



?

Question 1: [Easy]

Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by:

- (A) The Company issuing such prospectus
- (B) The Auditor of the company
- (C) The Promoter of the Company
- (D) The SEBI by making regulations in this behalf

?

Question 2: [Easy]

Financial Statement in relation to a company do not include:

- (A) Cash Flow Statement
- (B) Funds Flow Statement
- (C) Statement of Changes in Equity
- (D) Explanatory note annexed to the financial statements

?

Question 3: [Medium]

“Associate company”, in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company. Here “significant influence” means control of _____ of total voting power, or control of or participation in business decisions under an agreement:

- (A) At least 5%
- (B) At least 10%
- (C) At least 15%
- (D) At least 20%

?

Question 4: [Medium]

Which among the following is not allowed to be registered under section 8 of the Companies Act, 2013:

- (A) A limited company which has in its objects the promotion of religion
- (B) A limited company which prohibits the payment of dividend
- (C) A private limited company which has in its objects the promotion of social welfare
- (D) A limited company which applies its profits in promoting education



?

Question 5: [Medium]

Swastik Runners Ltd is a company engaged in manufacturing of trade mill. The company plans to issue equity shares to the public in a phased manner during the time period of one year. The company do not want to issue prospectus every time. What is the best option available to the company:

- (A) Issue Red-herring Prospectus
- (B) Issue Shelf Prospectus
- (C) Issue Abridged Prospectus
- (D) Issue any other document

?

Question 6: [Medium]

Which among the following is not a Court:

- (A) Special Court
- (B) Court of Session
- (C) NCLT
- (D) Metropolitan Magistrate

?

Question 7: [Medium]

In which company, a Partnership Firm is eligible to become a member of company:

- (A) Any Public Limited Company
- (B) Any Private Limited Company
- (C) Any Public Limited Company which is registered under section 8 of the Companies Act, 2013
- (D) Any One Person Company

?

Question 8: [Difficult]

Kamya Ltd. is incorporated on 3rd January, 2023. As per the Companies Act, 2013, what will be the financial year for the company:

- (A) 31st March, 2023
- (B) 31st December, 2023
- (C) 31st March, 2024
- (D) 30th September, 2024

?

Question 9: [Difficult]

Aniket Builders Ltd (ABL) was promoted by Aniket and his family members and is in construction business for more than 10 years. Aniket's brother Saket purchased a running cement manufacturing company named Unique Cements Ltd (UCL) and removed the existing directors of the company and appointed majority of the directors of ABL in the Board of UCL. What shall be the status of UCL in such situation:

- (A) UCL is an Associate Company of ABL
- (B) UCL is a Subsidiary Company of ABL
- (C) UCL is a Holding Company of ABL
- (D) UCL is a Joint Venture Company of ABL





Question 13: [Difficult]

ABC Limited is a company engaged in manufacturing and distributing pharmaceutical products. The company has a paid-up share capital of Rs. 50 crores, free reserves of Rs. 25 crores, and securities premium amounting to Rs. 10 crores. The credit balance of the profit and loss account is Rs. 5 crores after deducting all miscellaneous expenditures and deferred revenue expenditure. The company has not created any reserves on the revaluation of assets. On the basis of given information, what is the net worth of ABC Limited?

- (A) Rs. 50 crores (B) Rs. 85 crores
(C) Rs. 90 crores (D) Rs. 60 crores

Q. No.	Answer	Remarks
1.	(D)	[Section 2(1) of the Companies Act, 2013]
2.	(B)	[Section 2(40) of the Companies Act 2013]
3.	(D)	[Section 2(6)(a) of the Companies Act, 2013]
4.	(C)	[Section 8(1) of the Companies Act, 2013]
5.	(B)	[Section 31(1) of the Companies Act, 2013]
6.	(C)	[Section 2(29)]
7.	(C)	[Section 8(3)]
8.	(C)	[Section 2(41)]
9.	(B)	[Section 2(87)(i)]
10.	(A)	-
11.	(A)	[Explanation (a) to section 2(6)]
12.	(C)	[Section 2(85)]
13.	(C)	[Section 2(57)]



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Question 1: [Easy]

Modern Furniture incorporated on 30th June 2022; its directors filled a declaration under section 10A (1)(a) regarding receipt of payment i.e. value of share (against share subscribed by subscriber) to registrar on 18th April 2023. The company and its officers (officers who are in default) shall be charged with penalty of:

- (A) 1,11,000 and 1,11,000 respectively
- (B) 50,000 and 1,11,000 respectively
- (C) 1,11,000 and 50,000 respectively
- (D) 50,000 and 1,00,000 respectively

?

Question 2: [Easy]

Where a company is granted licence under section 8, it is not required to use the word even though it is a limited company:

- (A) Guarantee company
- (B) Limited Liability Partnership
- (C) Limited or Private Limited, as the case may be.
- (D) Development Authority

?

Question 3: [Easy]

A Public company may be formed by:

- (A) Only two persons
- (B) Not more than three persons
- (C) Not more than Seven Persons
- (D) Seven or more Persons

?

Question 4: [Medium]

In case of a private company, the provisions for entrenchment may be made at the time of formation of the company or by amendment of Articles,

- (A) By passing a special resolution
- (B) With the consent of all the members
- (C) By passing a special resolution and approval of the Central Government
- (D) With the consent of all the members and approval of the Central Government

?

Question 5: [Medium]

Which of the following company is required to suffix the word only Limited with its name:

- (A) Companies registered under Section 8 of the Companies Act, 2013
- (B) Government Company
- (C) Government Company which has defaulted in filing its financial statements / annual return with the Registrar of Companies
- (D) One Person Company



Question 6: [Medium]

The doctrine of indoor management is considered to be_____ to the doctrine of constructive notice.

- (A) Exception
- (B) Extension
- (C) Alternative
- (D) Not related



Question 7: [Medium]

Mr. Ritik wants to incorporate a Private Limited company, he wants to keep his company's name Growskillz Edutech Pvt Ltd. Now Mr. Ritik has a query that for how many days he can reserve this name so that this name is not taken by anyone else

- (A) 20 Days from the date of Approval
- (B) 7 Days from the date of Approval
- (C) 60 Days from the date of Approval
- (D) 90 Days from Date of Approval



Question 8: [Medium]

Miss Priya has incorporated a one-person company. She has given her Brother's Name as nominee in her OPC, her brother Mr. Rahul earlier gave consent to be nominee in Priya's one person company, but now due to some personal reasons Mr. Rahul wants to withdraw his name from Priya's OPC. Priya has an opinion that once Rahul has given consent to be nominee in her company now, he cannot withdraw the same. So now Priya wants your advice that whether Rahul can do so?

- (A) Yes, Rahul can withdraw his name any time by giving notice to company
- (B) Yes, Rahul can withdraw his name within 3 months from his consent by giving notice to company
- (C) No, Rahul cannot withdraw his name.
- (D) Yes, Rahul can withdraw his name within 20 Days from his consent by giving notice to company



Question 9: [Medium]

Which Doctrine protects outsiders against the actions of a company:

- (A) The Doctrine of Constructive Notice
- (B) The Doctrine of Indoor Management
- (C) The Doctrine of Noscitur a Sociis
- (D) The Doctrine of Contemporanea Expositio



Question 10: [Medium]

Which of following shall be considered as securities for purpose of section 23 of the Companies Act, 2013; (i) Unit Linked insurance policy (ii) Actionable claim regarding mortgaged debt (iii) Securities issued by National Asset Reconstruction Ltd

- (A) (iii) only
- (B) Both (i) and (iii) only
- (C) Both (ii) and (iii) only
- (D) None of the (i), (ii), and (iii)

?

Question 11: [Medium]

In case of an application for reservation of name or for change of its name by an existing company, the Registrar may reserve the name for a period of _____ from the date of approval

- (A) 90 days
- (B) 60 days
- (C) 30 days
- (D) 20 days

?

Question 12: [Medium]

Which of the following statement is not correct:

- (A) OPC can be incorporated by a natural person who is an Indian citizen
- (B) Nominee of an OPC need not be an Indian Citizen
- (C) Obtaining of consent of nominee is must
- (D) A person cannot be nominated for 2 OPCs

?

Question 13: [Difficult]

Win Limited bought 15% shares of Om Limited in the year 2018. In the year 2020 it formed a trust for its employees and donated its 15% shares of Om Limited along with 10,00,000 to the trust and became its trustee. In February 2023, Om Limited acquired 55% stake in Win Limited through an in-house deal. Can a subsidiary company hold shares in its holding company justifiably in this situation?

- (A) Win Limited cannot represent itself as a trustee after it becomes a subsidiary of Om Limited.
- (B) Win Limited can represent itself as a trustee only after it was a holding company of Om Limited.
- (C) Win Limited cannot hold shares as a trustee even though it is a subsidiary company.
- (D) Win Limited can do so as it is holding shares in Om Limited prior to becoming a subsidiary of it.

?

Question 14: [Difficult]

Today, it's May 2023. Mr. Nilanjan Chattopadhyay a 24 years old Indian youngster, who returned back to India in January month of 2023 after completing his education in bio-nutrient and willing to form an OPC; but not sure about the requirements or pre- conditions regarding eligibility. He read some articles on provisions related to OPC and concluded;

- (i) OPC can be formed by Indian Citizen only
- (ii) He can't form OPC because in immediate previous year he was not resident in India

Choose the correct option:

- (A) Both the conclusions are valid
- (B) None of the conclusion is valid
- (C) First conclusion is invalid
- (D) Second conclusion is invalid



Question 15: [Difficult]

Anshika Pvt Ltd wants to amend its article of association (AOA) to contain some provisions for entrenchment to the effect that specified provisions of the articles can be altered only if procedure that are stricter than those applicable in the case of a special resolution are met. Now Advise them whether Anshika Pvt Ltd can entrench its AOA.

- (A) No, As Entrenchment is only possible at the time of formation of Company
- (B) Yes, Anshika Pvt Ltd can amend its AOA by adding entrenchment provisions by passing a special resolution
- (C) Yes, Anshika Pvt Ltd can do amendment in its AOA agreed to by ALL the members of company and company also has to give Notice of such entrenchment to ROC
- (D) No, Private companies cannot do entrenchment of its AOA



Question 16: [Difficult]

Grow Skills Pvt Ltd wants to shift the place of its registered office from Rajkot, Gujarat to Ahmedabad, Gujarat (Jurisdiction is same). The Board of Directors of Grow Skills Pvt Ltd have a view that there is no need to report this activity to ROC as there is no change in state of company's place. You are a consultant of Grow Skills Pvt Ltd, advise company regarding compliance of this activity as per the companies act, 2013

- (A) Company shall pass special resolution and give notice to ROC within 30 Days of such change
- (B) Company shall pass Board resolution and give notice to ROC within 30 Days of change
- (C) Company shall pass special resolution and seek permission of Regional Director and give notice to ROC within 30 Days of change
- (D) Company shall pass special resolution and approval of central government and give notice to ROC within 30 Days of change



Question 17: [Difficult]

Anupam incorporated a One Person Company (OPC) with his sister Alpana as the nominee and about three years have passed satisfactorily. Anupam does a number of charitable works and is associated with three NGOs. His business under his OPC has also flourished. Now he is planning to convert the OPC into a Section 8 company (i.e. a company formed with charitable objects). Choose the correct option.

- (A) Since the company belongs to Anupam, he has full discretion to convert the OPC either as a Section 8 company or as a private or public company
- (B) Since the company was formed as a private company, the only option available with Anupam is to convert it into a public limited company.
- (C) There is specific prohibition on converting OPC into a Section 8 company; otherwise it can be converted into a private or public company without any hindrance.
- (D) Since Anupam does a lot of charitable works there is no prohibition on converting his OPC into a Section 8 company.

Q. No.	Answer	Remarks
1.	(D)	[Section 16]
2.	(C)	[Section 8]
3.	(D)	[Section 3]
4.	(B)	-
5.	(C)	[Section 4(1) read with MCA notification dated 5th June 2015]
6.	(A)	-
7.	(A)	[Section 4]
8.	(A)	[Sub rule- 4 of the Rule 4 of the Companies (Incorporation) Rules, 2014]
9.	(B)	-
10.	(C)	[Refer section 2(h) of the Securities Contracts (Regulation) Act, 1956]
11.	(B)	-
12.	(B)	[Rule 3(1)(b) of the Companies (Incorporation) Rules, 2014]
13.	(D)	[Section 19]
14.	(D)	-
15.	(C)	[Section 5(4)]
16.	(A)	(Section 12)
17.	(C)	-



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Question 1: [Easy]

Which of the following statement is contrary to the provisions of the Companies Act, 2013?

- (A) A private company can make a private placement of its securities.
- (B) The company has to pass a special resolution for private placement.
- (C) Minimum offer per person should have Market Value of 20,000.
- (D) A public company can make a private placement of its securities.

?

Question 2: [Easy]

A prospectus which does not include complete particulars of the quantum or price of the securities included therein is called:

- (A) A deemed Prospectus
- (B) A Shelf Prospectus
- (C) An Abridged Prospectus
- (D) A Red Herring Prospectus

?

Question 3: [Easy]

A Private Company cannot issue securities through:

- (A) Private Placement
- (B) Public Offer
- (C) Right Issue
- (D) Bonus Issue

?

Question 4: [Easy]

A shelf prospectus filed with the ROC shall remain valid for a period of:

- (A) one year from the date of registration
- (B) one year from the date of closing of first issue
- (C) one year from the date of opening of first issue
- (D) Ninety days from the date on which a copy was delivered to ROC

?

Question 5: [Medium]

Swastik Runners Ltd is a company engaged in manufacturing of trade mill. The company plans to issue equity shares to the public in a phased manner during the time period of one year. The company do not want to issue prospectus every time. What is the best option available to the company:

- (A) Issue Red-herring Prospectus
- (B) Issue Shelf Prospectus
- (C) Issue Abridged Prospectus
- (D) Issue any other document

Q. No.	Answer	Remarks
1.	(C)	-
2.	(D)	[Section 32]
3.	(B)	[Section 23(2)]
4.	(C)	-
5.	(B)	-



?

Question 1: [Easy]

Such shares which are issued by a company to its directors or employees at a discount or for a consideration other than cash for working extraordinary hard and achieving desired output is honoured with:

- (A) Equity Shares
- (B) Preference Shares
- (C) Sweat Equity Shares
- (D) Redeemable preference shares

?

Question 2: [Easy]

Innovative Tech Sol Limited intends to invite subscription for 1.10 crore equity shares of 10 each on private placement basis. The persons identified as potential subscribers are within the statutory limit and also include the two other categories to which such statutory limit is not applicable. One such category is employees of the company who are offered equity shares under Employees Stock Option Scheme. The other excluded category is:

- (A) Quality Institutional Buyers
- (B) Qualified Institutional Buyers.
- (C) Qualificational Institutional Buyers.
- (D) Qualified Investing Institutional Buyers.

?

Question 3: [Easy]

The time limit within which a copy of the contract for the payment of underwriting commission is required to be delivered to the Registrar is:

- (A) Three days before the delivery of the prospectus for registration
- (B) At the time of delivery of the prospectus for registration
- (C) Three days after the delivery of the prospectus for registration
- (D) Five days after the delivery of the prospectus for registration

?

Question 4: [Easy]

Where a share capital of the company is divided into different classes of shares, the rights attached to the shares of any class may be varied with the consent in writing of the holders of not less than ____ of the issued shares of that class or by means of a special resolution passed at a separate meeting of the holders of the issued shares of that class:

- (A) One-fourth
- (B) 50%
- (C) Three-fourths
- (D) 75%

?

Question 5: [Easy]

Rajesh Infrastructure Limited wants to issue preference shares for a period exceeding 20 years for financing its proposed infrastructure project. On the basis of which statement, company can do so?

- (A) Yes, the company can issue irredeemable preference shares by passing a special resolution
- (B) Yes, company can issue preference shares for a period exceeding 20 years with the prior approval of Central Government
- (C) Yes, the company can issue irredeemable preference shares for infrastructure project
- (D) Yes, the company can issue preference shares for financing an infrastructure project for a period exceeding to 20 years.



Question 6: [Easy]

In a company if any change of right of one class also affects the right of other class, then:

- (A) A resolution should be passed in general meeting in this case
- (B) Company need not to do anything else
- (C) Written consent of three fourth majority of that other class should be obtained
- (D) A resolution in joint meeting of both the classes should be passed



Question 7: [Medium]

Neptune Metal Tools Limited was incorporated on 2nd December, 2022 with twenty-five subscribers and authorised capital of 50,00,000 (5,00,000 equity shares of 10 each). The directors of the company are in a dilemma whether to issue share certificates to the subscribers in physical form or in dematerialized form. Advise them correctly on this matter:

- (A) Being an unlisted company, Neptune may either issue physical share certificates to the subscribers or alternatively, issue them in dematerialized form.
- (B) Neptune needs to issue shares to the subscribers only in dematerialized form.
- (C) A company having more than 100 shareholders needs to issue shares in dematerialized form and therefore, Neptune may issue physical share certificates to the subscribers.
- (D) A company having authorised capital of fifty lakhs and above needs to issue shares in dematerialized form and therefore, Neptune may issue physical share certificates to the subscribers.



Question 8: [Medium]

A company may issue sweat equity shares of a class of shares already issued if the issue is authorised by:

- (A) An Ordinary Resolution passed by the company
- (B) A Special Resolution passed by the company
- (C) A Resolution passed by the Board of Directors of the company
- (D) A Resolution passed by the Audit Committee of the Board of the company



Question 9: [Medium]

Which of the following statements is not true?

- (A) In case of shares, the rate of underwriting commission to be paid shall not exceed five percent of the issue price of the share.
- (B) Underwriting commission should not be more than the rate specified by the Article of Association.
- (C) In case of debentures, the rate of underwriting commission shall not exceed five percent of the issue price of the debentures.
- (D) Amount of commission may be paid out of profits of the company.



Question 10: [Difficult]

Goals Limited, a listed company has authorised share capital of 25,00,000 (issued, subscribed and paid-up capital of 20,00,000). The company has planned to buy back shares worth 10,00,000. What is the maximum amount of equity shares that the company is allowed to buy back based on the total amount of equity shares?

- (A) 2,00,000 (B) 5,00,000 (C) 8,00,000 (D) 6,25,000



Question 11: [Difficult]

Newage Private Limited issued 9% Non-convertible Debentures worth 10 lakh and thereafter, the directors contemplated to get them listed. After due formalities, these privately placed non-convertible debentures of 10 lakh were listed. Which of the following options is applicable in the given situation:

- (A) Newage Private Limited shall be considered as a listed company.
- (B) Newage Private Limited shall not be considered as a listed company.
- (C) Newage Private Limited shall be considered as a listed company only when minimum amount of listed privately placed non-convertible debentures is Rs. 15 lakhs.
- (D) Newage Private Limited shall be considered as a listed company only when minimum amount of listed privately placed non-convertible debentures is minimum Rs. 20 lakhs.



Question 12: [Difficult]

Keshika, the original allottee and owner of 1000 equity shares of 50 each in Modern Biscuits Private Limited, wanted to transfer these shares to her younger sister Vanshika by way of gift. She completed the transfer deed in all respects and delivered the same to the company along with the share certificates on 17th July, 2023. However, the company did not register the transfer even after the expiry of more than one month nor did it send any notice of refusal. The lone reminder to the company remained unanswered. An appeal is to be filed against the company with the National Company Law Tribunal (NCLT) against this failure to register transfer of the said shares. Who has the right to file the appeal in this regard?

- (A) Keshika, who continues to remain owner and transferor of the said equity shares till they are registered in the name of Vanshika, has the right to file an appeal with NCLT against the company.
- (B) Vanshika, as transferee and potential owner of equity shares, has the right to file an appeal with NCLT against the company.
- (C) Both Keshika and Vanshika have to file a joint appeal with NCLT against the company, for neither Keshika nor Vanshika are authorised to file the appeal individually.
- (D) As per its discretion, NCLT may allow either Keshika or Vanshika to file an appeal against the company.



Question 13: [Difficult]

Raman, the original allottee of 2000 equity shares in ABC Limited has transferred the same to Ruchi. The instrument of transfer dated 21st August, 2022, duly stamped and signed by Raman was handed over to Ruchi. Advise Ruchi regarding the latest date by which the instrument of transfer along with share certificates must be delivered to the company, to register the transfer in its register of members.

- | | |
|------------------------|--------------------------|
| (A) 21st August, 2022 | (B) 20th September, 2022 |
| (C) 20th October, 2022 | (D) 19th November, 2022 |



Question 14: [Difficult]

Ruchir Developers Ltd issued shares of face value of 10 rupees each to the public at a price of 200 rupees per share. The Share Premium Account was credited for 190 rupees. Now the company want to utilise this Share Premium Account. Which of the following mode is permitted under the Companies Act, 2013:

- (A) Share Premium Account can be utilised only at the time of winding up of the company
- (B) It can be used for distribution of dividend
- (C) It can be used for the purpose of buying back of its own shares
- (D) It can be used for spending on CSR Activities



Question 15: [Difficult]

A company enter into process of reducing capital. Mr. Shah is concerned officer designated for preparing the list of creditors to records their reservation and reach to a settlement under section 66 of the Companies Act, 2013. Mr. Shah while preparing such list deliberately conceal the name of Ms. Ramya who is one of the company's creditor and object to the reduction, whereas make misstatement in context of some other creditors' claims. The offence committed by Mr. Shah is punishable under; (i) Under section 447 of the Companies Act, 2013 and (ii) Also under sections 417 read with 415 of Indian Penal Code 1860 (as dishonest concealment is involved). You are required to select the most appropriate option out of given below in context of offence committed by Mr. Shah:

- (A) Mr. Shah shall be liable to be prosecuted under both of the Companies Act, 2013 and the Indian Penal Code 1860, but shall be punished under either of the Companies Act, 2013 or the Indian Penal Code, 1860.
- (B) Mr. Shah shall be liable to be prosecuted under both of the Companies Act, 2013 and the Indian Penal Code, 1860, but shall be punished under the Companies Act, 2013 or the Indian Penal Code, 1860 where maximum punishment is lower.
- (C) Mr. Shah shall be liable to be prosecuted and punished under either of the Companies Act, 2013 or the Indian Penal Code, 1860.
- (D) Mr. Shah shall be liable to be prosecuted and punished under both of the Companies Act, 2013 and the Indian Penal Code, 1860.



Question 16: [Difficult]

Krishna Religious Publishers Limited has received application money of 20,00,000 (2,00,000 equity shares of 10 each) on 10th October, 2022 from the applicants who applied for allotment of shares in response to a private placement offer of securities made by the company to them. Select the latest date by which the company must allot the shares against the application money so received.

- (A) 9th November, 2022
- (B) 24h November, 2022
- (C) 9th December, 2022
- (D) 8th January, 2023


Question 17: [Difficult]

Shreem Lakshmi Jewellery Store Private Limited was incorporated on 27th August, 2022 with 30 persons as subscribers to the Memorandum of Association and with an Authorised share capital of 1 crore divided into equal number of shares of 1 each. Each subscriber subscribed for 1.00 lakh shares. Advise the company about by what date it needs to deliver the share certificates to the subscribers.

- (A) 17th September, 2022. (B) 30th September, 2022.
 (C) 27th October, 2022. (D) 27th November, 2022.

Q. No.	Answer	Remarks
1.	(C)	[Refer section 2(88) read with section 54]
2.	(B)	-
3.	(B)	[Section 49]
4.	(C)	-
5.	(D)	-
6.	(C)	[Section 48]
7.	(B)	-
8.	(B)	[Section 54(1)(a)]
9.	(C)	[Section 40]
10.	(B)	[Section 68(2)(c)- The buyback of equity shares in any financial year shall not exceed 25% of its total paid-up equity share capital in that year]
11.	(B)	-
12.	(B)	-
13.	(C)	-
14.	(C)	[Section 52]
15.	(C)	-
16.	(C)	[Section 42]
17.	(C)	-


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Question 1: [Easy]

What is the maximum tenure for which a company can accept or renew deposits from its members as well as public?

- (A) 12 months
- (B) 24 months
- (C) 36 months
- (D) 48 months

?

Question 2: [Easy]

A reserve account that shall not be used by the company for any purpose other than repayment of deposits is called:

- (A) Debenture redemption reserve account
- (B) Deposit repayment reserve account
- (C) Capital redemption reserve account
- (D) Free reserve account

?

Question 3: [Easy]

What is a permissible penal rate of interest by company for the overdue period in case of deposits which are matured and claimed but remaining unpaid:

- (A) 9% per annum
- (B) 12% per annum
- (C) 15% per annum
- (D) 18% per annum

?

Question 4: [Easy]

Fin Limited is accepting deposits of various tenures from its members from time to time. The current Register of Deposits, maintained at its registered office is complete. State the minimum period for which it should mandatorily be preserved in good order.

- (A) Four years from the financial year in which the latest entry is made in the Register.
- (B) Six years from the financial year in which the latest entry is made in the Register.
- (C) Eight years from the financial year in which the latest entry is made in the Register.
- (D) Ten years from the latest date of entry.

?

Question 5: [Easy]

Every company shall pay a penal rate of interest of secured or unsecured, matured and claimed but remaining unpaid. Per annum for the overdue period in case of deposits, whether

- (A) 9%
- (B) 14%
- (C) 18%
- (D) 24%



Question 6: [Easy]

Normally no deposits are repayable earlier than from the date of such deposits or renewal thereof.

- (A) 3 months (B) 6 months
- (C) 12 months (D) 1 year



Question 7: [Medium]

Which among the following is a deposit within the provisions of the Companies Act, 2013:

- (A) Any amount received by a company from any other company
- (B) Any amount received by a company against issue of commercial paper
- (C) Any amount received as a loan from a Bank
- (D) Any amount received from a person as an advance for the supply of goods but appropriated after a year



Question 8: [Medium]

Prem Limited decides to raise deposits of Rs. 20.00 lacs from its members. However, it proposes to secure such deposits partially by offering a security worth Rs.15.00 lacs. Which of the following options best describe such deposits:

- (A) Fully secured deposits (except a small portion)
- (B) Unsecured deposits
- (C) Partially secured deposits
- (D) These cannot be classified as deposits



Question 9: [Medium]

Wood Apple Limited accepts deposits of various tenures from its members from time to time. The current Register of Deposits, maintained at its registered office, is complete. State the minimum period for which it should mandatorily be preserved in good order.

- (A) Four years from the financial year in which the latest entry is made in the Register.
- (B) Six years from the financial year in which the latest entry is made in the Register.
- (C) Eight years from the financial year in which the latest entry is made in the Register.
- (D) Ten years from the latest date of entry.



Question 10: [Difficult]

As per the provisions of the Companies Act, 2013 and relevant rules thereunder, an eligible company is not permitted to accept from public or renew the same deposits (whether secured or unsecured) which is repayable on demand or in less than _____ months. Further, the maximum period of acceptance of deposit cannot exceed _____ months. But, for the purpose of meeting any of its short-term requirements of funds, a company may accept or renew deposits for repayment earlier than _____ months subject to certain conditions.

- (A) six, thirty-six, six
- (B) three, twenty-four, three
- (C) six, sixty, six
- (D) three, sixty, six

Q. No.	Answer	Remarks
1.	(C)	-
2.	(B)	-
3.	(D)	-
4.	(C)	-
5.	(C)	-
6.	(B)	-
7.	(D)	[Rule 2(1)(c)(xii)(a) of the Companies (Acceptance of Deposits) Rules, 2014]
8.	(B)	-
9.	(C)	-
10.	(A)	-


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Question 1: [Easy]

Registrar shall keep a register of charges which shall be open to inspection by on payment of fee:

- (A) the company
- (B) the charge holder
- (C) holder
- (D) any person

?

Question 2: [Medium]

Who cannot inspect the register of charges and instrument of charges, during business hours, without paying any fees:

- (A) Any member of the company
- (B) The Creditor of the company
- (C) Persons other than member and creditor of the company
- (D) No person is allowed to inspect the register of charges

?

Question 3: [Medium]

An interest or lien created on the property or assets of a company or any of its undertakings or both as security is known as:

- (A) Debt
- (B) Charge
- (C) Liability
- (D) Hypothecation

?

Question 4: [Medium]

The instrument creating a charge or modification thereon shall be preserved for a period of of satisfaction of charge by the company. Years from the date

- (A) 5
- (B) 7
- (C) 8
- (D) 15

?

Question 5: [Difficult]

Vijay Ltd has created a charge on 01-6-2023 in favour of Bank. Advise Vijay Ltd in how many days they have to register this charge with ROC?

- (A) 16.6.2023
- (B) 1.7.2023
- (C) 16.7.2023
- (D) 31.7.2023



Question 6: [Difficult]

Abhinav Garments Ltd availed loan from Axis Bank against the mortgage of its Administrative Office. Later on, the Company availed another loan from Kotak Bank by offering the collateral security of the same Office, for which the Axis Bank issue NOC. The right of the Kotak Bank in this situation shall be called as:

- (A) Floating Charge
- (B) Exclusive Charge
- (C) Subsequent Charge
- (D) Pari-passu charge

Q. No.	Answer	Remarks
1.	(D)	-
2.	(C)	-
3.	(C)	[Section 2(16)]
4.	(B)	[Rule 10(4) of the Companies (Registration of Charges) Rules, 2014]
5.	(B)	[Section 77(1)]
6.	(C)	-



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Question 1: [Easy]

A resolution shall be a special resolution when the votes cast in favour of the resolution by members are not less than the number of votes, if any, cast against the resolution:

- (A) Twice
- (B) Three times
- (C) Three fourth of
- (D) Two third of

?

Question 2: [Easy]

Every listed company shall file with the Registrar a copy of the report on each annual general meeting within the conclusion of the annual general meeting.

- (A) 7 days
- (B) 30 days
- (C) 60 days
- (D) 90 days

?

Question 3: [Easy]

Awareness Limited's General Meetings are held at its registered office situated in Delhi. The minute book of General meetings of Awareness Limited will be kept at:

- (A) That place where members of Awareness Limited will decide.
- (B) That place where all employees of Awareness Limited will decide.
- (C) Registered office of Awareness Limited.
- (D) That place where senior officials of Awareness Limited will decide.

?

Question 4: [Easy]

In case of a private company, quorum of Annual General Meeting is:

- (A) 1 member personally present
- (B) 2 members personally present
- (C) 3 members personally present
- (D) 5 members personally present

?

Question 5: [Easy]

For appointing an auditor other than the retiring auditor,

- (A) Special notice is required.
- (B) Ordinary notice is required.
- (C) Neither ordinary nor special notice is required
- (D) Approval of Central Government is required.



Question 6: [Easy]

Which one of the following transactions requires the passing of an ordinary resolution?

- (A) To change the name of the company
- (B) To alter the articles of association
- (C) To reduce the share capital
- (D) To declare dividends.



Question 7: [Medium]

Popat Ram Comics Ltd is a company engaged in publishing of comic journals for the entertainment of the children. The company have its Registered Office at Gandhinagar, Gujarat. However, according to the addresses of the shareholders it is revealed that more than 10% shareholders are from Jaipur. The company also have its branch office at Jaipur. Which among the following statement is correct:

- (A) The Registers or copies of return may be kept at Jaipur with the order of the Managing Director
- (B) The Registers or copies of return may be kept at Jaipur with the approval of the Board of Directors
- (C) The Registers or copies of return may be kept at Jaipur if approved by an ordinary resolution passed at the General Meeting of the Company
- (D) The Registers or copies of return may be kept at Jaipur if approved by a Special resolution passed at the General Meeting of the Company



Question 8: [Medium]

Due to the management disputes, Flow Writing Industries Limited could not hold its current Annual General Meeting by the latest due date. Even after lapse of the due date, it seemed rather impossible to convene the AGM. In such a grim situation, one option available was to approach National Company Law Tribunal (NCLT) and seek direction for the calling of AGM. Out of the following four options, which one is applicable in the given case:

- (A) Any member of the company can make an application to the National Company Law Tribunal (NCLT) and seek direction for the calling of AGM.
- (B) A member of the company holding at least 1% of the total paid-up share capital must make an application to the National Company Law Tribunal (NCLT) and seek direction for the calling of AGM.
- (C) Minimum two members of the company holding at least 1% of the total paid-up share capital must make a joint application to the National Company Law Tribunal (NCLT) and seek direction for the calling of AGM.
- (D) Minimum five members of the company holding at least 1% of the total paid-up share capital must make a joint application to the National Company Law Tribunal (NCLT) and seek direction for the calling of AGM.

?

Question 9: [Medium]

Apple Limited is an unlisted public company. It has 3500 members. What shall be the quorum for the General Meeting of the Shareholders:

- (A) 05
- (B) 15
- (C) 30
- (D) 45

?

Question 10: [Difficult]

Vichar Vimarsh Limited called its Annual General Meeting on 20th September, 2022 to consider and adopt the financial result as of 31st March, 2022. Due to want of quorum the meeting was adjourned and the adjourned meeting was held on 27th September, 2022. What is the last date of filing of Annual Return with the Registrar of Companies:

- (A) 60 days from the date of 31st March, 2022
- (B) 60 days from the date of 20th September, 2022
- (C) 60 days from the date of 27th September, 2022
- (D) 60 days from the date of 30th September, 2022

?

Question 11: [Difficult]

Namesake Limited, an unlisted public limited company finalized its accounts for the financial year ending on 31st March, 2023. The meeting of the Board of Directors was convened and approved the financial accounts of the company and proposed to convene the Annual General Meeting of the shareholders on Thursday, the 25th August, 2023 at 10 am.

In the light of the given facts, the General Meeting of the shareholders was decided to be scheduled. Determine by which date the notices to the shareholder should have been given to the members:

- (A) 1st August, 2023
- (B) 2nd August, 2023
- (C) 3rd August, 2023
- (D) 4th August, 2023

Q. No.	Answer	Remarks
1.	(B)	-
2.	(B)	-
3.	(C)	[Rule 25 of the Companies (Management & Administration) Rules, 2014]
4.	(B)	-
5.	(A)	[Section 115 read with section 140(4)]
6.	(D)	-
7.	(D)	[Proviso to section 94(1)]
8.	(A)	[Section 97]
9.	(B)	[section 103]
10.	(C)	-
11.	(C)	[Section 101]



?

Question 1: [Easy]

Amount to be transferred to reserves out of profits before any declaration of dividend is

- (A) 5%
- (B) 7.50%
- (C) 10%
- (D) At the discretion of the company.

?

Question 2: [Easy]

Which of the following amount need not be credited to Investor Education and Protection Fund Account (IEPF)?

- (A) Amount in unpaid dividend account (UDA) of company
- (B) Amount of matured deposits with the company
- (C) Profit on sale of asset
- (D) Amount of matured debentures with the company.

?

Question 3: [Easy]

Dividend once declared, should be paid within days from the date of declaration.

- (A) 14
- (B) 21
- (C) 30
- (D) 60

?

Question 4: [Medium]

The amount accumulated in the Investor Education and Protection Fund shall not be used for:

- (A) Refunds in respect of unclaimed dividends, matured deposits, matured debentures, application money due for refund and interest thereon.
- (B) Reimbursement of legal expenses incurred in pursuing class action suits under section 37 and 245.
- (C) Grants or donation to the Central Government for the purpose of investor's education and training.
- (D) Distribution of any disgorged amount among eligible and identifiable applicants who have suffered losses.

?

Question 5: [Difficult]

The authorised and paid-up share capital of Avantika Ayurvedic Products Limited is ₹50.00 lakh divided into 5,00,000 equity shares of 10 each. At its Annual General Meeting (AGM) held on 24th September, 2022, the company declared a dividend of 2 per share by passing an ordinary resolution. Mention the latest date by which the amount of dividend must be deposited in a separate account maintained with a scheduled bank

- (A) Latest by 29th September, 2022
- (B) Latest by 4th October, 2022
- (C) Latest by 9th October, 2022
- (D) Latest by 24th October, 2022



Question 6: [Difficult]

Annual General meeting of the shareholders of M Limited was convened on 1st September 2023, in which the annual accounts of the company were presented before the shareholders. The shareholders have approved dividend @ 3%.

By what date should the amount be deposited in a separate account maintained with the scheduled bank for dividend purposes?

- (A) By 31st August 2023 (i.e. before the date of approval by shareholders)
- (B) By 6th September 2023
- (C) By 7th September 2023
- (D) By 24th September 2023



Question 7: [Difficult]

The Board of Directors of Vidyut Limited are contemplating to declare interim dividend in the last week of July, 2022 but the company has incurred loss during the current financial year up to the end of June, 2022. However, it is noted that during the previous five financial years i.e., 2017-18, 2018-19, 2019-20, 2020-21 and 2021-2022 the company had declared dividend at the rate of 8%, 9%, 12%, 11% and 10% respectively. Advise the Board as to the maximum rate at which they can declare interim dividend despite incurring loss during the current financial year.

- (A) Maximum at the rate of 10%.
- (B) Maximum at the rate of 11%.
- (C) Maximum at the rate of 10.5%.
- (D) Maximum at the rate of 11.5%.



Question 8: [Difficult]

Annual General meeting of the shareholders of A Limited was convened on 26th August, 2023, in which the annual accounts of the company were presented before the shareholders. The shareholders have approved dividend @ 10%.

By what date should the amount be deposited in a separate account maintained with the scheduled bank for dividend purposes?

- (A) By 31st August 2023
- (B) By 1st September 2023
- (C) By 7th September 2023
- (D) By 24th September 2023

Q. No.	Answer	Remarks
1.	(D)	-
2.	(C)	-
3.	(C)	-
4.	(C)	-
5.	(A)	-
6.	(B)	-
7.	(B)	(Rule 3 of the Companies (Declaration and Payment of Dividend) Rules, 2014)
8.	(A)	[the amount of the dividend, including interim dividend, shall be deposited in a separate account maintained with a scheduled bank within five days from the date of declaration]



?

Question 1: [Easy]

Which of the following statements is/are correct w.r.t. the constitution of Corporate Social Responsibility Committee of the board:

- (A) Statement I: Two or more directors out of which at one shall be Independent Director
- (B) Statement II: Three or more directors out of which at least one director shall be Independent Director.
- (C) Statement III: Three or more directors with majority of Independent Directors
- (D) Statement IV: Three or more directors with condition of not a single director should be Independent Director

?

Question 2: [Easy]

One Person Company shall file a copy of the duly adopted financial statements to the Registrar in:

- (A) 30 days of the date of meeting in which it was adopted.
- (B) 90 days of the date of meeting in which it was adopted.
- (C) 90 days from the closure of the financial year.
- (D) 180 days from the closure of the financial year.

?

Question 3: [Easy]

As per provisions of the Companies Act, 2013, the act of the company in destruction of all books of account together with relevant vouchers was not correct because

- (A) The books of accounts etc. relating to a period not less than 6 preceding financial years are required to be kept in good order.
- (B) The books of accounts etc. relating to a period not less than 8 preceding financial years are required to be kept in good order.
- (C) The books of accounts etc. relating to a period not less than 10 preceding financial years are required to be kept in good order.
- (D) The books of accounts etc. relating to a period not less than 12 preceding financial years are required to be kept in good order.

?

Question 4: [Easy]

The Corporate Social Responsibility Committee of the board shall consist of:

- (A) Three or more directors out of which at two directors shall be Independent Director
- (B) Three or more directors out of which at least one director shall be Independent Director.
- (C) Three or more directors and all should be Independent Directors
- (D) Three or more directors with condition of not a single director should be Independent Director



Question 5: [Medium]

Ayush Power Limited has reported a net profit of 6 crore, 7.5 crore and 3 crore for the financial year(s) ended on March 2020, March 2021 and March 2022 respectively. The board's report of the company for the year ended March 2023 did not disclose the composition of the CSR Committee on the grounds that company is not required to constitute CSR committee as net profit during the immediately preceding financial year is less than the statutory requirements laid down in section 135. You are required to examine in the given scenario whether the Act of non-composition and non-disclosure of the composition of CSR committee in the Board's Report is valid in law?

- (A) No, the act of the company is not valid in law as every company is required to constitute a CSR committee and disclose the constitution of same in the board's report in every financial year irrespective of the profits earned by the company.
- (B) Yes, the act of the company is valid in law as the net profit of the company is less than 5 crore in the immediately preceding financial year.
- (C) No, the act of the company is not valid in law as composition and disclosure of composition of CSR Committee will be required only if the profits of the company are not less than 5 crore for a consecutive period of 3 financial years.
- (D) The act of the company is valid only to the extent of non-disclosure of the composition of CSR committee as the net profit of the company is less than 5 crore in the immediately preceding financial year.



Question 6: [Difficult]

Primus Limited dealing with Fast Moving Consumable Goods (FMCG) has its registered office at Mumbai. The composition of its Board of Directors and Key Management Personnel are: Mr. P (Managing Director), Mr. Q (Director), Mr. R (Director), Mr. S (Nominee Director), Mr. V (Chief Financial Officer), Mr. W (Whole time Company Secretary). If any compliance relating to Maintenance and Keeping of Books of Accounts of Companies, 2013, is not followed by the Company then penalty for contravention will be imposed on the following persons:

- (A) Mr. P and Mr. V
- (B) Mr. P, Mr. Q, Mr. R & Mr. S
- (C) Mr. P, Mr. S, Mr. V & Mr. W
- (D) Mr. P, Mr. Q, Mr. R & Mr. S, Mr. V & Mr. W



Question 7: [Difficult]

Shine Ltd is an unlisted public company with a paid-up share capital of more than Rs. 40 crore, a turnover of less than 200 crores along with outstanding loans from XYZ bank of 105 crore rupees during the preceding financial year. The company has not appointed an internal auditor, citing that it is not mandatory for them to do so. Does Shine Ltd need to appoint an internal auditor as per the Companies Act, 2013?

- (A) No, as the company is unlisted company.
- (B) Yes, as the company share capital is more than 40 crore during the preceding financial year.
- (C) No, as the company's turnover is less than 200 crore rupees during the preceding financial year.
- (D) Yes, as the company has outstanding loans from banks exceeding 105 crore rupees preceding financial year.

?

Question 8: [Difficult]

As per the provisions of the Companies Act, 2013, which of the following statement is correct with respect to the surplus arising out of the CSR activities:

- (A) The surplus cannot exceed five percent of total CSR expenditure of the co. for the financial year.
- (B) The surplus shall not form part of the business profit of a company
- (C) The surplus cannot exceed 10 percent of total CSR expenditure of the co. for the financial year.
- (D) The surplus shall form part of the business profit of a company

?

Question 9: [Difficult]

Ganesh Company Ltd, a public company incorporated under the Companies Act, 2013 has Mr. Jay- Director, Mr. Sagar Independent Director, Mr. Abhishek Nominee Director and Mr. Yash Whole time director. Mr. Abhishek wants to inspect the books of account of Shankar Company Limited, the subsidiary of Ganesh Company Limited. You are required to state whether Mr. Abhishek is eligible to inspect the books of accounts of Ganesh Company Limited?

- (A) Yes, Mr. Abhishek can inspect the books of account of Shankar Company limited only on authorization of the public financial institution on whose behalf he has been so appointed in the board of the Ganesh Company Ltd.
- (B) No. Mr. Abhishek being a nominee director can only inspect the books of account of Ganesh Company Ltd and not its subsidiary company.
- (C) Yes, Mr. Abhishek can inspect the books of account of Shankar Company limited only on authorization by way of resolution of the board of directors.
- (D) Yes, Mr. Abhishek can inspect the books of account of Shankar Company limited only on authorization by way of resolution of the members holding not less than 25% of the paid up share capital of the company.

?

Question 10: [Difficult]

During the half year ended September 2022, the board of directors (BOD) of Gold Leaf Limited has made an application to the Tribunal for revision in the accounts of the company for the financial year ending on March 2020. Further during the year ended March 2023, the BOD has again made an application to the Tribunal for revision in the boards report pertaining to the year ended March 2022. You are required to state the validity of the acts of the Board of directors.

- (A) The act of the BOD is valid only to the extent of application made for revisions in accounts as board's report are not eligible for revision.
- (B) The act of the BOD is valid as application made for revision in the accounts and boards report pertains to two different financial year.
- (C) The act of the BOD is invalid as the law provides for only one time application to be made in a financial year for revision of accounts and boards report.
- (D) The act of the BOD is invalid as to the application made for revision in accounts pertains to a period beyond 2 years immediately preceding the year 2023. The application made for revision in the Board report is however valid in law.



Question 11: [Difficult]

A Limited is a listed company. In April, 2023, the company had destroyed all the books of account together with relevant vouchers up to financial year ending on 31st March, 2018.

As per provisions of the Companies Act, 2013, the act of the company in destruction of all books of account together with relevant vouchers was not correct because:

- (A) The books of accounts etc. relating to a period not less than 6 preceding financial years are required to be kept in good order.
- (B) The books of accounts etc. relating to a period not less than 8 preceding financial years are required to be kept in good order.
- (C) The books of accounts etc. relating to a period not less than 10 preceding financial years are required to be kept in good order.
- (D) The books of accounts etc, relating to a period not less than 12 preceding financial years are required to be kept in good order.



Question 12: [Difficult]

ABC Limited has its shares listed on a recognized stock exchange in India. During the current financial year ending on 31st March 2023, the Securities and Exchange Board of India (SEBI) has found some irregularities in the filings made by the company. Accordingly, SEBI proposes to make an application to the Tribunal for reopening of the books of accounts of the Company. You, as an expert, are called upon by SEBI to advise with which last financial year for reopening of books of accounts an application can be made?

- (A) 2016-2017 (B) 2014-2015 (C) 2011-2012 (D) 2012-2013



Question 13: [Difficult]

Compute the minimum amount the company (Natraj Limited) is required to spend on account of Corporate Social responsibility year 2022-2023, if during the financial years 2019-2020, 2020-2021 and 2021-2022 net profits are 30 crore, 25 crore and 32 crore respectively.

- (A) Rs. 87 lac (B) Rs. 1.14 crore (C) Rs. 1.64 crore. (D) Rs. 58 lac

Q. No.	Answer	Remarks
1.	(B)	-
2.	(D)	[Section 137]
3.	(B)	-
4.	(B)	-
5.	(B)	-
6.	(B)	-
7.	(D)	-
8.	(B)	[Rule 7 of CSR rules]
9.	(C)	-
10.	(B)	[Section 131]
11.	(B)	[Section 128(5)]
12.	(B)	-
13.	(D)	-

?

Question 1: [Easy]

Whether a HUF can become partner in LLP:

- (A) HUF may become partner of LLP provided the Registrar may grant permission in this behalf
- (B) No, HUF can become partner in the LLP
- (C) Yes, HUF may become partner of LLP
- (D) None of the above

?

Question 2: [Easy]

CG may direct such LLP to change its name, and LLP shall comply with the said direction within of the direction or such longer period as CG may allow. after the date

- (A) 1 month
- (B) 3 months
- (C) 6 months
- (D) 9 months

?

Question 3: [Easy]

In case of any change in name or address of any partner, that partner shall inform LLP within

- (A) 7 days
- (B) 10 days
- (C) 15 days
- (D) 30 days

?

Question 4: [Easy]

How many designated partners are required in LLP:

- (A) At least two designated partners
- (B) Seven designated partners
- (C) Two designated partners
- (D) At least seven designated partners

?

Question 5: [Easy]

When the requirements of section 11 of LLP Act, 2008 have been complied with, the Registrar shall give incorporation certificate within

- (A) 7 Days
- (B) 10 Days
- (C) 14 Days
- (D) 30 Days

?

Question 6: [Easy]

In case of any change in name or address of any partner, LLP shall inform Registrar within

- (A) 7 days
- (B) 10 days
- (C) 15 days
- (D) 30 days



?

Question 7: [Easy]

What is the maximum limit of number of partners in LLP?

- (A) 20
- (B) 50
- (C) 100
- (D) No Limit

?

Question 8: [Easy]

What is the minimum required capital for formation of LLP?

- (A) Rs.1,00,000
- (B) Rs.2,00,000
- (C) Rs.5,00,000
- (D) No such requirement

?

Question 9: [Easy]

A LLP shall be governed by the provisions of:

- (A) The Companies Act, 2013
- (B) The Limited Liability Partnership Act, 2008
- (C) The Co-operative Societies Act, 1912
- (D) The Indian Partnership Act, 1932

?

Question 10: [Medium]

When did LLP Act 2008, come into force?

- (A) 01-Apr-08
- (B) 31-Mar-09
- (C) 01-May-09
- (D) 23-Apr-08

?

Question 11: [Medium]

What is the periodicity of preparing the Statement of Account and Solvency by the LLP:

- (A) Within 3 months from the end of each F.Y.
- (B) Within 9 months from the end of each F.Y.
- (C) Within 12 months from the end of each F.Y.
- (D) Within 6 months from the end of each F.Y.

?

Question 12: [Medium]

LLP Bill was passed by the Parliament on

- (A) 9th January 2007
- (B) 12th December, 2008
- (C) 31st March, 2009
- (D) 1st July, 2008

?

Question 13: [Medium]

Who shall sign the Statement of Account and Solvency prepared by the LLP:

- (A) By any one partner, authorised in this behalf
- (B) By at least two partners, authorised in this behalf
- (C) By all the partners
- (D) By the designated partners

?

Question 14: [Medium]

For the purpose of LLP, Resident in India means:

- (A) Person who has stayed in India for a period of not less than 182 days during the current year.
- (B) Person who has stayed in India for a period of not less than 180 days during the immediately preceding one year.
- (C) Person who has stayed in India for a period of not less than 181 days during the immediately preceding one year.
- (D) Person who has stayed in India for a period of not less than 120 days during the financial year.

?

Question 15: [Difficult]

Mr. Mohit had purchased Food items from Balak Food court LLP amounting to 5,00,000. He made a claim of 5,00,000 against the LLP as he was supplied with all expired food items, this transaction was done by Mr. Heera (one of the partners of LLP), but LLP was unaware of this transaction. Mr. Mohit also claimed for compensation as this transaction was done with intention to defraud him. The worth of the assets of LLP are only 2,00,000.

Now Mr. Mohit wants to make all the partners of LLP personally liable for the deficiency of 3,00,000. What is the correct option as per the Limited Liability Partnership Act, 2008.

- (A) As this act is done with intent to defraud Mr. Mohit by supplying expired food items in such case the liability of partners who has done such act, shall be unlimited for all or any of the debts or other liabilities of the LLP. Hence Liability of Mr. Heera is unlimited. It can be extended up to the personal assets of Mr. Heera.
- (B) The LLP itself will be liable for such act to the full extent of its assets. In other words, Mr. Mohit cannot claim personally from partners. The liability of the partners will be limited to their agreed contribution in the LLP.
- (C) All Partners, whether or not aware about this act will be liable equally, their liability will be unlimited.
- (D) Mr. Heera, who has done this transaction with intension to defraud Mr. Mohit, will be liable to compensate him but his liability will be limited to his contribution in LLP only. Hence, Mr. Heera will not be personally liable for the same



Q. No.	Answer	Remarks
1.	(B)	-
2.	(B)	-
3.	(C)	-
4.	(A)	-
5.	(C)	-
6.	(D)	-
7.	(D)	-
8.	(D)	-
9.	(B)	-
10.	(B)	-
11.	(D)	-
12.	(B)	-
13.	(D)	-
14.	(D)	-
15.	(A)	-



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Question 1: [Easy]

Which of the following is not an immovable property?

- (A) Land
- (B) Building
- (C) Timber
- (D) Machinery permanently attached to the land

?

Question 2: [Easy]

The preamble is the most important in any legislation, it:

- (A) Provides definition in the Act
- (B) Expresses scope, object and purpose of the Act
- (C) Provides explanation of all the sections of the entire Act
- (D) Provides side notes often found at the side of a section

?

Question 3: [Easy]

Calendar year starts from:

- (A) January
- (B) April
- (C) June
- (D) September

?

Question 4: [Easy]

Which legislation authorises the use of the General Clauses Act, 1897:

- (A) The Indian Penal Code, 1860
- (B) The Constitution of India
- (C) The Indian Evidence Act, 1872
- (D) The Code of Civil Procedure, 1908

?

Question 5: [Medium]

Where an act of parliament does not expressly specify any particular day as to the day of coming into operation of such Act, then it shall come into operation on the day on which:

- (A) It receives the assent of the President
- (B) It receives the assent of the Governor General
- (C) It receives assent of both the houses of Parliament
- (D) It receives assent of the Prime Minister

?

Question 6: [Medium]

In all Central Acts and Regulations, unless there is anything repugnant in the subject or context, words importing the masculine gender shall be taken:

- (A) To exclude females
- (B) To exclude girl child
- (C) To include females
- (D) To exclude boy child



Question 7: [Difficult]

A company enter into process of reducing capital. Mr. Shah is concerned officer designated for preparing the list of creditors to records their reservation and reach to a settlement under section 66 of the Companies Act 2013. Mr. Shah while preparing such list deliberately conceal the name of Ms Ramya who is one of the company's creditor and object to the reduction, whereas make misstatement in context of some other creditor's claims. The offence committed by Mr. Shah is punishable under; (i) Under section 447 of the Companies Act 2013 and (ii) Also under sections 417 read with 415 of Indian Penal Code 1860 (as dishonest concealment is involved). You are required to select the most appropriate option out of given below in context of offence committed by Mr. Shah:

- (A) Mr. Shah shall be liable to be prosecuted under both of the Companies Act 2013 and Indian Penal Code 1860, but shall be punished under either of the Companies Act 2013 or Indian Penal Code 1860
- (B) Mr. Shah shall be liable to be prosecuted under both of the Companies Act 2013 and Indian Penal Code 1860, but shall be punished under the Companies Act 2013 or Indian Penal Code 1860 where maximum punishment is lower.
- (C) Mr. Shah shall be liable to be prosecuted and punished under either of the Companies Act 2013 or Indian Penal Code 1860
- (D) Mr. Shah shall be liable to be prosecuted and punished under both of the Companies Act 2013 and Indian Penal Code 1860



Question 8: [Difficult]

Where, by any Central Act, a power to make any appointment is conferred, then, unless a different intention appears, the authority having for the time being power to make the appointment shall also have power:

- (A) To appoint the members of that family
- (B) To grant increment to any family members
- (C) To suspend or dismiss any person appointed
- (D) No other power is appointed except for appointment

Q. No.	Answer	Remarks
1.	(C)	-
2.	(B)	-
3.	(A)	-
4.	(C)	-
5.	(A)	-
6.	(C)	-
7.	(C)	[Section 26]
8.	(C)	[Section 16]



?

Question 1: [Easy]

When there is a conflict between two or more statutes or two or more parts of a statute then which rule is applicable:

- (A) Welfare construction
- (B) Strict construction
- (C) Harmonious construction
- (D) Mischief Rule

?

Question 2: [Easy]

According to the _____ rule, the words of the statute are to be given their plain and ordinary meaning.

- (A) Literal rule
- (B) Golden rule
- (C) Natural rule
- (D) Mischief rule

?

Question 3: [Easy]

When the law is clear and unambiguous the court shall construe the meaning of a provision based on strict

- (A) Grammatical meaning
- (B) Logical meaning
- (C) Alternative interpretation
- (D) Hypothetical meaning

?

Question 4: [Easy]

Which rule of construction is applicable where there is a real and not merely apparent conflict between the provisions of an Act, and one of them has not been made subject to the other

- (A) Rule of Beneficial construction
- (B) Rule of Literal construction
- (C) Rule of Harmonious construction
- (D) Rule of Exceptional construction

?

Question 5: [Easy]

Pick the odd one out of the following aids to interpretation:

- (A) Preamble
- (B) Marginal Notes
- (C) Proviso
- (D) Usage



Question 6: [Easy]

_____ means that when two or more words that are susceptible of analogous meaning, are coupled together they are understood to be used in their cognate sense.

- (A) Noscitur a Sociis
- (B) Contemporanea Expositio
- (C) prima facie
- (D) absoluta sententia expositore non indiget



Question 7: [Easy]

_____ is the cardinal rule of construction that words, sentences and phrases of a statute should be read in their ordinary, natural and grammatical meaning so that they may have effect in their widest amplitude.

- (A) Rule of Literal Construction
- (B) Rule of Harmonious Construction
- (C) Rule of Beneficial Construction
- (D) Rule of Exceptional Construction



Question 8: [Easy]

Which amongst the following is not a the cardinal rule of construction that words, sentences and phrases of a statute should be read in their ordinary, natural and grammatical meaning so that they may have effect in their widest amplitude.

- (A) Rule of Literal Construction
- (B) Rule of Grammatical Construction
- (C) Rule of Plain Construction
- (D) Rule of logical Construction



Question 9: [Easy]

Doctrine of Mischief Rule was given under:

- (A) Foss vs. Harbottle
- (B) Thomson vs. Clan Morris
- (C) Foster vs. DiphwysCasson
- (D) Heydon's Case



Question 10: [Medium]

An internal aid that may be added to include something within the section or to exclude something from it, is

- (A) Proviso
- (B) Explanation
- (C) Schedule
- (D) Illustrations

?

Question 11: [Medium]

According to _____ rule of interpretation, meaning of words should be known from its accompanying or associated

- (A) Mischief rule
- (B) Primary Rule
- (C) Noscitur a Sociis
- (D) Golden Rule

?

Question 12: [Medium]

When there is a conflict between two or more statutes or two or more parts of a statute then which rule is applicable:

- (A) Welfare construction
- (B) Strict construction
- (C) Harmonious construction
- (D) Mischief Rule

?

Question 13: [Medium]

A method of interpretation which brings into effect provisions for improving the conditions of certain classes of people who are under privileged or who have not been treated fairly in the past.

- (A) Rule of Literal Construction
- (B) Rule of Harmonious Construction
- (C) Rule of Beneficial Construction
- (D) Rule of Exceptional Construction

?

Question 14: [Medium]

A clause that begins with the words “Notwithstanding anything” contained is called:

- (A) An obstacle clause
- (B) A non-obstante clause
- (C) An objectionable clause
- (D) A superior clause

?

Question 15: [Difficult]

_____ Interpretation concerns itself with “what the law says” and _____ interpretation, seeks to ascertain “what the law means”.

- (A) Grammatical, Logical
- (B) Legal, usual
- (C) Usual, legal
- (D) Logical, grammatical



Q. No.	Answer	Remarks
1.	(C)	-
2.	(A)	-
3.	(A)	-
4.	(C)	-
5.	(D)	-
6.	(A)	-
7.	(A)	-
8.	(D)	-
9.	(D)	-
10.	(B)	-
11.	(C)	-
12.	(C)	-
13.	(C)	-
14.	(B)	-
15.	(A)	-



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?

Question 1: [Easy]

No person shall draw foreign exchange for a transaction included in Rules, 2000 without the prior approval of Government of India: of the FEM (Current Account Transactions)

- (A) Schedule I
- (B) Schedule II
- (C) Schedule III
- (D) Schedule IV

?

Question 2: [Easy]

No person shall draw foreign exchange for a transaction included in the Schedule II of the FEM (Current Account Transactions) Rules, 2000 without prior approval of:

- (A) The Authorised Person
- (B) The Reserve Bank of India
- (C) The Government of India
- (D) The Foreign Exchange Dealers Association of India

?

Question 3: [Medium]

Making any payment to, or for the credit of any person, or receiving any payment for, by order or on behalf of any person, or drawing, issuing or negotiating any bill of exchange or promissory note, or transferring any security or acknowledging any debt, is called as:

- (A) Financial Commitment
- (B) Financial Instruments
- (C) Financial Transaction
- (D) Financial Promises

?

Question 4: [Medium]

Which among the following is not treated as Capital Account Transaction:

- (A) A transaction which alters the assets outside India of persons resident in India
- (B) A transaction which alters the contingent liabilities outside India of persons resident in India
- (C) A transaction which alters the liabilities in India of persons resident outside India
- (D) A transaction of remittance for living expenses of parents residing abroad

?

Question 5: [Medium]

Which among the following is not prohibited under the FEM (Current Account Transactions) Rules, 2000:

- (A) Remittance for purchase of lottery tickets, banned / proscribed magazines, football pools, sweepstakes etc.
- (B) Expenses of USD 2,00,000 in connection with medical treatment abroad
- (C) Payment related to "Call Back Services" of telephones
- (D) Remittance of interest income on funds held in Non-Resident Special Rupee Account Scheme

?

Question 6: [Medium]

Which among the following transaction is not prohibited:

- (A) Remittance out of lottery winnings
- (B) Remittance of income from racing
- (C) Availment of foreign exchange of USD 250000 for private visit to Europe
- (D) Remittance of dividend by any company to which the requirement of dividend balancing is applicable

?

Question 7: [Difficult]

A requires U.S. \$ 2,000 for payment related to call back services of telephones. Choose the correct option:

- (A) A cannot obtain US \$ 2,000 for the said purpose as withdrawal of foreign exchange for payment related to call back services of telephone is a prohibited transaction.
- (B) A can freely withdraw the amount freely for the said purpose
- (C) A can obtain US \$ 2,000 for the said purpose as withdrawal of foreign exchange for payment related to call back services of telephone can be done with the prior approval of Central Government.
- (D) A can obtain US \$ 2,000 for the said purpose as withdrawal of foreign exchange for payment related to call back services of telephone can be done since the amount is less than USD 2,50,000.

?

Question 8: [Difficult]

Every drawal of foreign exchange for transactions included in Schedule III of the FEM (Current Account Transactions) Rules, 2000 shall require prior approval of RBI. Which among the following transaction no approval of RBI is required:

- (A) Where the payment is made out of funds held in Resident Foreign Currency (RFC) Account of the remitter.
- (B) Where the remittance of USD 275000 is made for maintenance of close relatives abroad
- (C) Where the drawal of foreign currency of USD 400000 is for studies abroad
- (D) Drawal of USD 260000 for private visit to USA

?

Question 9: [Difficult]

Which among the following transaction is not termed as Current Account Transaction:

- (A) Payments due in connection with foreign trade, other current business, services, and short-term banking and credit facilities in the ordinary course of business
- (B) Payments due as interest on loans and as net income from investments
- (C) Expenses in connection with foreign travel, education and medical care of parents, spouse and children
- (D) Changes in alteration of contingent liabilities outside India of persons resident in India

Q. No.	Answer	Remarks
1.	(B)	-
2.	(C)	-
3.	(C)	-
4.	(D)	-
5.	(B)	-
6.	(C)	-
7.	(A)	-
8.	(A)	-
9.	(D)	-


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(AUDIT AND AUDITORS)

?

Question 1: [Easy]

The auditor of the Govt. co. shall be appointed and re-appointed by:

- (A) The Central Govt.
- (B) Comptroller and Auditor General of India (CAG)
- (C) Central Govt. on the advice of Comptroller and Auditor General of India
- (D) Chairman of the board of directors

?

Question 2: [Easy]

Every co. shall, at the first AGM, appoint an individual or a firm as an auditor who shall hold office from the conclusion of that meeting till the conclusion of its:

- (A) Second AGM
- (B) Fourth AGM
- (C) Sixth AGM
- (D) Eight AGM

(COMPANIES INCORPORATED OUTSIDE INDIA)

?

Question 3: [Easy]

Who may exempt any class of Foreign Company:

- (A) The Registrar of Companies
- (B) The Regional Director
- (C) The Central Government
- (D) The President of India

?

Question 4: [Easy]

A foreign company shall in every make out a balance sheet and profit and loss account and the prescribed documents and deliver a copy those documents to the Registrar:

- (A) Financial Year
- (B) Calendar Year
- (C) Fiscal Year
- (D) Lunisolar Year

Q. No.	Answer	Remarks
1.	(B)	-
2.	(C)	-
3.	(C)	-
4.	(B)	-