.
 - (d) Appoint a transitional comprising board members.
207. While applying Section 149(6) about independent directors, how should a company evaluate the independence of a potential candidate?
- (a) By verifying the absence of financial relationships with the company.
 - (b) Through an assessment of the candidate's past directorships.
 - (c) Based on the recommendations of existing board members.
 - (d) Evaluating the candidate's understanding of the company's business.
208. In applying Section 203, how should a company's board determine the adequacy of their key managerial personnel?
- (a) By assessing their performance against industry benchmarks.
 - (b) Through feedback from employees and other stakeholders.
 - (c) Based on the financial performance of the company.
 - (d) Considering the qualifications and experience of the personnel.
209. Analyze the impact of Section 185 on loan transactions to directors. How does it affect a company's financial dealings with its directors and related entities?
- (a) It restricts the company from providing loans or guarantees to its directors.
 - (b) It requires a higher interest rate for loans given to directors.
 - (c) It mandates public disclosure of all such transactions.
 - (d) It allows loans only if approved by a special resolution.
210. In the context of Section 188, analyze the implications of not obtaining shareholder approval for related party transactions.
- (a) The transaction is voidable at the discretion of the board.
 - (b) It leads to automatic legal action against the directors involved
 - (c) The transaction can be ratified in the subsequent AGM.
 - (d) It results in a penalty for the company and the directors involved.
211. Analyze the role of independent directors in enhancing the corporate governance of a company as per Section 149.
- (a) They primarily contribute to the financial auditing process
 - (b) They act as a liaison between the company and its stakeholders.
 - (c) Their role is to provide unbiased judgment on corporate affairs.
 - (d) They are mainly responsible for executive compensation decisions.
212. Consider the application of Section 92 in a large public company. Analyze how the detailed disclosure of shareholding patterns can influence shareholder and public perception.
- (a) It reassures shareholders about the stability of the company.
 - (b) It could lead to concerns over concentrated ownership.
 - (c) It provides transparency but may not affect investor decisions.
 - (d) It can trigger market speculation about potential takeovers.
213. Analyze the effectiveness of the mandatory rotation of auditors as per Section 139 in preventing auditing complacency and conflicts of interest.
- (a) It ensures diverse auditing approaches and perspectives.
 - (b) It may lead to inconsistency in audit quality.
 - (c) It primarily serves to comply with statutory norms.
 - (d) The effectiveness is limited by the availability of qualified auditors.
214. In the context of Section 188, analyze how related party transactions, if not properly managed, can lead to governance issues and stakeholder distrust.

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- (a) They may lead to preferential treatment at the expense of the company.
- (b) They can result in the dilution of minority shareholders' interests.
- (c) They tend to be routine transactions without significant impact.
- (d) They increase operational efficiency through familiar partnerships.

215. Analyze the challenges a company may face in complying with Section 135 on CSR, particularly in aligning CSR activities with business objectives and stakeholder expectations.
- (a) Difficulty in identifying relevant and impactful CSR activities.
 - (b) Balancing CSR spending with the company's profitability goals.
 - (c) Ensuring that CSR initiatives receive adequate publicity.
 - (d) Aligning CSR activities with government priorities and agendas.

216. Examine the role of the Audit Committee under Section 177 in identifying and addressing financial risks and misreporting.
- (a) It focuses primarily on regulatory compliance rather than risk management.
 - (b) It plays a key role in reviewing financial statements and internal controls.
 - (c) Its involvement is limited to post-reporting analysis.
 - (d) It is primarily concerned with the appointment and remuneration of auditors.

217. Evaluate the effectiveness of Section 135 (Corporate Social Responsibility) in achieving sustainable development goals in India.
- (a) Highly effective due to the significant financial contributions of companies.
 - (b) Moderately effective but lacks comprehensive impact assessment
 - (c) Limited effectiveness due to inconsistent implementation across companies.
 - (d) Ineffective as it diverts funds from core business activities

218. Assess the impact of mandatory auditor rotation, as per Section 139, on the quality of financial reporting.

- (a) Significantly improves due to diverse auditing perspectives,
- (b) Marginally improves with fresh insights but faces continuity challenges.
- (c) No notable impact on quality, but increases compliance costs.
- (d) Negatively impacts due to the lack of consistent auditing approach.

219. Assess the effectiveness of the provisions under Section 188 in regulating related party transactions.
- (a) Highly effective in ensuring transparency and fair pricing.
 - (b) Moderately effective, though some transactions may still be opaque
 - (c) Ineffective due to the ease of circumventing these provisions.
 - (d) Overly restrictive, hindering efficient business operations.

220. Design a scenario where the application of Section 188 leads to a major restructuring in a company's management due to conflict of interest in related party transactions.
- (a) A CEO is replaced after shareholders discover undisclosed personal gain.
 - (b) A merger is called off due to unfair pricing revealed in related party transactions.
 - (c) Major investors withdraw due to lack of transparency in management's decisions.
 - (d) The company faces legal action for not seeking shareholder approval for crucial deals.

221. Create a hypothetical situation where the rigorous enforcement of Section 135 leads to a significant shift in a company's business strategy.
- (a) A company starts a new line of eco-friendly products as part of its CSR initiative.
 - (b) CSR becomes a major factor in deciding new investment and expansion plans.
 - (c) The company diverts significant resources to community development, affecting its profitability.
 - (d) A company gains a competitive edge and brand recognition due to its CSR activities

222. Imagine a situation where mandatory auditor rotation under Section 139 uncovers long-standing financial irregularities.

- (a) A new auditor identifies discrepancies in the company's financial statements leading to a fraud investigation.
- (b) The rotation leads to the discovery of tax evasion practices.
- (c) Regular rotation results in contrasting financial assessments, raising red flags.
- (d) The change in auditors leads to a major revision of the company's financial health status.

223. Develop a scenario in which the application of Section 149 concerning independent directors dramatically changes the course of a major corporate decision.
- (a) Independent directors veto a high-risk merger, citing lack of due diligence.
 - (b) They push for a major shift towards sustainable practices.
 - (c) Their insistence on compliance leads to the abandonment of questionable venture. a lucrative but
 - (d) Their influence leads to a major reshuffle in top management.

224. Conceptualize a situation where the stringent application of Section 92's annual return requirements results in uncovering significant governance issues.
- (a) Annual return review reveals discrepancies in shareholding patterns, indicating possible insider trading.
 - (b) Detailed disclosures lead to the discovery of undisclosed debts and liabilities.
 - (c) Analysis of the return uncovers non-compliance with legal requirements.
 - (d) The return shows a pattern of irregularities in director appointments and remuneration