ACCOUNTS OF COMPANIES

1. What is the primary purpose of maintaining books of account as per Section 128 of the Companies Act 2013?
(a) To calculate employee bonuses
(b) To track inventory levels
(c) To provide a true and fair view of the state of affairs of the company
(d) To assist in marketing strategies

2. Which document is essential for a company to disclose its financial position as per the Companies Act, 2013?
(a) Annual Business Report
(b) Balance Sheet
(c) Marketing Analysis
(d) Employee Handbook

3. Under the Companies Act 2013, within how many days must a company file its annual return?
(a) 60 days from the AGM
(b) 120 days from the AGM
(c) 30 days from the AGM
(d) 90 days from the AGM

4. What is the minimum number of Board meetings a company must hold in a calendar year as per the Companies Act 2013?
(a) Two (b) Four
(c) Three (d) One

5. Which section of the Companies Act 2013 mandates the appointment of an internal auditor?
(a) Section 138 (b) Section 139
(c) Section 140 (d) Section 141

6. Under the Companies Act 2013, what is the penalty for not maintaining proper books of account?
(a) Imprisonment for up to 1 year
(b) Fine ranging from 50,000 to 5 lakh
(c) Suspension of business license
(d) Mandatory audit for the next 5 years

7. Which section of the Companies Act 2013 specifies the duties of directors?
(a) Section 166 (b) Section 165
(c) Section 164 (d) Section 167

8. What is the maximum penalty for a company officer contravening provisions related to the maintenance of books of account?
(a) 50,000 (b) 1 lakh
(c) 5 lakhs (d) 10 lakhs

9. Which section of the Companies Act 2013 deals with the rotation of auditors?
(a) Section 139 (b) Section 140
(c) Section 141 (d) Section 142

10. How often must a company file its financial statement and reports as per the Companies Act, 2013?
(a) Annually (b) Bi-annually
(c) Quarterly (d) Monthly

11. What is the term for the statutory meeting that must be held by a company as per the Companies Act, 2013?
(a) Annual General Meeting
(b) Extraordinary General Meeting
(c) Initial Public Offering Meeting
(d) Board of Directors Meeting

12. Which document outlines the rights and responsibilities of shareholders in a company as per the Companies Act, 2013?
(a) Articles of Association
(b) Memorandum of Association
(c) Shareholder Agreement
(d) Business Plan

13. What is the minimum number of members required to start a public company under the Companies Act, 2013?
(a) 7 (b) 2 (c) 3 (d) 5

14. Which section of the Companies Act 2013 deals with the prohibition of insider trading of securities?
(a) Section 195 (b) Section 196
(c) Section 197 (d) Section 198

15. Under the Companies Act 2013, what is the minimum share capital requirement for a private company?
(a) 1 lakh (b) 5 lakhs
(c) No minimum requirement (d) 10 lakhs

16. Which section of the Companies Act 2013 outlines the procedure for the appointment of auditors?
(a) Section 140 (b) Section 141
(c) Section 142 (d) Section 139

17. How does maintaining books of account on an accrual basis, as mandated by the Companies Act 2013, benefit a company's financial reporting?
(a) Provides a more realistic view of financial obligations and resources
(b) Simplifies the calculation of employee salaries
(c) Facilitates quicker inventory turnover
(d) Reduces the need for financial audits

18. What is the significance of the annual return filing within 60 days from the AGM as per the Companies Act 2013?
(a) Ensures timely disclosure of financial performance to shareholders
(b) Allows for immediate reinvestment of profits
(c) Assists in faster payroll processing
(d) Reduces the risk of financial fraud

19. Why is it important for a company to hold a minimum number of Board meetings annually, as stated in the Companies Act 2013?
(a) To discuss marketing strategies
(b) To ensure regular compliance and governance oversight
(c) To plan corporate social responsibility activities
(d) For team-building purposes

20. What is the rationale behind the provision for rotation of auditors in the Companies Act 2013?
(a) To manage audit fees
(b) To provide employment more firms opportunities to more firms
(c) To ensure independence and objectivity in auditing
(d) To simplify the audit process

21. How does the requirement for companies to file financial statements annually, as per the Companies Act 2013, contribute to corporate transparency?
(a) Enhances shareholder trust and confidence
(b) Streamlines employee performance reviews
(c) Aids in negotiating better vendor contracts
(d) Assists in faster product development

22. Why does the Companies Act 2013 require a company to hold its first Annual General Meeting (AGM) within nine months of closing its first financial year?
(a) To discuss company expansion plans
(b) For the declaration of dividends
(c) To enable shareholders to discuss and approve the first year's financial statements
(d) To elect a new board of directors

23. What is the purpose of mandating a minimum share capital for private companies under the Companies Act 2013?
(a) To ensure the company has sufficient financial resources to operate effectively
(b) To increase the company's stock market value
(c) To facilitate easier loans from banks
(d) To encourage foreign investment

24. How does the provision for the rotation of directors, as per the Companies Act 2013 enhance a company's governance?
(a) By ensuring a fresh perspective management
(b) By reducing operational costs
(c) By facilitating quicker decision-making
(d) By increasing employee morale

25. What is the significance of the Director Identification Number (DIN) as per the Companies Act 2013?
(a) It helps in tracking the performance of directors
(b) It assists in the smooth transition of directorship between companies
(c) It is a unique identifier that helps in maintaining transparency accountability of directors and accountability of directors
(d) It is used for tax identification purposes

26. How does the prohibition of insider trading of securities, as mentioned in Section 195 of the Companies Act 2013, protect investors?
(a) ensuring equal access to sensitive information
(b) By increasing the company's profitability
(c) By speeding up the process of public offerings
(d) By simplifying the investment process

27. What is the importance of a company's Articles of Association as per the Companies Act 2013?
(a) It outlines the company's marketing strategies

(b) It contains the rules and regulations for the company's governance
(c) It lists the company's current employees
(d) It serves as the company's annual financial report

28. Why is the appointment of a managing director for a maximum term of five years, as per the Companies Act 2013, considered beneficial for a company?
(a) It ensures long-term operational stability
(b) It allows for regular reassessment of leadership effectiveness
(c) It guarantees a fixed salary structure
(d) It simplifies the process of company registration

29. How does the mandatory appointment of an internal auditor, as specified in Section 138 of the Companies Act 2013, enhance a company's financial health
(a) By ensuring compliance with tax regulations
(b) By providing regular and thorough scrutiny of the company's financial and operational processes
(c) By facilitating faster financial decision making
(d) By improving the company's public image

30. What is the impact of Section 166 of the Companies Act 2013, which specifies the duties of directors, ca corporate governance?
(a) It standardizes salaries for all directors.
(b) It ensures that directors act in the best interests of the company and its stakeholders
(c) It limits the involvement of directors in daily operations
(d) It streamlines the process of hiring new directors

31. How does the requirement for a public company to have a minimum of seven members, as per the Companies Act 2013, affect its operations?
(a) It ensures a diverse range of opinions in decision-making
(b) It reduces operational costs
(c) It streamlines product development
(d) It enhances the company's brand image

32. What is the role of shareholders in the context of a company's Annual General Meeting as per the Companies Act 2013?
(a) To elect the company's auditor
(b) To approve major business decisions
(c) To review and approve the annual financial statements
(d) To decide on employee benefits

33. How does the provision for a company to have no maximum limit of directors, as per the Companies Act 2013, benefit its governance?
(a) It allows for more comprehensive management and expertise
(b) It reduces the need for frequent board meetings
(c) It simplifies the process of company registration
(d) It ensures higher dividends for shareholders

34. What is the importance of filing the balance sheet annually for a company under the Companies Act 2013?
(a) It aids in tracking the company's sales performance
(b) It helps in the calculation of employee bonuses
(c) It is critical for assessing the company's financial health and making informed decisions
(d) It streamlines supply chain management

35. Why is the requirement for companies to preserve books of account for a minimum of eight years significant under the Companies Act 2013?
(a) To assist in long-term strategic planning
(b) To ensure availability of financial records for legal, regulatory, and operational scrutiny
(c) To simplify the process of employee performance reviews
(d) To enhance the efficiency of inventory management

36. How would a company apply the provisions of Section 138 of the Companies Act 2013 if it has a turnover exceeding 500 crores?
(a) By appointing an internal auditor
(b) By increasing its share capital
(c) By rotating its directors
(d) By holding extra board meetings

37. What steps must a company take to comply with Section 177 of the Companies Act 2013 regarding the establishment of an Audit Committee?
(a) Appoint external auditors
(b) Create a committee with a majority of independent directors
(c) Increase the number of board meetings
(d) Rotate its internal auditors

38. When a company decides to buy back its shares, which section of the Companies Act 2013 does it need to adhere to?

(a) Section 68 (b) Section 70
(c) Section 66 (d) Section 69

39. If a company wishes to convert its debentures into shares, which section of the Companies Act 2013 should be followed?
(a) Section 71 (b) Section 72
(c) Section 73 (d) Section 74

40. When a company plans to declare dividends out of its reserves, which section of the Companies Act 2013 guides this process?
(a) Section 123 (b) Section 124
(c) Section 125 (d) Section 126

41. If a company intends to alter its Object Clause, which section of the Memorandum of Association should it refer to?
(a) Clause III (b) Clause IV
(c) Clause V (d) Clause VI

42. What action must a company take according to the Companies Act 2013 when its auditor resigns before the completion of their term?
(a) Appoint a new auditor within 30 days
(b) Hold a board meeting immediately
(c) Notify the Registrar of Companies within 7 days
(d) Publish the resignation in a national newspaper

43. How does a company apply the requirements of Section 149 of the Companies Act 2013 regarding the composition of the Board of Directors?
(a) By having at least one woman director
(b) By appointing a majority of non-executive directors
(c) By ensuring all directors are residents of India
(d) By having a majority of directors with financial expertise

44. When analyzing the financial statements of a company, which section of the Companies Act 2013 should be referred to for compliance with disclosure requirements?
(a) Section 129 (b) Section 134
(c) Section 135 (d) Section 136

45. In examining a company's compliance with corporate social responsibility (CSR) obligations, which section of the Companies Act 2013 provides the necessary guidelines?
(a) Section 134 (b) Section 135
(c) Section 136 (d) Section 137

46. How would you analyze the effectiveness of a company's Audit Committee as per the requirements of Section 177 of the Companies Act 2013?
(a) By reviewing the independence of its members
(b) By checking the frequency of its meetings
(c) By assessing its impact on the company's financial statements
(d) By examining the qualifications of its members

47. When analyzing a company's internal financial controls, which aspects should be considered as per the Companies Act 2013?
(a) The effectiveness of its audit committee
(b) The efficiency of its operational procedures
(c) The robustness of its risk management policies
(d) The accuracy of its financial reporting

48. How would you assess the compliance of a company's Board of Directors with Section 149 of the Companies Act 2013?
(a) By examining the diversity of its members
(b) By reviewing the performance of individual directors
(c) By checking the board's meeting attendance records
(d) By analyzing the skills and expertise of the directors

49. In analyzing a company's policy on directors' remuneration, which section of the Companies Act 2013 should be referred to?
(a) Section 197 (b) Section 198
(c) Section 199 (d) Section 200

50. What criteria should be analyzed to ensure that a company's issue of shares is in compliance with Section 62 of the Companies Act 2013?
(a) The pricing of the shares
(b) The approval process for the issue
(c) The use of proceeds from the share issue
(d) The impact on the company's debt-to- equity ratio

51. When evaluating a company's compliance with the provisions for corporate social responsibility (CSR), what key aspects should be analyzed as per Section 135 of the Companies Act 20137

(a) The allocation of CSR funds
(b) The areas of CSR activities undertaken
(c) The impact of CSR activities on the community
(d) The reporting of CSR activities in the annual report

52. How would you analyze a company's adherence to the rules regarding the appointment of key managerial personnel as per the Companies Act 2013?
(a) By reviewing their qualifications and experience
(b) By assessing their roles and responsibilities
(c) By examining their remuneration and terms of appointment
(d) By evaluating their performance and contributions

53. In analyzing the effectiveness of a company's whistleblower policy, as mandated by Section 177 of the Companies Act 2013, what factors should be considered?
(a) The confidentiality of the process
(b) The number of reports received
(c) The responsiveness of the management to the reports
(d) The protection provided to whistleblowers

54. When evaluating a company's procedure for declaring dividends, which section of the Companies Act 2013 should be considered for compliance?
(a) Section 123 (b) Section 124
(c) Section 125 (d) Section 126

55. In evaluating a company's decision to amend its Articles of Association, which factors should be considered as per the Companies Act 2013?
(a) The impact on shareholder relations
(b) The legal compliance of the amendments
(c) The potential financial implications
(d) All of the above

56. When evaluating the adequacy of a company's disclosure of related party transactions, which section of the Companies Act 2013 should be referred to?
(a) Section 188 (b) Section 186
(c) Section 184 (d) Section 187

57. How would you evaluate the effectiveness of a company's policy on the rotation of auditors as per the Companies Act 2013?
(a) By assessing the independence of the auditors
(b) By examining the quality of the audit reports
(c) By checking the frequency of rotation
(d) All of the above

58. In evaluating a company's compliance with the provisions for Corporate Social Responsibility (CSR), which aspects are crucial as per Section 135 of the Companies Act 2013?
(a) The amount spent on CSR activities
(b) The relevance of CSR activities to the company's business
(c) The transparency in reporting CSR activities
(d) All of the above

59. When evaluating the decisions made at a company's Annual General Meeting (AGM), which section of the Companies Act 2013 provides the regulatory framework?
(a) Section 96 (b) Section 97
(c) Section 98 (d) Section 99

60. How would you evaluate the effectiveness of a company's whistleblower policy under Section 177 of the Companies Act 2013?
(a) By the number of complaints received
(b) By the resolution of the complaints
(c) By the protection offered to whistleblowers
(d) All of the above

61. In evaluating a company's financial health, which section of the Companies Act 2013 provides guidelines for the preparation and disclosure of financial statements?
(a) Section 129 (b) Section 131
(c) Section 133 (d) Section 134

62. Create a strategy for a company to improve its corporate governance in line with Section 149 of the Companies Act 2013. Which of the following would be most effective?
(a) Increasing the number of independent directors
(b) Conducting more frequent board meetings
(c) Implementing a stricter audit process
(d) Enhancing shareholder communication

63. Develop a plan for a company to ensure effective compliance with the CSR provisions of Section 135 of the Companies Act 2013. Which approach would be most beneficial?

(a) Focusing solely on environmental projects
(b) Collaborating with government initiatives
(c) Diversifying CSR activities across different social causes
(d) Allocating the entire CSR budget to a single large project

64. Create a policy for a company to enhance transparency in related party transactions as mandated by Section 188 of the Companies Act 2013. Which method would be most appropriate?
(a) Regular internal audits
(b) Mandatory disclosure of all transactions in the annual report
(c) Seeking shareholder approval for all transactions
(d) Limiting related party transactions to a certain percentage of total transactions

65. Propose a method for a company to improve its internal financial controls as per the requirements of Section 134 of the Companies Act 2013. Which of the following would be most effective?
(a) Increasing the frequency of financial audits
(b) Implementing software
(c) Establishing a dedicated financial oversight committee
(d) Regular training for staff on financial compliance

66. Develop a strategy for a company to enhance the effectiveness of its Audit Committee in line with Section 177 of the Companies Act 2013. What should be the primary focus?
(a) Increasing the size of the Audit Committee
(b) Ensuring the independence of Audit Committee members
(c) Conducting audits more frequently
(d) Focusing on areas with previous compliance issues

67. Propose a framework for a company to ensure comprehensive and accurate disclosure of its financial statements as required by Section 129 of the Companies Act 2013. What would be the most crucial element?
(a) Quarterly financial reviews
(b) Inclusion of all subsidiaries in consolidated statements
(c) Mandatory external review of financial statements
(d) Detailed notes accompanying financial statements

68. Design a mechanism for a company to optimize its decision-making process at the Board of Directors level, in accordance with the Companies Act 2013. Which approach would be most effective?
(a) Implementing a decision-making software tool
(b) Establishing a structured agenda for board meetings
(c) Increasing the frequency of board meetings
(d) Encouraging open and diverse opinions during meetings

69. Which section of the Companies Act 2013 deals with the issuance of debentures with an option to convert into shares?
(a) Section 71 (b) Section 62
(c) Section 42 (d) Section 56

70. What is the maximum term for an independent director under the Companies Act 2013?
(a) 5 years (b) 10 years
(c) 7 years (d) There is no maximum term

71. As per the Companies Act 2013, which document must a company submit to the Registrar of Companies for a change in the registered office within the same city?
(a) Form INC-22 (b) Form MGT-14
(c) Form SH-7 (d) Form DIR-12

72. Under the Companies Act 2013, what is the limit on the number of members in a private company?
(a) 50 (b) 200
(c) 100 (d) No limit

73. Which form is used for the annual return of a company as per the Companies Act 2013?
(a) Form MGT-7 (b) Form MGT-9
(c) Form AOC-4 (d) Form ADT-1

74. Which section of the Companies Act 2013 mandates the creation of a Corporate Social Responsibility (CSR) Committee?
(a) Section 135 (b) Section 134
(c) Section 149 (d) Section 166

75. Under the Companies Act 2013, what is the minimum number of directors required for a public company?
(a) 2 (b) 3 (c) 5 (d) 7

76. Which section of the Companies Act 2013 outlines the requirements for a company's name to be struck off from the Registrar of Companies?
(a) Section 248 (b) Section 249
(c) Section 250 (d) Section 251

77. In the context of the Companies Act 2013, what is the role of the Company Secretary as per Section 205?
(a) Managing public relations
(b) Overseeing financial transactions
(c) Ensuring compliance with statutory and regulatory requirements
(d) Directing marketing strategies

78. Which form should be filed under the Companies Act 2013 for the appointment of an auditor?
(a) Form ADT-1 (c) Form MGT-7
(b) Form AOC-4 (d) Form INC-22

79. What is the maximum number of directorships, including alternate directorships, that an individual can hold as per the Companies Act 2013?
(a) 10 (b) 15 (c) 20 (d) There is no limit

80. Under the Companies Act 2013, what is the time frame within which a newly incorporated company must hold its first Annual General Meeting (AGM)?
(a) Within 6 months of incorporation
(b) Within 9 months of the end of its first financial year
(c) Within 12 months of incorporation
(d) Within 18 months of incorporation

81. What is the required quorum for a public company's general meeting under the Companies Act 2013?
(a) 2 members (b) 5 members
(c) 7 members (d) 10 members

82. Under the Companies Act 2013, which section pertains to the prohibition on insider trading of a company's securities?
(a) Section 195 (b) Section 196
(c) Section 197 (d) Section 198

83. What is the minimum paid-up share capital requirement for a private company under the Companies Act 2013?
(a) 1 lakh (b) 5 lakhs
(c) 10 lakhs (d) No minimum requirement

84. Which section of the Companies Act 2013 11 Unde governs the issuance of sweat equity shares?
(a) Section 54 (b) Section 55
(c) Section 56 (d) Section 58

85. As per the Companies Act 2013, what is the role of the National Company Law Tribunal (NCLT)?
(a) Regulating the stock market
(b) Adjudicating issues relating to companies
(c) Auditing company accounts
(d) Managing corporate taxation

86. Which section of the Companies Act 2013 deals with the registration of charges (like mortgages) created by a company?
(a) Section 77 (b) Section 78
(c) Section 79 (d) Section 80

87. Under the Companies Act 2013, for how long must a company maintain its books of account in good order?
(a) 5 years (b) 8 years
(c) 10 years (d) 3 years

88. What is required for a company to revise its financial statements according to the Companies Act 2013?
(a) Approval from the majority of shareholders
(b) Permission from the Central Government
(c) Consent from the Board of Directors
(d) A court order

89. What is a significant feature of the Companies Act 2013 in terms of financial transparency?
(a) Mandatory internal audits for all companies
(b) Requirement of digital bookkeeping
(c) Compulsory annual reports to the ROC
(d) Disclosure of financial statements to the public

90. Which of the following is a responsibility of the NFRA?
(a) Issuing corporate bonds
(b) Auditing financial statements of companies
(c) Setting accounting standards
(d) Regulating the insurance sector

91. Under the Companies Act 2013, who is primarily responsible for the preparation and maintenance of a company's books of account?
(a) The Chief Financial Officer
(b) The Board of Directors

(c) The Company Secretary
(d) The Internal Auditor

92. Which section of the Companies Act 2013 deals with the revision of financial statements?
(a) Section 128 (b) Section 129
(c) Section 130 (d) Section 131

93. What does the term 'financial statements' typically include under the Companies Act 2013?
(a) Balance Sheet and Cash Flow Statement
(b) Profit and Loss Account and Auditor's Report
(c) Balance Sheet, Profit and Loss Account, and Cash Flow Statement
(d) Balance Sheet and Director's Report

94. What is the consequence of non-compliance with the bookkeeping requirements under the Companies Act 2013?
(a) Mandatory dissolution of the company
(b) Financial penalties and imprisonment
(c) Automatic delisting from stock exchanges
(d) Seizure of company assets

95. What is the purpose of maintaining books of account for a company?
(a) To ensure compliance with tax laws
(b) To facilitate the audit process
(c) To accurately reflect the financial position
(d) To assist in decision-making for future investments

96. In the context of NFRA, what does 'oversight' primarily involve?
(a) Monitoring stock market fluctuations
(b) Supervising compliance with financial reporting requirements
(c) Directing corporate investment strategies
(d) Regulating employee compensation in companies

97. What is a key requirement for a company when it revises its financial statements?
(a) The revision must be published in national newspapers
(b) The revised statements must be approved by all shareholders
(c) A detailed explanation for the revision must be provided
(d) The revision must be done every financial year

98. How does the Companies Act 2013 impact corporate transparency and accountability?
(a) By mandating quarterly disclosures financial
(b) Through the introduction of the NFRA
(c) By requiring companies to have a minimum number of board meetings
(d) By imposing strict penalties for financial misconduct

99. What role does the NFRA play in enhancing the quality of financial reporting?
(a) It provides training to company accountants
(b) It establishes and enforces accounting standards
(c) It audits all companies annually
(d) It advises companies on financial strategies

100. Which entity is mandated to comply with the accounting standards specified by the NFRA?
(a) All listed companies in India
(b) Only financial institutions
(c) Every company registered under the Companies Act 2013
(d) Only multinational corporations operating in India

101. What is the significance of the NFRA's role in auditing?
(a) It conducts audits for all companies in India
(b) It oversees and regulates the auditing profession
(c) It directly appoints auditors for companies
(d) It provides auditing software to companies

102. What is the primary objective of maintaining books of account for a company as per the Companies Act 2013?
(a) To manage day-to-day transactions
(b) To provide a basis for financial planning
(c) To record financial transactions accurately for accountability and transparency
(d) To calculate employee bonuses

103. In what way does the NFRA contribute to corporate governance?
(a) By ensuring fair practices in stock trading
(b) Through its role in standardizing accounting practices
(c) By regulating mergers and acquisitions
(d) By setting CEO and director compensation levels

104. What is the impact of non-compliance with NFRA regulations on a company?

(a) Mandatory change in management
(b) Imposition of financial penalties and potential suspension of operations
(c) Compulsory delisting from the stock exchange
(d) Revocation of the company's license to operate

105. If a company needs to revise its financial statements for the previous year due to errors, what section of the Companies Act 2013 should it refer to?
(a) Section 128 (b) Section 129
(c) Section 130 (d) Section 131

106. A company's auditor finds discrepancies in the financial, reports. Under the Companies Act 2013, which authority should they report this to?
(a) Securities and Exchange Board of India (SEBI)
(b) National Financial Reporting Authority (NFRA)
(c) Reserve Bank of India (RBI)
(d) Central Board of Direct Taxes (CBDT)

107. When preparing the financial statements, if a company wants to understand the required format and disclosures, which section of the Companies Act 2013 should they refer to?
(a) Section 134 (b) Section 135
(c) Section 136 (d) Section 137

108. If a company wishes to maintain its books of account electronically, what guidelines from the Companies Act 2013 should it follow?
(a) Guidelines on digital security and backup
(b) Guidelines on electronic signatures
(c) Guidelines on cloud storage
(d) Guidelines on software compliance

109. Suppose a company discovers fraudulent activity in its financial records. According to the Companies Act 2013, what immediate step should it take?
(a) Inform the shareholders
(b) Report to the NFRA
(c) Conduct an internal investigation
(d) Notify the local police

110. In case a company wants to voluntarily revise its financial statements for the previous two years, which condition under the Companies Act 2013 must be met?
(a) Approval from all shareholders
(b) Sanction from the Board of Directors
(c) Permission from the Central Government
(d) A unanimous decision by the audit committee

111. If a company's Board of Directors suspects that the books of account are not being maintained correctly, which section of the Companies Act 2013 guides their next steps?
(a) Section 128 (b) Section 129
(c) Section 130 (d) Section 131

112. When a company is preparing its cash flow statement, which section of the Companies Act 2013 should it consult for compliance?
(a) Section 2(40) (b) Section 133
(c) Section 134 (d) Section 135

113. If an external auditor identifies non-compliance a company's financial should be taken according to the Companies Act 2013?
(a) Report to the shareholders in the next meeting
(b) File a complaint with the NFRA
(c) Issue a warning to the company's management
(d) Request a re-audit of the financial statements

114. A company planning to digitize its accounting records must adhere to certain regulations under the Companies Act 2013. Which of the following is a key consideration?
(a) Ensuring compatibility with international standards
(b) Maintaining data privacy and security
(c) Using government-approved software only
(d) Keeping a physical backup of all records

115. When a company decides to revise its financial statements, as per the Companies Act 2013, which document must be prepared to explain the reasons and impact of such revision?
(a) A director's report
(b) An auditor's note
(c) A management discussion and analysis report
(d) A supplementary note to the financial statements

116. A company decides to revise its financial statements. As per the Companies Act 2013, what should be analyzed to determine if the revision is in compliance with Section 130?
(a) The audit committee's report
(b) The nature of errors or omissions

(c) The impact on shareholders' equity
(d) The board's approval process

117. When analyzing a company's compliance with the NFRA's accounting standards, what key aspect should be assessed?
(a) The frequency of financial audits
(b) Accuracy and completeness of financial disclosures
(c) The number of financial statements prepared
(d) The methodology used in asset valuation

118. In the event of a conflict between NFRA's standards and a company's internal policies, what should be the basis for analyzing the company's financial reporting?
(a) The company's internal policies
(b) The NFRA's standards
(c) The recommendations of the company's auditors
(d) The guidelines of the Securities and Exchange Board of India (SEBI)

119. If an auditor finds discrepancies in the financial statements of a company, which aspect should be critically analyzed to ensure compliance with the Companies Act 2013?
(a) The auditor's qualifications
(b) The nature of the discrepancies
(c) The company's market performance
(d) The shareholders' response discrepancies to the

120. When assessing a company's decision to revise its financial statements, what aspect under Section 131 of the Companies Act 2013 should be examined?
(a) The legal implications of the revision
(b) The financial impact on the company's bottom line
(c) The process followed for approval by the Central Government
(d) The opinion of the company's stakeholders

121. In analyzing a company's books of account, what must be examined to ensure adherence to the mandatory retention period as prescribed in the Companies Act 2013?
(a) The format of the books of account
(b) The duration for which records are kept
(c) The content of the financial statements
(d) The digital security measures in place

122. When evaluating a company's compliance with NFRA's regulations, which aspect should be critically analyzed?
(a) The company's overall profitability
(b) The adherence to specified accounting standards
(c) The frequency of board meeting's
(d) The size of the company

123. In the context of financial statement revisions, what should be analyzed to understand the implications of such revisions on a company's future financial reporting?
(a) The reasons for the revisions
(b) The impact on stock prices
(c) The reaction of the shareholders
(d) The changes in the management structure

124. When a company is revising its financial statements, what should be analyzed to assess the impact of these revisions on its tax liabilities?
(a) The changes in revenue recognition
(b) The depreciation methods used
(c) The alterations in profit or loss figures
(d) The variations in shareholders' equity

125. When analyzing a company's financial statements for compliance with the Companies Act 2013, what aspect should be critically examined?
(a) The level of detail in the director's report
(b) The consistency in applying accounting policies
(c) The frequency of internal audits
(d) The amount of dividends declared

126. In the process of analyzing a company's compliance with NFRA regulations, what should be evaluated to ensure the integrity of financial reporting?
(a) The qualifications of the financial officers
(b) The implementation of NFRA's accounting standards
(c) The opinions expressed in the auditors' report
(d) The feedback from shareholders and investors

127. Evaluate the effectiveness of Section 130 of the Companies Act 2013 in addressing the revision of financial statements. Which of the following best represents its impact?
(a) Enhances transparency reporting in
(b) Creates procedures unnecessary bureaucratic
(c) Limits the autonomy of company auditors
(d) Increases financial burden on companies

128. Evaluate the impact of electronic bookkeeping as mandated by the Companies Act 2013. Which of the following is a key benefit?
(a) Reduces the risk of data loss
(b) Facilitates faster financial analysis
(c) Decreases the cost of financial management
(d) Ensures greater compliance international standards with

129. When evaluating the provisions for revising financial statements under the Companies Act 2013, what is the most significant challenge companies might face?
(a) The time required for government approval
(b) The complexity of the revision process
(c) The potential impact on confidence investor
(d) The cost involved in the revision process

130. Evaluate the effectiveness of the Companies Act 2013 in ensuring transparency in financial reporting. Which aspect is most critical?
(a) Mandatory disclosure of all financial transactions
(b) Strict penalties for non-compliance
(c) Regular audits by independent auditors
(d) Detailed reporting requirements

131. In evaluating the role of the Board of Directors in maintaining the integrity of financial reporting, which responsibility is most crucial?
(a) Ensuring compliance with tax laws
(b) Overseeing the audit process
(c) Approving major financial decisions
(d) Maintaining accurate and up-to-date books of account

132. Imagine a scenario where a company needs to revise its financial statements due to a change in accounting policies. Create a process that aligns with the Companies Act 2013.
(a) Seek approval from shareholders, then notify the NFRA
(b) Obtain permission from the Central Government, then revise and publish
(c) Conduct an internal audit, then submit to the Board for approval
(d) Amend the financial statements, then inform the Registrar of Companies

133. Create a strategy for a company to ensure compliance with the NFRA's accounting standards while maintaining efficiency. operational
(a) Implement regular training for the finance team
(b) Outsource the accounting function to a specialized firm
(c) Develop an in-house software for financial management
(d) Establish a compliance committee within the company

134. Design a protocol for a company to follow when electronically maintaining its books of account, as per the Companies Act 2013.
(a) Regular data encryption and cloud backups
(b) Quarterly audits of electronic records
(c) Implementing a blockchain-based system
(d) Using only government-approved software

135. Devise a system for a company to regularly analyze and update its compliance with the changing regulations of the NFRA.
(a) Hire a dedicated regulatory affairs team
(b) Schedule annual compliance reviews
(c) Subscribe to a legal update service
(d) Form a partnership with a legal consulting firm

136. Imagine a company has to revise its financial statements due to an error. Create a step-by-step plan that aligns with Section 130 of the Companies Act 2013.
(a) Identify the error, consult legal advisors, seek government approval, and publish the revised statements
(b) Notify the board, revise the statements, get auditor approval, and inform shareholders
(c) Conduct an internal investigation, report to NFRA, revise the statements, and issue a public notice
(d) Amend the statements, seek board approval, notify the NFRA, and update the Registrar of Companies

137. Design a procedure for a company to ensure that its electronic books of account are secure, accessible, and compliant with the Companies Act 2013.
(a) Implement advanced cybersecurity measures, conduct regular IT audits, and ensure backup systems are in place

(b) Limit access to financial records, use cloud- based storage, and conduct bi-annual compliance checks
(c) Encrypt all financial data, maintain offline backups, and review compliance quarterly
(d) Use certified accounting software, perform monthly data integrity checks, and keep an offline record

138. Create an approach for a company to evaluate the impact of revised financial statements on its future business strategy.
(a) Analyze the financial trends before and after revision, assess market reactions, and adjust business plans accordingly
(b) Conduct a stakeholder survey, review investment plans, and revise marketing strategies
(c) Compare revised statements with competitors, adjust pricing strategies, and focus on investor relations
(d) Re-evaluate business risks, revise financial forecasts, and update the business continuity plan

139. Under the Companies Act 2013, what is the time frame within which a company must file its financial statements with the Registrar after the annual general meeting?
(a) Within 15 days (b) Within 30 days
(c) Within 45 days (d) Within 60 days

140. As per the Companies Act 2013, which document is not a mandatory part of the financial statements to be filed with the Registrar?
(a) Balance Sheet
(b) Statement of Profit and Loss
(c) Cash Flow Statement
(d) Auditor's Report

141. Under the Companies Act 2013, which companies are required to appoint an internal auditor?
(a) All public companies
(b) Listed companies and certain classes of private and public companies
(c) Only companies with a net worth exceeding ₹500 crore
(d) All companies with foreign operations

142. In case a company's AGM is not held, within höw many days must the financial statements be filed with the Registrar, as per the Companies Act 2013?
(a) 30 days from the last date before which the AGM should have been held
(b) 60 days from the date the AGM was originally scheduled
(c) 90 days from the end of the financial year
(d) 120 days from the start of the next financial year

143. According to the Companies Act 2013, who can be appointed as an internal auditor of a company?
(a) A Chartered Accountant only
(b) A Chartered Accountant or a Cost Accountant
(c) Any professional decided by the Board
(d) Only an employee of the company

144. As per the Companies Act 2013, in what mode can a company keep its books of account?
(a) Only in physical form
(b) Only in electronic form
(c) Either in physical or electronic form
(d) In a combination of both physical and electronic form

145. Under the Companies Act 2013, within how many days should a company file its financial statements with the Registrar if the AGM is adjourned?
(a) Within 15 days of the adjourned AGM
(b) Within 30 days of the adjourned AGM
(c) Within 45 days of the adjourned AGM
(d) Within 60 days of the adjourned AGM

146. What are the criteria for a company to be required to appoint an internal auditor under the Companies Act 2013?
(a) Net worth of ₹100 crore or more
(b) Turnover of ₹200 crore or more
(c) Outstanding loans exceeding ₹50 crore
(d) All of the above

147. In the context of Section 137 of the Companies Act 2013, what is the consequence if the financial statements are not adopted at the annual general meeting (AGM)?
(a) They must be filed within 30 days of the AGM regardless
(b) They are considered provisional until adopted at an adjourned AGM
(c) They cannot be filed with the Registrar until the next AGM

(d) They must be revised and resubmitted within 60 days

148. According to the Companies Act 2013, when a company fails to hold its AGM, what is the time frame for filing its financial statements with the Registrar?
(a) Within 30 days of the last date before which the AGM should have been held
(b) Within 60 days of the end of the financial year
(c) Within 90 days from the scheduled AGM date
(d) Within 180 days from the closure of the financial year

149. Under the Companies Act 2013, which of the following companies is not required to appoint an internal auditor?
(a) A listed company
(b) An unlisted public company with a paid-up share capital of ₹50 crore
(c) A private company with a turnover of ₹200 crore
(d) A private company with a turnover less than 200 crore

150. What is the requirement under Section 138 of the Companies Act 2013 regarding the manner and intervals of conducting internal audits?
(a) The internal auditor must audit the company quarterly
(b) The Audit Committee or Board should decide the scope, functioning, periodicity, and methodology
(c) The internal audit must be conducted by an independent external auditor
(d) The internal audits must be reported directly to the Registrar

151. What provisions does Section 137(1) of the Companies Act 2013 make for companies that have not adopted their financial statements at their AGM?
(a) File unadopted statements within 30 days of the AGM
(b) File unadopted statements within 60 days of the AGM
(c) Wait to file until the financial statements are adopted in an adjourned AGM
(d) Submit a revised financial statement within 30 days of the AGM

152. Under the Companies Act 2013, what is the maximum time limit for filing financial statements with the Registrar when an AGM is adjourned without adopting the accounts?
(a) 30 days from the original AGM date
(b) 30 days from the adjourned AGM date
(c) 60 days from the original AGM date
(d) 60 days from the adjourned AGM date

153. What are the criteria for a private company to be mandated to appoint an internal auditor under the Companies Act 2013?
(a) Turnover of ₹50 crore or more
(b) Net worth of ₹100 crore or more
(c) Outstanding loans or borrowings from banks exceeding ₹100 crore
(d) All of the above

154. According to the Companies Act 2013, what is the procedure for a company with foreign subsidiaries regarding the filing of financial statements?
(a) File audited financial statements of all subsidiaries
(b) File unaudited financial statements of foreign subsidiaries if they are not required to be audited
(c) File only the consolidated financial statement including foreign subsidiaries
(d) File financial statements of foreign subsidiaries only if they operate in India

155. If a company with foreign subsidiaries is required to consolidate its financial statements, how should it handle a subsidiary that operates under a different financial year?
(a) Adjust the financial year of the subsidiary to match the parent company
(b) Report the subsidiary's financials as per its own financial year
(c) Exclude the subsidiary from consolidation
(d) Provide a pro-forma consolidation for alignment

156. A company needs to convert its physical books of account to an electronic format as per the Companies Act 2013. What steps should be prioritized to ensure compliance and data integrity?
(a) Selecting certified software and training staff
(b) Implementing data encryption and access controls
(c) Ensuring compatibility with existing financial systems
(d) Conducting a pilot conversion with one financial year's data

157. In a scenario where a company fails to file its financial statements within the prescribed time, which action should it take according to the provisions of the Companies Act 2013?
(a) File immediately and pay the prescribed penalty
(b) Seek an extension from the Registrar
(c) Convene an extraordinary general meeting
(d) Submit a revised set of financial statements

158. Analyze the impact of a company switching from a fiscal year to a calendar year on its compliance with the filing requirements under the Companies Act 2013.
(a) It will require re-auditing of financial statements
(b) The company will have to file two sets of financial statements in the transition year
(c) The change will not affect the filing deadlines
(d) The company will get an extended deadline for the transition year

159. A company with a turnover exceeding ₹250 crore fails to appoint an internal auditor. Analyze the potential consequences under the Companies Act 2013.
(a) It may face a penalty but no operational impact
(b) The company's financial statements for the year may be deemed non-compliant
(c) The oversight might attract legal action but no financial penalty
(d) There will be no direct consequences as long as external audits are conducted

160. In analyzing a company's revised financial statements, what key factors should be considered to assess the impact of the revisions on its market credibility?
(a) The nature of the revisions and their disclosure in the director's report
(b) The frequency of such revisions in past financial years
(c) The immediate reaction of the stock market
(d) The opinion of financial analysts following the company

161. Analyze the implications for a company if it fails to file its financial statements in XBRL format when required under the Companies Act 2013.
(a) The financial statements may be considered invalid
(b) The company might face a delay in the approval of its financial statements
(c) It may incur a financial penalty but no impact on the validity of statements
(d) The company's stock might be temporarily suspended from trading

162. When a company's AGM is adjourned without adopting statements, financial what considerations should be analyzed to determine the next steps?
(a) The statutory time limit for holding the next AGM
(b) The possibility of filing unadopted financial statements
(c) The legal implications of not having adopted financial statements
(d) The impact on the company's financial year-end reporting

163. Analyze the impact of non-compliance with internal audit requirements on a company's overall corporate governance as per the Companies Act 2013.
(a) It may result in a downgrade of the company's governance rating
(b) Non-compliance will primarily affect the company's operational efficiency
(c) It could lead to enhanced scrutiny from regulatory bodies
(d) The impact is limited to financial penalties with no effect on governance ratings

164. Evaluate the effectiveness of Section 137 of the Companies Act 2013 in ensuring timely and accurate filing of financial statements, considering the penalties for non-compliance.
(a) Highly effective due to stringent penalties
(b) Moderately effective as it depends on the company's internal governance
(c) Ineffective in cases of adjourned AGMs
(d) Only effective for larger companies due to the scale of penalties

165. Considering the provisions for maintaining books of account in electronic format, evaluate the potential risks and benefits for multinational company.
(a) High risk of data breaches but improved global consolidation
(b) Low risk with significant cost savings
(c) High compliance transparency costs but better
(d) Minimal impact on risk but improved operational efficiency

166. Evaluate the impact of mandatory internal audit requirements on companies with high turnover as specified under the Companies Act 2013.
(a) has limited governance impact on corporate
(b) Increases operational costs proportional benefits without
(c) Significantly improves accountability and transparency financial
(d) Poses challenges for smaller companies but benefits larger ones

167. In light of the Companies Act 2013, evaluate the challenges a company might face in aligning its financial year with its foreign subsidiaries.
(a) Regulatory complexities and potential financial misalignment
(b) Minimal challenges due to standardized global practices
(c) Increased administrative workload but better global integration
(d) Challenges in consolidation but improved local compliance

168. Devise a situation where a company must revise its financial statements for the last three years and analyze the steps it should take according to the Companies Act 2013.
(a) Discovery of systemic accounting errors
(b) Changes in accounting standards requiring retroactive application
(c) Regulatory changes mandating additional disclosures
(d) Post-merger financial revealing discrepancies consolidation

169. Imagine a scenario where a company needs to transition from physical to electronic books of account. Outline the process and challenges as per the Companies Act 2013.
(a) Choosing compliant software, ensuring data security, and training staff
(b) High initial costs, but long-term efficiency gains
(c) Managing data migration and ensuring continuous access
(d) Balancing between regulatory compliance and operational efficiency

170. Create a comprehensive plan for a company to align its financial reporting with its foreign subsidiaries while complying with the Companies Act 2013.
(a) Establish a centralized accounting system for global consistency
(b) Implement staggered reporting to manage different financial years
(c) Coordinate subsidiaries with synchronized financial closure for
(d) Develop a hybrid model incorporating both local and global reporting standards