



## Dr.G.R.Damodaran College of Science

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II B.COM (AM) [2016-2019]

Semester III

Core:COMPANY LAW AND SECRETARIAL PRACTICE – 313C

Multiple Choice Questions.

1. What is known as a charter of a Company?

- A. Memorandum of Association
- B. Bye laws
- C. Articles of Association
- D. Prospectus.

ANSWER: A

2. The dividend on preference capital is paid\_\_\_\_\_

- A. whenever there are profits
- B. when there is loss
- C. even if there are no profits
- D. after dividend is paid to equity shares

ANSWER: A

3. minimum paid up capital for a public company

- A. 500000
- B. 400000
- C. 300000
- D. 200000

ANSWER: A

4. The minimum number of persons required to form a private company is \_\_\_\_\_.

- A. 7
- B. 2
- C. 3
- D. 4

ANSWER: B

5. Table A of the companies Act presents a model\_\_\_\_\_.

- A. minute book .
- B. form of balance sheet
- C. memorandum of association
- D. articles of association

ANSWER: D

6. The \_\_\_\_\_defines the scope of a companys activities.

- A. prospectus

- B. statutory declaration
- C. memorandum of association
- D. articles of association

ANSWER: C

7. The \_\_\_\_\_ defines a company's relations with the outside world.

- A. prospectus .
- B. memorandum of association.
- C. articles of association .
- D. statement in lieu of prospectus .

ANSWER: B

8. \_\_\_\_\_ contains a model form of memorandum of association of a company limited by shares.

- A. Table A.
- B. Table B.
- C. Table C.
- D. Table D.

ANSWER: B

9. The articles of association establish the relationship between\_\_\_\_\_.

- A. the company and its members .
- B. the company and outsiders.
- C. the company and its members and members inter .
- D. the company and other companies .

ANSWER: C

10. The objects clause of the memorandum of association can be altered by a/an\_\_\_\_\_.

- A. ordinary resolution
- B. special resolution
- C. special resolution and confirmation by Registrar of companies
- D. special resolution and confirmation by the company Law Board

ANSWER: D

11. If the articles of association do not authorize a change in capital then to alter the company's capital \_\_\_\_\_.

- A. . table A may be adopted .
- B. . the articles may be ignored as they are not legally binding
- C. the articles should be altered .
- D. permission is to be got from the registrar of companies.

ANSWER: C

12. The share capital of a company may be reduced by\_\_\_\_\_.

- A. an ordinary resolution
- B. a special resolution .
- C. a resolution of the board of directors .
- D. obtaining permission from the company law board

ANSWER: B

13. The articles of association can be altered by\_\_\_\_\_.

- A. a resolution of the board of directors .
- B. an ordinary resolution in general meeting .

- C. a special resolution in general meeting .
- D. obtaining permission from the company law board .

ANSWER: C

14. Any outsider dealing with the company is deemed to have knowledge of its Memorandum and articles, according to the \_\_\_\_\_.

- A. principle of constructive notice.
- B. principle of management by exception .
- C. doctrine of indoor management .
- D. notice.

ANSWER: A

15. A foreign company means a company incorporated \_\_\_\_\_ India and having a place of business \_\_\_\_\_ India .

- A. outside, outside.
- B. in, in .
- C. in , outside .
- D. outside, in .

ANSWER: D

16. The \_\_\_\_\_ constitute the top administrative organ of the company. .

- A. general manager .
- B. shareholders.
- C. board of directors .
- D. advisory panel .

ANSWER: C

17. As per the companies Act, what is the maximum number of directors a public Company can have ?

- A. Four.
- B. Ten.
- C. Fifty .
- D. No limit is prescribed.

ANSWER: D

18. Who/what appoints the first directors of a company ?

- A. The shareholders in general meeting .
- B. The Registrar of companies .
- C. The articles of association .
- D. The promoters .

ANSWER: D

19. The companies Act provisions as to qualification shares do not apply to \_\_\_\_\_.

- A. independent private companies .
- B. directors appointed by the union government.
- C. directors representing special interests .
- D. all of the above .

ANSWER: D

20. The shareholders at a general meeting can remove\_\_\_\_\_.

- A. a director representing the debentureholders interest .
- B. a director of a private company holding office for life on april 1,1952.

- C. a director appointed by the union government under sec. 408
- D. an additional director appointed by the board of directors

ANSWER: D

21. What is the maximum term of appointment of a managing director of a public Company ?

- A. Two years at a time .
- B. Five years at a time .
- C. Ten years at a time .
- D. Lifelong .

ANSWER: B

22. A person cannot act as managing director of more than \_\_\_\_\_company /companies at a time.

- A. one .
- B. two .
- C. four.
- D. five.

ANSWER: B

23. A promoter is a person who \_\_\_\_\_.

- A. is a director .
- B. is a relative of the company .
- C. is a wellwisher of the company .
- D. takes part in the companys incorporation .

ANSWER: D

24. The amount of minimum subscription may be learnt from the \_\_\_\_\_.

- A. prospectus.
- B. memorandum of association.
- C. articles of association .
- D. records of general meetings .

ANSWER: A

25. When can a private company commence business ?

- A. at any time .
- B. after applying for registration.
- C. after obtaining the certificate of incorporation.
- D. after obtaining the certificate of commencement of business .

ANSWER: C

26. The doctrine of indoor management means\_\_\_\_\_.

- A. strangers dealing with the company may assume that everything is done regularly
- B. strangers must enquire into the regularity of proceedings .
- C. strangers can afford to be negligent as regularity is the companys responsibility .
- D. constructive notice

ANSWER: A

27. The doctrine of constructive notice implies that \_\_\_\_\_.

- A. every person dealing with the company is deemed to have notice of the documents filed
- B. with the registrar of companies
- C. regularity of proceedings need be enquired into a notice of a weeks period is to be given for every exchange of correspondence

D. indoor management

ANSWER: A

28. An exception to the doctrine of constructive notice is \_\_\_\_\_.

- A. the doctrine of ultra vires .
- B. the doctrine of indoor management .
- C. lifting the corporate veil .
- D. the doctrine of ultra vires in Articles of Association.

ANSWER: B

29. Protection can be claimed under the doctrine of constructive notice if \_\_\_\_\_.

- A. the act is voidable .
- B. no inquiries are made.
- C. no inquiries are made.
- D. resolution.

ANSWER: C

30. A prospectus is to be issued within \_\_\_\_\_ days of registration.

- A. 30.
- B. 60.
- C. 90.
- D. 180.

ANSWER: C

31. A letter of provide must be demanded in the transmission of shares when a person \_\_\_\_\_.

- A. is declared insolvent .
- B. misbehaves .
- C. becomes of unsound mind .
- D. has died .

ANSWER: D

32. A company shall not proceed to allot shares until the beginning of the \_\_\_\_\_ day from the date of issue of prospectus

- A. second .
- B. third .
- C. Afifth.
- D. seventh.

ANSWER: A

33. The Return of document is to be filed with the Registrar in the case of \_\_\_\_\_.

- A. allotment of debentures
- B. reissue of forfeited shares
- C. issue of shares
- D. all of the above

ANSWER: C

34. The minimum subscription is to be received within \_\_\_\_\_ days of the offer.

- A. 30.
- B. 60.
- C. 120.
- D. 150.

ANSWER: C

35. The private company requires conversion of a public company into a \_\_\_\_\_.
- A. an ordinary resolution .
  - B. a special resolution
  - C. a special resolution and union governments approval
  - D. a special resolution and company law board approval

ANSWER: C

36. A private company is to become a public company if its average turnover in the previous three years exceeds\_\_\_\_\_.
- A. Rs. 4 crore.
  - B. Rs. 8 crore
  - C. Rs. 10 crore
  - D. Rs. 50 crore .

ANSWER: C

37. The charter of a company refers to its \_\_\_\_\_.
- A. prospectus.
  - B. memorandum of association
  - C. articles of association
  - D. statement in lieu of a prospectus

ANSWER: B

38. The doctrine of constructive notice refers to notice\_\_\_\_\_.
- A. to public in advance of issue of shares
  - B. to registrar of change in objects clause
  - C. to the union government regarding foreign equity
  - D. to outsiders as to the contents of the memorandum and articles

ANSWER: D

39. A company is registered with a share capital of Rs. 1,00,000 divided into 1,000 Shares of Rs. 100 each. If X holds 999 shares and Y has only one share, the law would regard this as a/an\_\_\_\_\_.

- A. illegal association
- B. monopoly .
- C. partnership .
- D. private company

ANSWER: D

40. .A company limited by guarantee and having a share capital\_\_\_\_\_.
- A. can be only a public company .
  - B. can be only private company.
  - C. may be both a public company or a private company
  - D. can be joint stock company.

ANSWER: C

41. .A public company can be converted into a private company by passing \_\_\_\_\_.
- A. a special resolution to alter the article to include the restrictions on private companies .
  - B. an ordinary resolution.
  - C. a special resolution to alter the Articles and obtaining the approval of the central government
  - D. by passing a special resolution and obtaining the approval of the company Law Board

ANSWER: C

42. The liability of a shareholder in a company limited by shares is \_\_\_\_\_.
- A. unlimited .
  - B. limited by guarantee.
  - C. limited to the unpaid value of shares subscribed by him.
  - D. none of the above.

ANSWER: C

43. A company may change its name by passing \_\_\_\_\_.
- A. a special resolution .
  - B. an ordinary resolution
  - C. a special as well an ordinary resolution as the case may be .
  - D. a unanimous resolution of the board of directors.

ANSWER: C

44. An act is said to be ultra vires a company when it is beyond the powers \_\_\_\_\_.
- A. of the company
  - B. of the directors .
  - C. of the directors but not the company.
  - D. conferred on the company by the Articles.

ANSWER: A

45. The altered Memorandum must be filed with the Registrar within \_\_\_\_\_.
- A. 1 month of the company Law Boards order .
  - B. 2 months of the company Law Boards order.
  - C. 3 months of the company Law Boards order.
  - D. 4 months of the company Law Boards order.

ANSWER: C

46. Which of the following companies need not have their own articles of Association ?
- A. . unlimited companies.
  - B. companies limited by guarantee.
  - C. private companies limited by shares.
  - D. public companies limited by shares.

ANSWER: D

47. A statement in lieu of prospectus is required to be issued \_\_\_\_\_.
- A. by all companies which issue shares or debentures
  - B. by public companies when shares are issued among friends and relatives.
  - C. by private companies as they do not issue shares to the public
  - D. by all companies

ANSWER: B

48. Underwriting means \_\_\_\_\_.
- A. selling shares at a discount .
  - B. purchasing property at less than market price.
  - C. agreeing to purchase shortfall of shares in a company in case of under subscription
  - D. offering new shares to outsiders

ANSWER: C

49. The underwriting commission paid or agreed to be paid must not exceed \_\_\_\_\_.
- A. 2 percent of the issue price of the shares.
  - B. 2.5 percent of the issue price of the shares
  - C. 5 percent of the issue price of the shares.
  - D. 10 percent of the issue price of the shares.

ANSWER: C

50. Share capital of a company means\_\_\_\_\_.
- A. equity share capital .
  - B. preference share capital
  - C. equity and preference share capital .
  - D. equity and preference share capital and debentures.

ANSWER: C

51. A shareholder in a company\_\_\_\_\_.
- A. can be its debentureholder
  - B. cannot be its debentureholder
  - C. alone can become its debentureholder
  - D. must also become its debentureholder within a year of being a shareholder.

ANSWER: A

52. The dividend on preference capital is paid\_\_\_\_\_.
- A. whenever there are profits
  - B. only if there are profits.
  - C. even if there are no profits.
  - D. only when the directors recommend it .

ANSWER: D

53. A Company at least 51% of whose share capital is held by the government, is called a\_\_\_\_\_.
- A. public enterprise.
  - B. public company.
  - C. public corporation.
  - D. government company.

ANSWER: D

54. A private company \_\_\_\_\_ issue deferred shares with disproportionate voting rights.
- A. can only .
  - B. can.
  - C. cannot.
  - D. can with the prior approval of the government.

ANSWER: A

55. The name of a company can be changed by \_\_\_\_\_.
- A. an ordinary resolution.
  - B. a special resolution.
  - C. the approval of the union government .
  - D. a special resolution and with the approval of the union government.

ANSWER: A

56. A change in a companys registered office from one state to another may be effected by\_\_\_\_\_.
- A. an ordinary resolution.

- B. a resolution of the board of directors.
  - C. a special resolution
  - D. a special resolution and confirmation from the company law board
- ANSWER: C

57. Table A of the companies Act presents a model\_\_\_\_\_.
- A. minute book.
  - B. form of balance sheet.
  - C. memorandum of association.
  - D. articles of association.
- ANSWER: D

58. When is a company said to have been registered?
- A. when it files the memorandum of association with the registrar if companies.
  - B. when it gets the certificate of incorporation.
  - C. when it gets the certificate of commencement of business
  - D. when it actually starts its business
- ANSWER: A

59. Shares can be issued\_\_\_\_\_.
- A. at par.
  - B. at discount.
  - C. at premium.
  - D. all of the above.
- ANSWER: D

60. doctrine of ultra vires mean
- A. beyond the power
  - B. no power
  - C. with in the power
  - D. none
- ANSWER: A

61. . The debenture holders of a company are companys\_\_\_\_\_.
- A. owners.
  - B. creditors.
  - C. customers.
  - D. all of these .
- ANSWER: B

62. . A company secretary has to be\_\_\_\_\_.
- A. firm or body corporate
  - B. registered with securities. and exchange board of India (sebi).
  - C. person with desired professional degree
  - D. part of any secretarial agency
- ANSWER: C

63. Annual General Meeting can be called by\_\_\_\_\_.
- A. anaging director.
  - B. shareholders.
  - C. board of directors.

D. company secretary.

ANSWER: D

64. A share certificate is required to be signed by\_\_\_\_\_.

- A. company secretary.
- B. two directors.
- C. two directors and company secretary.
- D. all directors and company secretary.

ANSWER: C

65. The duties of Company Secretary s regarding company meetings are restricted upto\_\_\_\_\_.

- A. before company meeting.
- B. during company meeting
- C. after company meeting.
- D. In all the above situations.

ANSWER: D

66. . Transmission of shares takes place in the following case\_\_\_\_\_.

- A. sale of shares.
- B. theft of shares.
- C. operation of any law.
- D. all of these.

ANSWER: C

67. A shareholder in a company\_\_\_\_\_.

- A. can be its debentureholder.
- B. cannot be its debentureholder.
- C. alone can become its debentureholder.
- D. must also become its debentureholder within a year of being a shareholder

ANSWER: B

68. The dividend on preference capital is paid\_\_\_\_\_.

- A. whenever there are profits.
- B. only if there are profits.
- C. even if there are no profits.
- D. only when the directors recommend it

ANSWER: D

69. A Company at least 51% of whose share capital is held by the government, is called a\_\_\_\_\_.

- A. public enterprise.
- B. public company.
- C. public corporation.
- D. . government company.

ANSWER: D

70. .A private company \_\_\_\_\_issue deferred shares with disproportionate voting rights.

- A. can ony
- B. can.
- C. cannot.
- D. can with the prior approval of the government.

ANSWER: A

71. The name of a company can be changed by\_\_\_\_\_.
- A. an ordinary resolution.
  - B. a special resolution
  - C. the approval of the union government .
  - D. . a special resolution and with the approval of the union government.

ANSWER: A

72. A change in a companys registered office from one state to another may be effected by\_\_\_\_\_.
- A. an ordinary resolution.
  - B. a resolution of the board of directors.
  - C. a special resolution.
  - D. a special resolution and confirmation from the company law board

ANSWER: C

73. Shares can be issued\_\_\_\_\_.
- A. at par.
  - B. at discount.
  - C. at premium.
  - D. all of the above.

ANSWER: D

74. a company (amendment) passed on the year .....
- A. 1988
  - B. 1989
  - C. 1986.
  - D. 1985

ANSWER: A

75. After re-issue of forfeited shares the balance of forfeited share account is transferred to\_\_\_\_\_.
- A. general reserve.
  - B. profit & loss a/c.
  - C. capital reserve.
  - D. none of these.

ANSWER: C

76. . The debenture holders of a company are companys\_\_\_\_\_.
- A. owners.
  - B. creditors
  - C. customers.
  - D. all of these

ANSWER: B

77. . A company secretary has to be\_\_\_\_\_.
- A. firm or body corporate.
  - B. registered with securities and exchange board of india (sebi).
  - C. person with desired professional degree
  - D. . part of any secretarial agency.

ANSWER: C

78. Annual General Meeting can be called by\_\_\_\_\_.

- A. managing director.
- B. shareholders.
- C. board of directors.
- D. company secretary.

ANSWER: D

79. A share certificate is required to be signed by\_\_\_\_\_.

- A. company secretary.
- B. two directors
- C. two directors and company secretary.
- D. all directors and company secretary.

ANSWER: C

80. . Company Secretary should have sound knowledge of\_\_\_\_\_.

- A. company law.
- B. tax laws
- C. labour laws.
- D. all of these.

ANSWER: A

81. . The duties of Company Secretary s regarding company meetings are restricted upto\_\_\_\_\_.

- A. before company meeting
- B. during company meeting
- C. after company meeting.
- D. In all the above situations

ANSWER: D

82. To enable a company to pay dividends, a special authority is \_\_\_\_\_.

- A. not needed either in the memorandum or in the articles
- B. needed either in the memorandum or in the articles
- C. needed only in the memorandum
- D. needed only in the articles.

ANSWER: A

83. According to the companies act, which one of the following companies can commence allotment of shares even before the minimum subscription is subscribed or paid?

- A. Chartered company.
- B. Private company.
- C. Government company
- D. Public limited company

ANSWER: B

84. Which one of the following companies deal with only its shareholders for their benefit?

- A. Private limited company.
- B. Chit fund company
- C. Nidhi company.
- D. Banking company.

ANSWER: C

85. Those companies which can register themselves without the word limited under license granted by the central government are\_\_\_\_\_.

- A. private companies
- B. charitable companies.
- C. public companies.
- D. trust.

ANSWER: B

86. Which of the following reports is to be placed before the parliament by a government company?

- A. Directors report.
- B. Annual report.
- C. Income report.
- D. Statutory report.

ANSWER: B

87. . Share premium received by issuing shares can be used for\_\_\_\_\_.

- A. payment of dividend
- B. issue of bonus share.
- C. remuneration to management.
- D. any business purpose

ANSWER: B

88. . Which of the following document is known as doctrine of constructive notice?

- A. The prospectus of the company
- B. The certificate of commencement of business.
- C. The memorandum and the articles of association.
- D. List of working directors.

ANSWER: C

89. Under the companies act, which of the following powers can be exercised by the board of directors?

- A. Power to sell any of the companies undertaking
- B. Power to make call.
- C. Power to borrow money in excess of the paid up capital.
- D. Power to reappoint on auditor

ANSWER: B

90. The statutory meeting of the company must held within six months\_\_\_\_\_.

- A. . from filling of statement in lieu of the prospectus.
- B. a. of obtaining the certificate of commencement of business.
- C. a. of obtaining the certificate of incorporation
- D. from the date when the first board of directors meeting was held.

ANSWER: B

91. . The liability of shareholders of a public company is limited to the \_\_\_\_\_.

- A. paid up value of shares
- B. nominal value of shares
- C. extent of their private assets
- D. amounts called up.

ANSWER: D

92. Which one of the following statements is not connected with the conversion of shares into stock and reconversion into shares?

- A. Only shares that are fully paid up can be converted into stock.

- B. Articles of Association shall permit such conversion through a special resolution
- C. Conversion can take place by passing an ordinary resolution as provided in the Article
- D. Memorandum of Association shall permit such conversion.

ANSWER: D

93. When a person transacts with a company on a matter which is beyond the power of the company, the person will be governed by the doctrine of \_\_\_\_\_.

- A. indoor management.
- B. self-assessment
- C. constructive notice.
- D. management by exception.

ANSWER: C

94. Which one of the following statements illustrates the doctrine of indoor management?

- A. Person dealing with the company is bound to enquire into the regularity of the internal proceedings.
- B. Persons dealing with the company are bound to enquire as to whether the general meeting of the shareholders was convened on proper notice
- C. Persons dealing with the company are entitled to assume that what has been done has been regularly done by the company and therefore they can hold the company liable even if the internal formalities are found not to have been completed
- D. Persons dealing with the company can easily assume that all acts done are intra-vires the company

ANSWER: D

95. . Rights shares means the shares which are \_\_\_\_\_.

- A. issued to the directors of the company
- B. first offered to the debentureholders
- C. first offered to the existing shareholders
- D. issued by a newly formed company

ANSWER: C

96. Which of the following is not an ownership security?

- A. equity shares .
- B. debentures.
- C. preference shares .
- D. None of the above.

ANSWER: B

97. . In which of the following, interest and dividend is payable even if the company does not earn profit?

- A. equity capital
- B. preference capital.
- C. debentures.
- D. bonds

ANSWER: C

98. Control of management of the company mainly vests in\_\_\_\_\_.

- A. equity shareholders.
- B. preference shareholders
- C. debenture holders
- D. All of these.

ANSWER: A

99. Public deposits obtained by a company means\_\_\_\_\_.

- A. deposits received from Government
- B. deposits received from public at large.
- C. deposits received from stockists and agent as advance.
- D. all of these.

ANSWER: B

100. . The liability of shareholders of a public company is limited to the\_\_\_\_\_.

- A. paid up value of shares.
- B. nominal value of shares
- C. extent of their private assets.
- D. amounts called up.

ANSWER: B

101. . The most important advantage of a joint stock company form of business organization is that\_\_\_\_\_.

- A. the liability of its member is limited.
- B. members can conveniently transfer their shares
- C. it offers infinite scope for expansion.
- D. it mobilises vast amount of financial resources.

ANSWER: D

102. . A Government company is one in which\_\_\_\_\_.

- A. the entire share capital is held by the central and / or state government.
- B. 50% of capital is held by central government and the remaining 50% by one or more state governments
- C. at least 51% of the capital is held by central and / or state governments.
- D. none of these.

ANSWER: C

103. The existence of a joint stock company is interrupted by\_\_\_\_\_.

- A. the death of its members
- B. the death of its directors.
- C. the death or insolvency of its manigins; director.
- D. none of these

ANSWER: C

104. . Which of the following methods is not used for raising capital through the sale of new securities?

- A. by issue of prospectus
- B. Rights issue.
- C. Stock exchange placing
- D. Private placing.

ANSWER: C

105. . Which of the following is an example of a company incorporated by a special act of Parliament?

- A. Delhi Cloth and General Mills Ltd.
- B. Tata Iron and Steel Co. Ltd
- C. Industrial Finance Corporation of india Ltd.
- D. Swadesh Cotton Mills Ltd.

ANSWER: C

106. . Dividend on preference capital will be paid \_\_\_\_\_.

- A. only when there are profits.
- B. even if there are no profits.
- C. only when directors recommend.
- D. only when share holders recommend.

ANSWER: D

107. The Articles of association establishes relationship between \_\_\_\_\_.

- A. company and its members.
- B. company and outsiders
- C. company and its members and members inter se.
- D. general public company

ANSWER: C

108. Articles of Association can be altered by \_\_\_\_\_

- A. a resolution of the board of directors.
- B. an ordinary resolution in general meeting.
- C. a special resolution i.n general meeting
- D. obtaining permission from the company law board.

ANSWER: C

109. . Which of the following companies must file a statement in lieu of prospectus?

- A. a company which has issued a prospectus.
- B. a public company which has not issued a prospectus
- C. a private limited company.
- D. all of these.

ANSWER: B

110. Which of the following is the top administrative organ of the company \_\_\_\_\_.

- A. shareholders .
- B. managing director.
- C. bord of director.
- D. general manager

ANSWER: C

111. . Promoter is a person who\_\_\_\_\_.

- A. takes part in the incorporation of a company.
- B. is a director.
- C. is a relative of the managing director.
- D. works to siva publicity to the co.

ANSWER: A

112. . The doctrine of indoor management means\_\_\_\_\_.

- A. so far as the internal proceeding are concerned strangers dealing with the company are entitled to assume that everything is down regularly
- B. regularity of internal proceedings must be inquired into before dealing with the company.
- C. internal management.
- D. external management.

ANSWER: A

113. . Name of a company can be altered by \_\_\_\_\_.

- A. an ordinary resolution
- B. a special resolution.
- C. an approval of the central government
- D. a special resolution and with the approval of the central government.

ANSWER: A

114. Articles of Association establishes relationship between\_\_\_\_\_.

- A. a company and its members .
- B. company and outsiders.
- C. company and creditors.
- D. company and the government

ANSWER: A

115. Who can appoint a company secretary under the companies Act 1956?

- A. Share holders
- B. Managing director
- C. Board of directors
- D. Registrar of companies

ANSWER: C

116. The liability of shareholder of a public company is limited to the \_\_\_\_\_.

- A. paid up value of the shares.
- B. nominal value of the shares.
- C. extent of the assets of the shareholders
- D. amount called up.

ANSWER: B

117. . The Statutory meeting is required to be held by\_\_\_\_\_.

- A. only public Companies.
- B. only private companies
- C. company limited by shares
- D. company limited by guarantee

ANSWER: A

118. . The first annual general meeting must be held within\_\_\_\_\_.

- A. 15 months of its incorporation.
- B. 18 months of its incorporation
- C. 16 months of its incorporation.
- D. one year of its incorporation .

ANSWER: A

119. . The notice of general meeting of a company must be given at least\_\_\_\_\_.

- A. 7 days .
- B. 15 days.
- C. 21 days.
- D. 30 days.

ANSWER: C

120. . The quorum for a board meeting is\_\_\_\_\_.

- A.  $\frac{1}{3}$  of the total strength of board or 2 directors which ever is higher
- B.  $\frac{1}{5}$  of the total strength.

- C. three directors
- D. five directors.

ANSWER: A

121. The books of account of a company must be reserved for a persons of not less than\_\_\_\_\_.

- A. 3 years.
- B. 5 years.
- C. 8 years.
- D. 9 years.

ANSWER: C

122. The first auditor of a company are appointed by\_\_\_\_\_.

- A. board of directors
- B. Members.
- C. central govt.
- D. state government

ANSWER: A

123. . Minutes of the board meeting of a company\_\_\_\_\_.

- A. Must be written in the minute book.
- B. May be a recorded in minute book.
- C. May be maintained in loose sheets
- D. must be written in official book .

ANSWER: A

124. The secretary of a company maybe \_\_\_\_\_.

- A. only an individual.
- B. only body corporate
- C. group of persons.
- D. Shareholders.

ANSWER: A

125. A company may change its name by passing\_\_\_\_\_.

- A. an ordinary resolution.
- B. a special resolution.
- C. a special notice.
- D. both 1 and 2 .

ANSWER: A

126. . An act is said to ultra-vires the company when it is beyond the power\_\_\_\_\_.

- A. of the company.
- B. of the power conferred by the articles of association.
- C. of the directors.
- D. conferred on the company by the articles.

ANSWER: A

127. . A statement in lieu of prospectus is required to be issued by\_\_\_\_\_.

- A. all companies which issue securities.
- B. public companies when securities are issued among friends and associates.
- C. Private companies as they do not issue shares to the public
- D. holding company.

ANSWER: B

128. The capital of a company can be reduced with the confirmation of\_\_\_\_\_.

- A. the court .
- B. the Registrar of companies.
- C. the company law-Board.
- D. the govt

ANSWER: A

129. Shares can be forfeited by passing \_\_\_\_\_.

- A. an ordinary resolution.
- B. a board resolution
- C. special resolution.
- D. special notice.

ANSWER: B

130. . The minimum number of persons required to form a public Ltd company is\_\_\_\_\_.

- A. 2
- B. 7
- C. 8
- D. 10

ANSWER: B

131. share warrants can be issued only by a \_\_\_\_\_.

- A. public Ltd company.
- B. govt company.
- C. private company
- D. none

ANSWER: A

132. .General meeting refers to \_\_\_\_\_.

- A. Shareholders meetings .
- B. Directors meetings.
- C. Creditors meetings.
- D. Debenture holder meetings.

ANSWER: A

133. . Statutory meeting is held\_\_\_\_\_.

- A. every year
- B. once in the life time of the company
- C. occasionally
- D. half yearly.

ANSWER: B

134. . Casting vote is exercised by \_\_\_\_\_.

- A. directors
- B. members
- C. chairman of the meeting
- D. cretaryse

ANSWER: C

135. . The casual vacancy in the office of director caused by resignation can be filled in only by\_\_\_\_\_.

- A. the directors
- B. . the government
- C. the shareholders.
- D. the promoters.

ANSWER: A

136. The concept of qualification shares does not apply to\_\_\_\_\_.

- A. private ltd. co
- B. public ltd. co.
- C. government co.
- D. holding co.

ANSWER: A

137. Minutes are prepared by Auditors are appointed to\_\_\_\_\_.

- A. secretary.
- B. chairman.
- C. board of directors
- D. none of the above.

ANSWER: A

138. . Dividend is\_\_\_\_\_.

- A. declared by the shareholders in the annual general meeting.
- B. recommended by the government agencies.
- C. Declared by the board of directors
- D. declared by the secretary.

ANSWER: A

139. Winding up of a company\_\_\_\_\_.

- A. precedes its dissolution
- B. dissolution are interchangeably used
- C. is different from dissolution .
- D. . it means liquidation of company.

ANSWER: D

140. Compulsory winding up is otherwise known as\_\_\_\_\_.

- A. winding up by the national company law tribunal.
- B. coercive winding up.
- C. mandatory winding up.
- D. members voluntary winding up.

ANSWER: A

141. . The time gap between two annual general meetings shall not exceed \_\_\_\_\_

- A. 10 months.
- B. 12 months.
- C. 15 months.
- D. 18months.

ANSWER: C

142. . There shall be at least \_\_\_\_\_ board meeting every year.

- A. 6
- B. 9
- C. 4
- D. 5

ANSWER: C

143. The concept of retirement by rotation does not apply to \_\_\_\_\_.

- A. private co.
- B. public co
- C. government co.
- D. holding company.

ANSWER: A

144. . A special resolution must be filed with the registrar for registration with in \_\_\_\_\_.

- A. 10 days.
- B. 12 days.
- C. 15 days.
- D. 30days.

ANSWER: D

145. . A company cannot appoint simultaneously managing directors and\_\_\_\_\_.

- A. manager.
- B. secretary.
- C. marketing manager.
- D. supervisor.

ANSWER: A

146. The Annual general meeting (AGM) is defined under\_\_\_\_\_.

- A. Sec165.
- B. Sec 166.
- C. Sec167.
- D. Sec 168.

ANSWER: B

147. A resolution passed with 75 per majority is called \_\_\_\_\_.

- A. special resolution
- B. ordinary resolution
- C. resolution requiring special notice.
- D. board resolution

ANSWER: A

148. The term director is defined under section \_\_\_\_\_.

- A. Sec 2(13).
- B. Sec2 (14).
- C. Sec2 (15).
- D. Sec 2(16).

ANSWER: A

149. A list of transaction to take place at a meeting is called\_\_\_\_\_.

- A. minutes.
- B. agenda.

C. quorum.  
D. motions.  
ANSWER: B

150. . Statutory meeting is required to be held by held\_\_\_\_\_

A. all companies.  
B. only public companies.  
C. only private companies .  
D. government companies.  
ANSWER: B

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