



**"A COMPANY'S LEGAL INTEGRITY IS
THE BEDROCK UPON WHICH TRUST
IS BUILT".**

QUESTION BANK ON COMPANY LAW

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COMPANY LAW

UNIT I

1. What is the primary characteristic of a joint stock company?
 - a. Limited liability
 - b. Unlimited liability
 - c. Sole proprietorship
 - d. Partnership
2. Which document contains the rules and regulations governing a joint stock company?
 - a. Memorandum of Association
 - b. Articles of Association
 - c. Prospectus
 - d. Certificate of Incorporation
3. What is the minimum number of members required to form a public limited company?
 - a. 1
 - b. 2
 - c. 3
 - d. 7
4. Which type of shares can be converted into equity shares at the option of the holder?
 - a. Preference shares
 - b. Debentures

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- c. Cumulative shares
 - d. Convertible preference shares
5. What is the term for the first offer of shares to the public by a company?
- a. IPO (Initial Public Offering)
 - b. FPO (Follow-on Public Offering)
 - c. Rights Issue
 - d. Bonus Issue
6. Which type of share capital is not repayable during the lifetime of a company?
- a. Authorized capital
 - b. Issued capital
 - c. Subscribed capital
 - d. Called-up capital
7. What is the maximum number of members in a private limited company?
- a. 10
 - b. 50
 - c. 100
 - d. No limit

8. Who is responsible for the day-to-day management of a joint stock company?
- Board of Directors
 - Shareholders
 - Company Secretary
 - Registrar of Companies
9. Which financial statement provides a snapshot of a company's financial position at a specific point in time?
- Income Statement
 - Cash Flow Statement
 - Balance Sheet
 - Statement of Retained Earnings
10. In a joint stock company, what is the term for the nominal value of a share specified in the Memorandum of Association?
- Face value
 - Market value
 - Book value
 - Par value
11. Which type of dividend is paid at a fixed rate and is not dependent on the company's profits?
- Interim dividend
 - Final dividend
 - Preference dividend
 - Equity dividend

12. What is the process of reducing or eliminating the nominal value of a company's shares called?
- a. Bonus issue
 - b. Share split
 - c. Share buyback
 - d. Share consolidation
13. What is the regulatory body for securities markets in India?
- a. SEBI (Securities and Exchange Board of India)
 - b. RBI (Reserve Bank of India)
 - c. NSE (National Stock Exchange)
 - d. BSE (Bombay Stock Exchange)
14. Which type of shares carry the right to receive the remaining assets of the company after the claims of other shareholders have been met?
- a. Equity shares
 - b. Cumulative preference shares
 - c. Participating preference shares
 - d. Redeemable preference shares
15. What is the maximum number of directors allowed in a public company as per the Companies Act?
- a. 10
 - b. 15
 - c. 20

d. No limit

16. Which meeting must be held by a company at least once in every calendar year?

- a. Board meeting
- b. General meeting
- c. Extraordinary general meeting
- d. Annual general meeting (AGM)

17. What is the term for the process of returning the surplus capital to shareholders by reducing the number of shares without changing the total capital?

- a. Share buyback
- b. Share split
- c. Share consolidation
- d. Bonus issue

18. Which type of company is incorporated with the object of promoting commerce, art, science, religion, charity, or any other useful purpose?

- a. Public limited company
- b. Private limited company
- c. Non-profit company
- d. Government company

19. What is the minimum number of directors required for a public company?
- 2
 - 3
 - 5
 - 7
20. Which financial statement represents the flow of cash into and out of a company during a specific period?
- Balance Sheet
 - Income Statement
 - Cash Flow Statement
 - Statement of Changes in Equity
21. What is the term for the maximum amount of share capital that a company is authorized to issue?
- Issued capital
 - Subscribed capital
 - Authorized capital
 - Called-up capital
22. Which type of company is formed by a special act of the parliament or state legislature?
- Private limited company
 - Public limited company
 - Government company
 - Holding company

23. What is the term for the price at which a new share is offered to the existing shareholders before it is offered to the public?

- a. Market price
- b. Face value
- c. Issue price
- d. Premium

24. What is the minimum number of members required to form a private limited company in most jurisdictions?

- a. 1
- b. 2
- c. 3
- d. 7

25. Which of the following companies can offer its shares to the general public?

- a. Private limited company
- b. Public limited company
- c. Both A and B
- d. Neither A nor B

26. In a private company, who typically has the authority to approve the transfer of shares?

- a. Board of Directors
- b. Shareholders
- c. Government authorities
- d. Company Secretary

27. Which type of company restricts the transferability of shares?
- a. Public limited company
 - b. Private limited company
 - c. Joint stock company
 - d. Partnership firm
28. What is the maximum number of members in a private limited company?
- a. 10
 - b. 50
 - c. 100
 - d. No limit
29. Which company is not required to issue a prospectus before issuing shares to the public?
- a. Private limited company
 - b. Public limited company
 - c. Both A and B
 - d. Neither A nor B
30. Which type of company is allowed to invite the public to subscribe to its shares and debentures through a prospectus?
- a. Private limited company
 - b. Public limited company
 - c. Both A and B

d. Neither A nor B

31. In which company is it easier to maintain confidentiality regarding financial and operational matters?

- a. Private limited company
- b. Public limited company
- c. Both A and B
- d. Neither A nor B

32. Which type of company can issue shares without offering them to the public?

- a. Private limited company
- b. Public limited company
- c. Both A and B
- d. Neither A nor B

33. What is the term for the transfer of shares from one person to another in a private limited company?

- a. Assignment
- b. Transmission
- c. Endorsement
- d. Allotment

34. Which type of company must use the words "Private Limited" or "Pvt Ltd" at the end of its name?

- a. Public limited company
- b. Private limited company

- c. Both A and B
- d. Neither A nor B

35. In which type of company is there typically a closer relationship between shareholders, and they may be involved in day-to-day management decisions?

- a. Public limited company
- b. Private limited company
- c. Both A and B
- d. Neither A nor B

36. Which type of company is required to file its financial statements with the regulatory authorities for public access?

- a. Private limited company
- b. Public limited company
- c. Both A and B
- d. either A nor B

37. What is the minimum number of directors required for a public company in most jurisdictions?

- a. 2
- b. 3
- c. 5
- d. 7

38. Which type of company can have a maximum of 200 members?

- a. Private limited company
- b. Public limited company
- c. Both A and B
- d. Neither A nor B

39. Which company is required to issue a prospectus before inviting the public to subscribe to its shares and debentures?

- a. Private limited company
- b. Public limited company
- c. Both A and B
- d. Neither A nor B

40. In which company can shares be freely transferred without the need for approval from the company's board?

- a. Private limited company
- b. Public limited company
- c. Both A and B
- d. Neither A nor B

41. Which type of company is prohibited from inviting the public to subscribe to its shares and debentures?

- a. Private limited company
- b. Public limited company
- c. Both A and B

d. Neither A nor B

42. What is the term for the process of converting a private company into a public company?

- a. Amalgamation
- b. Conversion
- c. Merger
- d. Acquisition

43. In which company can the public freely buy and sell shares on the stock exchange?

- a. Private limited company
- b. Public limited company
- c. Both A and B
- d. Neither A nor B

44. Which type of company often has a more complex and rigorous regulatory framework to comply with?

- a. Private limited company
- b. Public limited company
- c. Both A and B
- d. Neither A nor B

45. Which company can raise capital by issuing shares and debentures to the public without obtaining the consent of existing shareholders?

- a. Private limited company
- b. Public limited company

- c. Both A and B
- d. Neither A nor B

46. Which type of company has more stringent disclosure requirements regarding its financial performance and operations?

- a. Private limited company
- b. Public limited company
- c. Both A and B
- d. Neither A nor B

47. Which type of company is generally more suitable for small businesses and family enterprises?

- a. Private limited company
- b. Public limited company
- c. Both A and B
- d. Neither A nor B

48. In which type of company do shareholders have limited liability, protecting their personal assets from the company's debts?

- a. Private limited company
- b. Public limited company
- c. Both A and B
- d. Neither A nor B

49. In which year was the Companies Act of 2013 enacted in India?

- a. 2009
- b. 2011
- c. 2013
- d. 2015

50. The Companies (Amendment) Act, 2015 introduced significant changes to the Companies Act of 2013. What was the primary objective of these amendments?

- a. Simplifying compliance procedures
- b. Strengthening corporate governance
- c. Enhancing penalties for non-compliance
- d. All of the above

51. Which of the following was a key change introduced by the Companies (Amendment) Act, 2015 with regard to corporate social responsibility (CSR)?

- a. Mandating CSR for all companies
- b. Reducing the CSR spending requirement
- c. Allowing CSR spending only for profit-making companies
- d. Excluding CSR provisions for private companies

52. The Companies (Amendment) Act, 2015 introduced the concept of "One Person Company" (OPC). What is the maximum number of directors allowed in an OPC?

- a. 1
- b. 2
- c. 3
- d. 5

52. Which section of the Companies Act, 2013, was amended to include the requirement for the appointment of Independent Directors in certain classes of companies?

- a. Section 149
- b. Section 164
- c. Section 185
- d. Section 188

53. The Companies (Amendment) Act, 2015 introduced the concept of a "Debenture Redemption Reserve" (DRR). What is the purpose of this reserve?

- a. To redeem preference shares
- b. To redeem debentures
- c. To pay dividends
- d. To invest in government securities

54. Under the Companies (Amendment) Act, 2015, what change was made to the definition of the term "Related Party" in the Companies Act, 2013?

- a. Broadening the definition
- b. Narrowing the definition
- c. Excluding certain relationships
- d. No change to the definition

55. The Companies (Amendment) Act, 2015 introduced the concept of "small companies" with certain relaxations. What is the maximum limit of paid-up capital for a company to qualify as a small company?

- a. Rs. 5 lakh
- b. Rs. 25 lakh
- c. Rs. 50 lakh
- d. Rs. 1 crore

56. Which section of the Companies Act, 2013, was amended to introduce the concept of a "Producer Company" with a focus on agricultural and rural activities?

- a. Section 378
- b. Section 465
- c. Section 581
- d. Section 620

57. The Companies (Amendment) Act, 2015, introduced changes to the provisions related to the appointment of auditors. What is the maximum term for which an individual can be appointed as an auditor in a company?

- a. 1 year
- b. 2 years
- c. 5 years
- d. 10 years

58. How many schedule are there in company act 2013

- a. 8
- b. 7
- c. 5
- d. 3

59. The first company legislation was enacted in which country?

- a. England
- b. USA
- c. UAE
- d. None of the Above

60. Minimum number of member in case of public limited company

- a. 4
- b. 5
- c. 6
- d. 7

61. Minimum number of member in case of private limited company

- a. 1
- b. 2
- c. 3
- d. 4

62. Maximum number of members in case of private limited company

- a. 100
- b. 200
- c. 300
- d. 400

63. Maximum number of member in case of public limited company

- a. 1000
- b. 1000000
- c. 1000000000000
- d. Unlimited

64. A company is a separate Entity

- a. Legal entity
- b. Illegal entity
- c. Physical entity
- d. Business entity

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65. The liability of the shareholder of the company is
- 1000
 - Limited
 - Unlimited
 - 200
66. The company act 2013 consist of how many section?
- 370
 - 570
 - 470
 - 270
67. The earliest form of incorporation of company is
- Statutory company
 - Chartered company
 - Registered company
 - Dormant company
68. In company act 2013, which section defined the type of company
- Section 1
 - Section 2
 - Section 3
 - Section 4
69. Example of statutory company
- Life insurance corporation
 - Hindustan gas

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- c. Hotel Tajmahal
- d. Ramai talkies pvt. Limited

70. Section of Private Company

- a. Sec 2(68)
- b. Sec 2(86)
- c. Sec 3(68)
- d. Sec 3(86)

71. Section of public company

- a. Sec 2(54)
- b. Sec 2(44)
- c. Sec 2(71)
- d. Sec 2(17)

72. Section of Government Company

- a. Sec 2(45)
- b. Sec 2(54)
- c. Sec 2(44)
- d. Sec 2(55)

73. Section of Holding & Subsidiary company

- a. Sec 2(43)
- b. Sec 2(44)
- c. Sec 2(45)
- d. Sec 2(46)



74. Section of Foreign company
- a. Sec 2(41)
 - b. Sec 2(42)
 - c. Sec 2(43)
 - d. Sec 2(44)
75. Section 45(1) deals with
- a. Insurance company
 - b. Investment company
 - c. Finance Companies
 - d. None of the above
76. Full Form of FERA
- a. Foreign Exchange Regulation Act
 - b. First Exchange Rural Accounting
 - c. Foreign Exchange Rate Accounting
 - d. Foreign Export Regulation Acting
77. One person company (OPC) comes under section
- a. 2(61)
 - b. 2(62)
 - c. 2(63)
 - d. 2(64)
78. Section 445 related to
- a. Small company
 - b. One person company
 - c. Dormant Company

d. Producer Company

79. Minimum Paid up share capital of Small Company is

- a. 50 lakh
- b. 500 lakh
- c. 5 lakh
- d. 05 lakh

80. Maximum Paid up share capital of small company is

- a. 50 crore
- b. 05 crore
- c. 500 crore
- d. 5000 crore

81. Assets shielding concept is otherwise known as

- a. Investment company
- b. Finance company
- c. Holding company
- d. Dormant company

82. Who forms a company?

- a. The Directors
- b. The Promoters
- c. The Government
- d. The Owners

83. What is the name of the signature of the company, which is considered the official one?

- a. A Prospectus
- b. A Common seal
- c. A Share
- d. A Debenture

84. After which name does "Limited" should appear?

- a. A Registered Company
- b. A Chartered Company
- c. A Partnership
- d. A Statutory Company

85. Who is the artificial person who creates the joint-stock company?

- a. The Register
- b. The Employees
- c. The Law
- d. The Provincial Government

86. Who manages a company?

- a. The Owners
- b. The Directors
- c. The Promoters
- d. The Public

87. What is the term for discounts on the shares on the balance sheet?

- a. An Asset
- b. A Liability
- c. A Deducted from the asset side.
- d. A Deduction in the capital on the paid upside

88. What is the other term for debentures?

- a. A Bonus
- b. A Certificate of credit
- c. The Dividend
- d. The Bonds

89. How can you share premium money?

- a. By paying the bonus share fully per issue
- b. By writing the goodwill
- c. By Paying the debentures
- d. By paying the dividends

90. To whom deferred shares can be generally issued?

- a. To the Managing agents
- b. To the Promoters
- c. To the Managing agents
- d. To the Owners

91. Which are known as preliminary expenses?

- a. The Current liability
- b. The Current asset

- c. The Fictitious asset
- d. The Non-current liability

92. What should be the minimum number of members for a limited company?

- a. 6 people
- b. 7 people
- c. 9 people
- d. 12 People

93. For signing a memorandum, how many numbers of members are needed?

- a. 6 People
- b. 7 People
- c. 3 People
- d. 2 People

94. What will be the excess of the common stock credited to when that is issued with a more value than the par value?

- a. To the retained earnings
- b. To the cash
- c. To the legal capital
- d. Paid-in in the capital which is excess of the par value

95. How can you show the share premium on the balance sheet?

- a. Deduction in the capital, which is paid up
- b. The asset
- c. The equity of shareholders
- d. Deduction from the side of the asset

96. What is the other name of the face values?

- a. The market values
- b. The book values
- c. The par values
- d. None of them

97. What is the other name of the discount which is on the share accounts which is having a loss?

- a. The expenditure
- b. The capital
- c. The revenue
- d. None of the above

98. What is the term for the distribution of the earnings among the shareholders and the rest of the board of directors?

- a. The income
- b. The capital
- c. The reserve
- d. The dividends

99. What is the name of the document, which has all the rules, laws, and regulations of the internal management system of the company?

- a. The Article of association
- b. The memorandum of association
- c. The Prospectus
- d. The Statement, instead of the prospectus

100. What can be called to the debenture holders of the company?

- a. The Supplier
- b. The Creditor
- c. The Owner
- d. The Debtors

101. What is the private invitation to the public to buy the shares of a particular company?

- a. The audit reports
- b. The articles of association
- c. The memorandum of association
- d. The prospectus

102. Who is the person who takes the complete risk while issuing the shares of a company?

- a. The underwriter
- b. The promoter
- c. The owner of the company
- d. The director

103. What is the name of the document which has the relationship of the company without the side world?

- a. The bond
- b. The Statement in lieu of a prospectus
- c. The memorandum of association
- d. The prospectus

104. Where can a company issue the debenture?

- a. At the discount
- b. At the par
- c. At the premium
- d. All of them

105. Who elects the board of directors for a particular joint-stock company?

- a. The employees
- b. The shareholders
- c. The government bodies
- d. The owners of the company

106. Who approves the name of a particular company?

- a. The SEBI
- b. The Government of India
- c. The Register of companies
- d. The promoters of the company

107. What were the small parts when the capital of the company got divided into small parts?

- a. The debentures
- b. The interest
- c. The dividends
- d. The share

108. In the stage of capital subscription, whose appointment is not necessary at all?

- a. The Underwriters
- b. The Brokers
- c. The Bankers
- d. All of them are necessary

109. From the following, who can't sign a declaration of the statutory?

- a. The chartered accountant
- b. The secretary of the company
- c. The advocate of the high court
- d. The promoters

110. What is the second stage of company formation?

- a. The promotion
- b. The incorporation
- c. The capital subscription
- d. The agreement

111. Which of the following items is not at all required to submit to the Register of companies at the second stage?

- a. The Statement in lieu of a prospectus
- b. The consent of the proposed directors
- c. The payment of fees
- d. The statutory declaration.

112. For which feature a company that can be created by law can only be ended by a law?

- a. The formation
- b. The control
- c. The legal entity which is separated
- d. The perpetual succession

113. For a joint-stock company that doesn't get considered as the merit?

- a. The scope for expansion
- b. The limited liability
- c. The lack of secrecy
- d. The professional management

114. What is the document for which a company gets formed?

- a. The consent of the proposed directors
- b. The memorandum of association
- c. The articles of association
- d. None of the above

115. What can be the maximum number of members in a company that is publicly limited?

- a. 50 people
- b. 100 people
- c. 200 people
- d. No limit.

116. Who are the governing laws for a joint-stock company?

- a. The Indian companies act
- b. The Hindu session act
- c. The partnership acts
- d. The Indian co-operative society act.

117. When can a private company start working?

- a. After getting the certificate of incorporation
- b. After issuing share capital
- c. After signing the agreement
- d. After getting the certificate of business commencement

118. What is the disadvantage of a joint-stock company from the following?

- a. It has a large expansion
- b. It has perpetual existence
- c. It has delayed decision-making
- d. It has the transferability of shares.

119. On what ground someone can transfer the shares of a particular company?

- a. With the consent of the board of directors
- b. With the help of the permission of that particular company
- c. After a period, it should be transferred, and that's fixed
- d. Based on the discretion of the shareholders

120. What is the minimum paid-up of a private company?

- a. A minimum value of 50 thousand rupees
- b. A minimum value of 1 lakh rupees
- c. A minimum value of 5 lakh rupees
- d. A minimum value of 10 lakh rupees

121. What is the relationship between the shareholders and the company?

- a. They are the same
- b. Shareholders belong to the company
- c. They are separate
- d. They are not even related

122. What is the law under which the legal status of a joint-stock company comes?

- a. A person who is artificial
- b. The association of profit sharing

- c. The recognized enterprise
- d. The place to spend the money.

123. How many members does a private company need to start?

- a. Only a single person
- b. At least 2 people
- c. At least 7 people
- d. At least 10 people

ANSWERS

1.a, 2.b, 3.d, 4.d, 5.a, 6.b, 7.b, 8.a, 9.c, 10.a, 11.c, 12.d, 13.a, 14.a, 15.d, 16.d, 17.b, 18.c, 19.b, 20.c, 21.c, 22.c, 23.c, 24.b, 25.b, 26.a, 27.b, 28.b, 29.a, 30.b, 31.a, 32.a, 33.a, 34.b, 35.b, 36.b, 37.b, 38.a, 39.b, 40.b, 41.a, 42.b, 43.b, 44.b, 45.b, 46.b, 47.a, 48.c, 49.c, 50.d, 51.a, 52.a, 53.b, 54.b, 55.d, 56.c, 57.c, 58.b, 59.a, 60.d, 61.b, 62.b, 63.d, 64.d, 65.b, 66.c, 67.d, 68.b, 69.a, 70.a, 71.c, 72.a, 73.d, 74.b, 75.c, 76.a, 77.b, 78.c, 79.a, 80.b, 81.d, 82.b, 83.b, 84.a, 85.c, 86.b, 87.a, 88.d, 89.a, 90.b, 91.c, 92.d, 93.d, 94.d, 95.b, 96.c, 97.b, 98.d, 99.a, 100.b, 101.d, 102.a, 103.c, 104.d, 105.b, 106.d, 107.d, 108.a, 109.d, 110.b, 111.a, 112.d, 113.c, 114.b, 115.d, 116.a, 117.d, 118.c, 119.d, 120.b, 121.b, 122.a, 123.b.

UNIT II

1. What is the first step in the formation of a company in most jurisdictions?
 - a. Drafting the Articles of Association
 - b. Issuing shares to the public
 - c. Incorporating the company
 - d. Holding the first board meeting
2. The document that contains the fundamental conditions on which a company is allowed to operate is known as:
 - a. Prospectus
 - b. Memorandum of Association
 - c. Articles of Association
 - d. Certificate of Incorporation
3. Which type of company can commence business immediately after receiving the certificate of incorporation?
 - a. Public limited company
 - b. Private limited company
 - c. Section 8 company (Non-profit company)
 - d. One Person Company (OPC)

4. The memorandum of association must include details about:
 - a. Company's objectives and powers
 - b. Names of the directors
 - c. Company's financial statements
 - d. Shareholders' resolutions

5. What is the purpose of the Articles of Association?
 - a. To outline the company's business plan
 - b. To specify the company's registered office address
 - c. To govern the internal management and conduct of the company
 - d. To provide details about the company's shareholders

6. The process of obtaining legal recognition for the existence of a company is called:
 - a. Incorporation
 - b. Dissolution
 - c. Amalgamation
 - d. Liquidation

7. The subscribers to the memorandum of association must sign in the presence of a:
 - a. Company Secretary
 - b. Chartered Accountant
 - c. Notary Public
 - d. Advocate

8. What is the minimum number of directors required for the formation of a public limited company?

- a. 2
- b. 3
- c. 5
- d. 7

9. The document issued by the Registrar of Companies confirming the legal existence of a company is known as:

- a. Memorandum of Association
- b. Certificate of Incorporation
- c. Articles of Association
- d. Prospectus

10. What is the term for the capital with which a company starts its business, divided into shares of a fixed amount?

- a. Authorized capital
- b. Subscribed capital
- c. Issued capital
- d. Paid-up capital

11. What is the primary role of promoters in the formation of a company?

- a. Managing day-to-day operations
- b. Raising initial capital and organizing the formation
- c. Issuing shares to the public

d. Drafting the Articles of Association

12. During the promotion stage, promoters may enter into contracts on behalf of the future company. What is this type of contract called?

- a. Memorandum of Association
- b. Preliminary Contracts
- c. Articles of Association
- d. Certificate of Incorporation

13. What legal duty do promoters owe to the company they are promoting?

- a. Duty to disclose personal interests
- b. Duty to maximize personal profits
- c. Duty to keep information confidential
- d. Duty to compete with the company

14. Which document outlines the terms under which promoters will be reimbursed for expenses and remunerated for their services during the promotion stage?

- a. Prospectus
- b. Memorandum of Association
- c. Preliminary Expenses Statement
- d. Articles of Association

15. What is the term for the process of identifying and securing initial investors and potential shareholders during the promotion stage?
- a. Capitalization
 - b. Incorporation
 - c. Capital Market Analysis
 - d. Prospectus Drafting
16. What is the primary purpose of the Memorandum of Association (MOA) in a company?
- a. Outline the company's internal rules and regulations
 - b. Specify the powers of the directors
 - c. Define the company's objectives and powers
 - d. Provide details about the company's shareholders
17. Which section of the Companies Act, 2013, deals with the contents and requirements of the Memorandum of Association?
- a. Section 10
 - b. Section 25
 - c. Section 50
 - d. Section 75

18. The Memorandum of Association must be submitted to which regulatory authority for the incorporation of a company?

- a. Reserve Bank of India (RBI)
- b. Ministry of Finance
- c. Ministry of Corporate Affairs (MCA)
- d. Securities and Exchange Board of India (SEBI)

19. What is the term for the clause in the Memorandum of Association that defines the geographical limits within which a company operates?

- a. Objects clause
- b. Capital clause
- c. Registered office clause
- d. Situation clause

20. Which clause of the Memorandum of Association outlines the authorized share capital of the company?

- a. Objects clause
- b. Capital clause
- c. Liability clause
- d. Association clause

21. In the Memorandum of Association, what is the term for the persons who have agreed to become members of the company and whose names are mentioned in the MOA?

- a. Subscribers

- b. Directors
- c. Shareholders
- d. Promoters

22. Which clause of the Memorandum of Association specifies the liability of members in the event of the company being wound up?

- a. Capital clause
- b. Liability clause
- c. Objects clause
- d. Association clause

23. The Memorandum of Association of a company must be printed, divided into paragraphs, and signed by a minimum of how many subscribers?

- a. 1
- b. 2
- c. 3
- d. 7

24. Which clause in the Memorandum of Association states the name of the company and defines its type, whether it's a public or private company?

- a. Capital clause
- b. Name clause
- c. Liability clause
- d. Objects clause

25. What is the significance of the Objects clause in the Memorandum of Association?

- a. It defines the authorized share capital
- b. It specifies the liability of members
- c. It outlines the main objectives and activities of the company
- d. It determines the registered office of the company

26. In the Memorandum of Association, the situation clause indicates:

- a. The name of the company
- b. The type of the company (public or private)
- c. The geographical limits within which the company operates
- d. The registered office of the company

27. Which clause in the Memorandum of Association is related to the powers and rights of the shareholders?

- a. Capital clause
- b. Liability clause
- c. Association clause
- d. Objects clause

28. The alteration of the Memorandum of Association requires the approval of:

- a. Shareholders
- b. Board of Directors
- c. Both A and B

d. Regulatory authorities

29. The Memorandum of Association defines the relationship between the company and:

- a. Government
- b. Employees
- c. Shareholders
- d. Competitors

30. Which clause in the Memorandum of Association may include incidental or ancillary objects necessary to attain the main objectives?

- a. Main clause
- b. Ancillary clause
- c. Subsidiary clause
- d. Other Objects clause

31. The Memorandum of Association ensures that a company operates within the legal framework provided by the:

- a. Board of Directors
- b. Shareholders
- c. Registrar of Companies
- d. Ministry of Finance

32. The clause in the Memorandum of Association that outlines the liability of members is crucial for determining the:

- a. Authorized share capital
- b. Distribution of profits
- c. Type of company (public or private)
- d. Extent of members' responsibility in case of winding up

33. The clause in the Memorandum of Association that specifies the amount of capital with which the company is registered is the:

- a. Authorized capital clause
- b. Paid-up capital clause
- c. Issued capital clause
- d. Share capital clause

34. Which regulatory authority is responsible for approving the alteration of the Memorandum of Association?

- a. Ministry of Corporate Affairs
- b. Securities and Exchange Board of India (SEBI)
- c. Reserve Bank of India (RBI)
- d. Registrar of Companies

35. The Memorandum of Association serves as the company's:

- a. Internal rulebook
- b. External communication tool
- c. Legal contract with shareholders
- d. All of the above

36. What is the Articles of Association (AOA) of a company?

- a. Document stating company objectives
- b. Document defining company powers
- c. Document specifying internal regulations
- d. Document outlining shareholders' rights

37. Which section of the Companies Act, 2013, deals with the Articles of Association?

- a. Section 5
- b. Section 10
- c. Section 15
- d. Section 25

38. What is the primary purpose of the Articles of Association?

- a. Outline company's objectives
- b. Define company's powers
- c. Govern internal management and conduct
- d. Specify authorized share capital

39. Who approves the Articles of Association during the formation of a company?
- Shareholders
 - Board of Directors
 - Promoters
 - Registrar of Companies
40. Which clause in the Articles of Association outlines the rules for issuing and transferring shares?
- Objects clause
 - Capital clause
 - Share capital clause
 - Share transfer clause
41. What is the term for the right of existing shareholders to have the first opportunity to buy new shares before they are offered to the public?
- Right of Redemption
 - Right of Allotment
 - Right of Preemption
 - Right of Transferability
42. Which document takes precedence in case of a conflict between the Memorandum of Association and the Articles of Association?
- Memorandum of Association
 - Articles of Association

- c. Neither, they have equal standing
- d. Both are void in case of conflict

43. What is the purpose of the 'Alteration of Articles' clause in the Articles of Association?

- a. To outline the company's objectives
- b. To specify the registered office address
- c. To allow for changes in internal regulations
- d. To determine the share capital

44. Which clause in the Articles of Association specifies the powers and duties of the company's directors?

- a. Objects clause
- b. Management clause
- c. Board powers clause
- d. Directors' powers clause

45. What is the term for the formal approval required for a change in the Articles of Association?

- a. Shareholder's Resolution
- b. Board Approval
- c. Alteration Notice
- d. Registrar's Approval

46. The 'Liability of Members' clause in the Articles of Association specifies:

- a. The extent of members' liability in case of winding up
- b. The amount of dividends payable to members
- c. The rights of members to vote in meetings
- d. The qualifications required for becoming a member

47. What is the term for the clause in the Articles of Association that sets out the rules for convening and conducting meetings?

- a. General Meeting clause
- b. Meeting Rules clause
- c. Quorum clause
- d. Meeting Procedure clause

48. Which clause in the Articles of Association allows the company to issue and allot shares without offering them to the public?

- a. Preemption clause
- b. Allotment clause
- c. Right issue clause
- d. Share Capital clause

49. What is the purpose of the 'Indemnity' clause in the Articles of Association?

- a. To specify the authorized share capital
- b. To limit the liability of directors

- c. To protect members from losses
- d. To govern the transfer of shares

50. The 'Dividends' clause in the Articles of Association outlines:

- a. The rights of shareholders to dividends
- b. The procedure for issuing new shares
- c. The rules for convening board meetings
- d. The terms for altering the Articles

51. Which clause in the Articles of Association may include provisions for the appointment and removal of directors?

- a. Directors' Powers clause
- b. Board Meeting clause
- c. Management clause
- d. Directors' Appointment clause

52. The 'Winding Up' clause in the Articles of Association deals with:

- a. The process of issuing new shares
- b. The procedure for amending the Articles
- c. The conditions under which the company can be dissolved
- d. The rules for convening general meetings

53. The 'Inspection of Books' clause in the Articles of Association allows:

- a. Shareholders to inspect financial records
- b. Directors to inspect personal files
- c. Auditors to inspect management decisions
- d. Regulators to inspect legal documents

54. Which clause in the Articles of Association may specify the procedures for appointing auditors and conducting audits?

- a. Audit Committee clause
- b. Auditor Appointment clause
- c. Inspection clause
- d. Auditors' Powers clause

55. What is the term for the power granted to the company in the 'Alteration of Articles' clause to amend its internal regulations?

- a. Internal Authority
- b. Internal Power
- c. Memorandum Power
- d. Statutory Power

56. What is the significance of the Certificate of Incorporation in the formation of a company?

- a. It outlines the company's internal regulations.
- b. It provides the company with legal recognition.
- c. It specifies the powers of the directors.

d. It details the company's financial statements.

57. Who issues the Certificate of Incorporation to a newly formed company?

- a. Board of Directors
- b. Ministry of Corporate Affairs
- c. Registrar of Companies
- d. Securities and Exchange Board of India (SEBI)

58. In which section of the Companies Act, 2013, is the requirement for obtaining the Certificate of Incorporation mentioned?

- a. Section 5
- b. Section 10
- c. Section 15
- d. Section 20

59. What information is included in the Certificate of Incorporation?

- a. List of shareholders
- b. Company's financial statements
- c. Company's registered office address
- d. Memorandum and Articles of Association

60. What does the Commencement of Business Certificate signify?

- a. The company has started its operations.
- b. The company has been dissolved.

- c. The company is in the process of winding up.
- d. The company is preparing for an IPO.

61. When must a company obtain the Commencement of Business Certificate?

- a. Before incorporation
- b. After obtaining the Certificate of Incorporation
- c. During the winding-up process
- d. At any time during its existence

62. Which section of the Companies Act, 2013, deals with the Commencement of Business Certificate?

- a. Section 5
- b. Section 10
- c. Section 15
- d. Section 11

63. What is the primary purpose of the Commencement of Business Certificate?

- a. To authorize the issue of shares
- b. To begin the liquidation process
- c. To confirm the company's existence
- d. To appoint the first board of directors

64. Which document is required to be filed with the Registrar of Companies to obtain the Commencement of Business Certificate?

- a. Financial Statements
- b. Prospectus
- c. Declaration of Commencement
- d. Memorandum of Association

65. Who is responsible for filing the Declaration of Commencement to obtain the Commencement of Business Certificate?

- a. Board of Directors
- b. Shareholders
- c. Company Secretary
- d. Registrar of Companies

66. When must a public company obtain the Commencement of Business Certificate?

- a. Within 30 days of incorporation
- b. Within 60 days of incorporation
- c. Within 90 days of incorporation
- d. Within 120 days of incorporation

67. Which statement is true regarding the Commencement of Business Certificate for private companies?

- a. It is optional for private companies.
- b. It must be obtained before incorporation.

- c. It is required only if the company issues a prospectus.
- d. It must be obtained within 180 days of incorporation.

68. What is the consequence of not obtaining the Commencement of Business Certificate within the stipulated time?

- a. The company is dissolved automatically.
- b. The company cannot issue shares.
- c. The directors are personally liable.
- d. The company loses its legal recognition.

69. Which of the following is a true statement about the Commencement of Business Certificate?

- a. It is a one-time requirement.
- b. It must be obtained annually.
- c. It is required only for public companies.
- d. It is necessary for all companies throughout their existence.

70. What is the penalty for not filing the Declaration of Commencement within the prescribed time?

- a. Fine on the company and its officers
- b. Suspension of business activities
- c. Automatic winding up of the company
- d. Cancellation of the Certificate of Incorporation

71. Which government body is responsible for issuing the Certificate of Incorporation?
- Reserve Bank of India (RBI)
 - Ministry of Corporate Affairs
 - Securities and Exchange Board of India (SEBI)
 - Registrar of Companies
72. What is the consequence of not obtaining the Certificate of Incorporation before starting business activities?
- Loss of shareholder rights
 - Legal recognition of the company is compromised
 - Increase in share capital
 - Removal of directors
73. Which document serves as proof of the company's legal existence and its conformity to legal requirements?
- Business License
 - Certificate of Commencement
 - Certificate of Incorporation
 - Memorandum of Association
74. When does a company become a legal entity according to the issuance of the Certificate of Incorporation?
- At the time of filing the incorporation documents
 - At the time of issuing shares

- c. At the time of obtaining the Certificate of Commencement
- d. At the time of winding up

75. What is the primary role of the Registrar of Companies in the issuance of the Certificate of Incorporation?

- a. Approving business plans
- b. Verifying financial statements
- c. Confirming compliance with legal requirements
- d. Regulating stock exchanges

76. Memorandum of association of companies act 2013 comes under

- a. section 2(59)
- b. Section 2(51)
- c. Section 2(56)
- d. Section 2(61)

77. Which of the following is not a feature of memorandum of association?

- a. It is not mandatory
- b. It defined the scope of company
- c. It is a public document
- d. It cannot be altered without fulfilling the condition laid down in the companies act

78. Any change in the address of the registered office must be communicated to the register within

- a. 60 Days
- b. 15 Days
- c. 30 Days
- d. 15 Days

79. In how many days did the company have its registered office after incorporation?

- a. 40
- b. 30
- c. 20
- d. 10

80. Memorandum of association should be in form..... in case of company limited by Guarantee and having shares capital

- a. Table A
- b. Table B
- c. Table C
- d. Table D

81. Companies are now allotted ain addition to their name.

- a. PIN
- b. TIN
- c. CIN
- d. DIN

82. MOA should be in the form ofin case of company limited by share

- a. Table A
- b. Table B
- c. Table C
- d. Table D

83. Which of the following clauses of the memorandum of association cannot be altered?

- a. Objects clause
- b. Name clause
- c. Association clause
- d. Registered

84. Which of the following is not a clause of memorandum of association?

- a. Object Clause
- b. Register Clause
- c. Liability Clause
- d. Lien on share

85. How many form are there in Memorandum of association

- a. 7
- b. 6
- c. 5
- d. 3

St. Joseph's College of Arts and Science for Women
Hosur

86. How many clauses are there in MOA?

- a. 3
- b. 4
- c. 5
- d. 6

87. Which clause is also known as Subscription clause?

- a. Liability Clause
- b. Association Clause
- c. Capital Clause
- d. Name Clause

88. How many clauses are there in MOA ?

- a. 6
- b. 5
- c. 4
- d. 3

89. A company can change its articles by passing

- a. Ordinary resolution
- b. Normal resolutions
- c. Special resolution
- d. None

90. Which of the following documents deals with the rules and regulation of the company?

- a. MOA
- b. AOA

- c. Prospectus
- d. None of the above

91. AOA full form is

- a. Article of Association
- b. Article of Aero-plane
- c. Apple and Almond
- d. None

92. Registration of article is not necessary in case of

- a. Public company
- b. Private company
- c. One person company
- d. None

93. Ultra virus means

- a. With in power
- b. Beyond the power
- c. Both
- d. None

94. Which of the following is not included in article of association?

- a. Lien of share
- b. Objective of the company
- c. Rules governing reserve and funds
- d. Issues of share

95. Which of the following documents deals with internal affair of the company

- a. prospectus
- b. MOA
- c. AOA
- d. None of the above

96. Alteration of share capital is governed by the section.....of the company act 2013

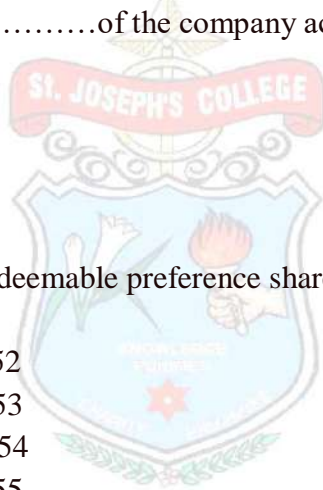
- a. 61
- b. 62
- c. 63
- d. 64

97. Issue of redeemable preference share comes under section

- a. Section 52
- b. Section 53
- c. Section 54
- d. Section 55

98. Reduction of share capital comes under section

- a. Section 65
- b. Section 66
- c. Section 67
- d. Section 68



99. The section of alteration of article of association
- Section 11
 - Section 12
 - Section 13
 - Section 14
100. Payment of underwriting commission with regard to issue of share and debenture
- Section 40
 - Section 39
 - Section 38
 - Section 37
101. Question: What is the mission statement of our company?
- To maximize shareholder profits
 - To provide innovative solutions for our customers
 - To be the market leader in all industries
 - To reduce operating costs
102. Question: What core values guide our company's decision-making?
- Profitability and growth
 - Integrity, collaboration, and customer focus
 - Competition and efficiency
 - Individual achievement and recognition

103. Question: How does our company contribute to sustainability?

- a. By minimizing employee benefits
- b. By using eco-friendly practices and reducing waste
- c. By increasing production without regard for the environment
- d. By outsourcing to low-cost countries

104. Question: What sets our products/services apart from the competition?

- a. Lower prices
- b. Unique features and superior quality
- c. Aggressive marketing campaigns
- d. Larger advertising budgets

105. Question: In which geographical regions does our company operate?

- a. Only in our home country
- b. Globally
- c. In specific regions, please specify
- d. Only in neighboring countries

106. Question: How does our company prioritize diversity and inclusion?

- a. By excluding diverse perspectives
- b. By implementing equal opportunity policies
- c. By favoring one demographic group
- d. By avoiding discussions on diversity

107. Question: What are the key financial indicators that investors should consider?

- a. Profit margin and revenue only
- b. Cash flow, return on investment, and debt-to-equity ratio
- c. Employee satisfaction and market share
- d. CEO's salary and executive bonuses

108. Question: How does our company approach innovation and technology adoption?

- a. By resisting technological advancements
- b. By adopting new technologies to improve products and services
- c. By relying solely on traditional methods
- d. By outsourcing innovation to other companies

109. Question: What is our approach to corporate social responsibility (CSR)?

- a. Ignoring social and environmental issues
- b. Actively engaging in community projects and sustainable practices
- c. Only focusing on profitability
- d. Donating to random charities without a strategic plan

110. Question: How does our company handle customer feedback and complaints?

- a. Ignoring customer feedback

- b. Responding promptly and implementing improvements
- c. Blaming customers for issues
- d. Outsourcing customer service to other companies

111. Question: What steps has our company taken to ensure data security and privacy?

- a. No specific measures
- b. Regular audits and compliance with data protection regulations
- c. Outsourcing data management to third parties
- d. Ignoring data security concerns

112. Question: What are the primary market trends affecting our industry?

- a. Ignoring market trends
- b. Adapting to market changes and staying informed
- c. Predicting market trends without research
- d. Relying solely on historical data

113. Question: How does our company foster employee development and growth?

- a. No specific programs in place
- b. Providing training opportunities and career advancement programs
- c. Focusing only on hiring external talent
- d. Relying solely on employee's personal development efforts

114. Question: What is our approach to risk management and mitigation?

- a. Ignoring potential risks
- b. Proactively identifying and addressing risks
- c. Relying solely on insurance for risk management
- d. Outsourcing risk management to external consultants

115. Question: How does our company contribute to the communities where we operate?

- a. Ignoring community involvement
- b. Supporting local initiatives and charities
- c. Focusing only on profit generation
- d. Outsourcing community engagement to external agencies

116. Question: What measures are in place to ensure ethical business practices within our organization?

- a. No specific measures
- b. Regular ethics training and a code of conduct
- c. Ignoring ethical considerations
- d. Outsourcing ethical decision-making to external consultants

117. Question: How does our company contribute to environmental sustainability?

- a. Ignoring environmental concerns
- b. Implementing eco-friendly practices and reducing

carbon footprint

- c. Only complying with minimum environmental regulations
- d. Outsourcing environmental initiatives to other companies

118. Question: What steps has our company taken to enhance cybersecurity?

- a. No specific measures
- b. Regular cybersecurity audits and employee training
- c. Ignoring cybersecurity threats
- d. Outsourcing cybersecurity to external agencies

119. Question: How does our company ensure product quality and customer satisfaction?

- a. Ignoring product quality
- b. Implementing quality control measures and gathering customer feedback
- c. Relying solely on marketing for customer satisfaction
- d. Outsourcing quality control to external parties

120. Question: What is our strategy for adapting to changes in the regulatory environment?

- a. Ignoring regulatory changes
- b. Proactively monitoring and adapting to regulatory changes

- c. Relying solely on legal advisors for regulatory compliance
- d. Outsourcing regulatory compliance to external consultants

121. Question: How does our company approach talent acquisition and retention?

- a. Ignoring employee retention efforts
- b. Offering competitive salaries and benefits, and fostering a positive work culture
- c. Focusing only on talent acquisition without retention strategies
- d. Relying solely on external recruitment agencies

122. Question: What steps has our company taken to ensure supply chain resilience?

- a. Ignoring supply chain risks
- b. Proactively identifying and mitigating supply chain risks
- c. Relying solely on cost reduction in the supply chain
- d. Outsourcing supply chain management to external parties

123. Question: How does our company contribute to industry innovation and thought leadership?

- a. Ignoring industry innovation
- b. Actively participating in industry events and

- investing in research and development
- c. Relying solely on competitors for innovation
- d. Outsourcing innovation to external research institutions

124. Question: What measures are in place to ensure workplace safety and employee well-being?

- a. Ignoring workplace safety
- b. Implementing safety protocols and promoting employee well-being programs
- c. Focusing solely on productivity without regard for employee safety
- d. Outsourcing workplace safety to external consultants

125. Question: How does our company approach corporate governance and transparency?

- a. Ignoring corporate governance practices
- b. Implementing transparent policies and adhering to strong governance principles
- c. Relying solely on legal compliance for governance
- d. Outsourcing corporate governance to external agencies

ANSWERS

1.c, 2.b, 3.b, 4.a, 5.c, 6.a, 7.c, 8.b, 9.b, 10.a, 11.b,
12.b, 13.a, 14.c, 15.a, 16.c, 17.a, 18.c, 19.d, 20.b, 21.a, 22.b,
23.b, 24.b, 25.c, 26.d, 27.c, 28.c, 29.c, 30.d, 31.c, 32.d, 33.a,
34.d, 35.d, 36.c, 37.b, 38.c, 39.a, 40.d, 41.c, 42.a, 43.c, 44.c,
45.a, 46.a, 47.d, 48.b, 49.b, 50.a, 51.a, 52.c, 53.a, 54.b, 55.d,
56.b, 57.c, 58.b, 59.c, 60.a, 61.b, 62.d, 63.c, 64.c, 65.c, 66.d,
67.a, 68.b, 69.c, 70.a, 71.d, 72.b, 73.c, 74.a, 75.c, 76.c, 77.a,
78.c, 79.b, 80.b, 81.c, 82.a, 83.c, 84.d, 85.c, 86.d, 87.b, 88.a,
89.c, 90.b, 91.a, 92.a, 93.d, 94.d, 95.c, 96.a, 97.d, 98.b, 99.d,
100.a, 101.b, 102.b, 103.b, 104.b, 105.c, 106.b, 107.b, 108.b,
109.b, 110.b, 111.b, 112.b, 113.b, 114.b, 115.d, 116.b, 117.b,
118.b, 119.b, 120.b, 121.b, 122.b, 123.b, 124.b, 125.b.



UNIT III

1. What is a prospectus in the context of a company?
 - a. Financial Statement
 - b. Legal Document
 - c. Public Invitation
 - d. Marketing Brochure
2. The issuance of a prospectus is mandatory when a company intends to:
 - a. Change its registered office
 - b. Alter its Articles of Association
 - c. Issue shares to the public
 - d. Appoint new directors
3. The prospectus provides potential investors with information about the:
 - a. Board of Directors
 - b. Company's financial performance
 - c. Memorandum of Association
 - d. Issued share capital
4. Who approves the prospectus before it is issued to the public?
 - a. Shareholders
 - b. Board of Directors
 - c. Registrar of Companies (ROC)
 - d. Securities and Exchange Commission (SEC)

5. The prospectus must be filed with the Registrar of Companies (ROC) within a specific period before:
 - a. Annual General Meeting (AGM)
 - b. Extraordinary General Meeting (EGM)
 - c. Commencement of Business
 - d. Issuing shares to the public

6. The prospectus includes details about the company's:
 - a. Shareholders
 - b. Board of Directors
 - c. Dividend history
 - d. All of the above

7. What is the term for the document issued to correct errors or update information in the original prospectus?
 - a. Supplementary Prospectus
 - b. Amended Prospectus
 - c. Addendum
 - d. Corrigendum

8. The prospectus must disclose any material facts that may affect the investor's decision and is subject to the principle of:
 - a. Caveat Emptor
 - b. Caveat Venditor
 - c. Caveat Lector
 - d. Caveat Legis

9. The prospectus must contain a statement of the minimum and maximum amount of:
- Authorized Capital
 - Issued Capital
 - Share Premium
 - Share Application Money
10. In the prospectus, information about the company's management is found in the section titled:
- Financial Highlights
 - Directors and their Responsibility
 - Auditor's Report
 - Statement of Affairs
11. What term is used for the price at which shares are offered to the public in the prospectus?
- Face Value
 - Premium
 - Issue Price
 - Market Price
12. The prospectus must include a statement from the company's auditors about the:
- Market Conditions
 - Promoters' Contributions
 - Financial Statements
 - Employee Benefits

13. Which authority regulates the content and issuance of prospectuses in many jurisdictions?
- a. Ministry of Corporate Affairs
 - b. Securities and Exchange Commission (SEC)
 - c. Reserve Bank of India (RBI)
 - d. Board of Directors
14. The prospectus must disclose the company's risk factors and potential challenges in the section titled:
- a. Financial Statements
 - b. Auditor's Report
 - c. Management Discussion and Analysis
 - d. Risk Factors
15. In the prospectus, information about the company's objects and purposes is found in the section titled:
- a. Directors and their Responsibility
 - b. Capital Structure
 - c. Objects of the Issue
 - d. Memorandum of Association
16. The prospectus must disclose the amount payable on application and allotment of shares, which is known as the:
- a. Face Value
 - b. Share Premium
 - c. Call Money
 - d. Nominal Value

17. What is the term for the offer made to existing shareholders before offering shares to the public in the prospectus?

- a. Pre-IPO Offer
- b. Rights Issue
- c. Preferential Allotment
- d. Open Offer

18. The prospectus must contain details about the company's:

- a. Competitors
- b. Litigation History
- c. Advertising Strategy
- d. Share Transfer Agent

19. The prospectus must contain a statement specifying the minimum subscription amount required for:

- a. Share Transfer
- b. Share Allotment
- c. Commencement of Business
- d. Redemption of Shares

20. The prospectus is an invitation to the public to subscribe for the company's:

- a. Debentures
- b. Securities
- c. Dividends
- d. Bonds

21. The prospectus must disclose the names and addresses of the:
- Shareholders
 - Promoters
 - Auditors
 - Creditors
22. What term is used for the legal document that gives a detailed account of a company's financial health and status?
- Memorandum of Association
 - Auditor's Report
 - Financial Statement
 - Articles of Association
23. The prospectus must contain details about the company's:
- Charitable Contributions
 - Social Responsibilities
 - Political Affiliations
 - Corporate Governance Practices
24. The prospectus must disclose any commission or discount paid or allowed to:
- Promoters
 - Auditors
 - Creditors
 - Shareholders

25. In the prospectus, information about the company's future plans and expansion strategies is found in the section titled:

- a. Objects of the Issue
- b. Management Discussion and Analysis
- c. Auditor's Report
- d. Financial Highlights

26. What is a share in a company?

- a. Loan Certificate
- b. Ownership Interest
- c. Debenture
- d. Indenture

27. The value printed on a share, representing the nominal value of the share, is known as the:

- a. Face Value
- b. Market Value
- c. Book Value
- d. Premium Value

28. Shares that carry voting rights in the company's decision-making processes are known as:

- a. Ordinary Shares
- b. Preference Shares
- c. Equity Shares
- d. Cumulative Shares

29. What type of shares are typically issued to promoters and founders of a company?

- a. Ordinary Shares
- b. Preference Shares
- c. Equity Shares
- d. Bonus Shares

30. Which type of shares carry a fixed rate of dividend and have priority in payment over ordinary shares?

- a. Ordinary Shares
- b. Preference Shares
- c. Equity Shares
- d. Cumulative Shares

31. The right of a shareholder to receive a proportionate amount of any new shares issued by the company is known as:

- a. Dividend Right
- b. Preemptive Right
- c. Voting Right
- d. Bonus Right

32. What is the term for the additional amount paid by shareholders over the face value of the share?

- a. Dividend
- b. Premium
- c. Discount
- d. Bonus

33. Shares that do not carry voting rights but have a fixed dividend are known as:

- a. Ordinary Shares
- b. Preference Shares
- c. Equity Shares
- d. Cumulative Shares

34. The process of converting a part of the company's profits into shares and distributing them to existing shareholders is called:

- a. Bonus Issue
- b. Rights Issue
- c. Share Split
- d. Share Allotment

35. What is the term for the date on which a shareholder must officially own shares to be eligible for dividends?

- a. Record Date
- b. Ex-Dividend Date
- c. Allotment Date
- d. Maturity Date

36. Shares that give their holders the right to receive any unpaid dividends from previous years before dividends are paid to ordinary shareholders are called:

- a. Preference Shares
- b. Cumulative Preference Shares
- c. Equity Shares

d. Non-Cumulative Shares

37. What is the term for the portion of the company's profits distributed to shareholders?

- a. Interest
- b. Dividend
- c. Premium
- d. Bonus

38. The process of issuing new shares to existing shareholders at a predetermined price is known as:

- a. Bonus Issue
- b. Rights Issue
- c. Share Split
- d. Share Allotment

39. Shares that carry the right to receive a dividend only if the company makes a profit in a given year are called:

- a. Ordinary Shares
- b. Preference Shares
- c. Cumulative Preference Shares
- d. Non-Cumulative Shares

40. The process of dividing the face value of a share into smaller units without changing the total value is known as:

- a. Bonus Issue
- b. Share Split

- c. Rights Issue
- d. Share Consolidation

41. What term is used for the difference between the market value and the face value of a share?

- a. Premium
- b. Dividend
- c. Discount
- d. Bonus

42. The right of a shareholder to attend and vote at a company's general meetings is associated with:

- a. Ordinary Shares
- b. Preference Shares
- c. Equity Shares
- d. Cumulative Shares

43. Shares that give their holders the right to receive a fixed dividend even after the payment of dividends to ordinary shareholders are called:

- a. Ordinary Shares
- b. Preference Shares
- c. Cumulative Preference Shares
- d. Non-Cumulative Shares

44. What is the term for the portion of the company's profits retained and not distributed as dividends?

- a. Premium

- b. Dividend
- c. Reserve
- d. Bonus

45. The term "Blue Chip Stocks" refers to shares of companies that are:

- a. Newly Established
- b. High Risk
- c. Well-Established and Stable
- d. Government-Owned

46. What is the term for the price at which a shareholder can sell a share in the market?

- a. Face Value
- b. Market Value
- c. Book Value
- d. Premium Value

47. Shares that carry the right to receive a dividend only if the company makes a profit and declares a dividend in a given year are called:

- a. Ordinary Shares
- b. Preference Shares
- c. Cumulative Preference Shares
- d. Non-Cumulative Shares

48. The face value of a share is also known as the:

- a. Nominal Value

- b. Market Value
- c. Book Value
- d. Premium Value

49. The process of combining smaller units of shares into a larger unit without changing the total value is known as:

- a. Bonus Issue
- b. Share Split
- c. Rights Issue
- d. Share Consolidation

50. Shares that carry the right to participate in the surplus assets and profits of the company in the event of liquidation are known as:

- a. Ordinary Shares
- b. Preference Shares
- c. Cumulative Preference Shares
- d. Debentures

51. What is a debenture?

- a. Ownership Share
- b. Fixed Deposit
- c. Debt Instrument
- d. Equity Certificate

52. Debentures are typically issued by companies to:

- a. Attract Equity Investors

- b. Borrow Long-Term Funds
- c. Issue Bonus Shares
- d. Pay Dividends

53. The term "debenture" is derived from the Latin word "debere," which means:

- a. To Invest
- b. To Owe
- c. To Earn
- d. To Trade

54. Debentures are considered as a form of:

- a. Equity
- b. Preference Shares
- c. Secured Loan
- d. Grants

55. The entity that issues debentures is known as the:

- a. Debtor
- b. Creditor
- c. Bondholder
- d. Trustee

56. What is the primary purpose of a company issuing debentures?

- a. To Increase Share Capital
- b. To Secure Short-Term Loans
- c. To Raise Long-Term Capital

d. To Pay Dividends

57. Debentures are classified as:

- a. Equity Securities
- b. Preference Securities
- c. Hybrid Securities
- d. Debt Securities

58. The interest on debentures is a liability for the company and is paid out of:

- a. Reserves
- b. Dividends
- c. Profits
- d. Share Premium

59. Debentures can be secured by the company's:

- a. Inventory
- b. Share Capital
- c. Fixed Assets
- d. Dividends

60. The document that contains the terms and conditions of debentures is known as the:

- a. Prospectus
- b. Memorandum of Association
- c. Articles of Association
- d. Debenture Deed

61. Debentures that are not secured by any specific assets are called:

- a. Secured Debentures
- b. Unsecured Debentures
- c. Convertible Debentures
- d. Redeemable Debentures

62. Debentures that can be converted into equity shares after a specified period are known as:

- a. Secured Debentures
- b. Unsecured Debentures
- c. Convertible Debentures
- d. Redeemable Debentures

63. What is the term for the amount of debenture principal that is repaid to debenture holders periodically before maturity?

- a. Redemption Premium
- b. Interest
- c. Face Value
- d. Amortization

64. The process of returning the principal amount of debentures to debenture holders is known as:

- a. Redemption
- b. Amortization
- c. Conversion

d. Divestiture

65. Debentures that cannot be converted into equity shares are known as:

- a. Secured Debentures
- b. Unsecured Debentures
- c. Non-Convertible Debentures
- d. Convertible Debentures

66. The rate at which interest is paid on debentures is known as the:

- a. Dividend Rate
- b. Coupon Rate
- c. Premium Rate
- d. Face Value Rate

67. Debentures that are repayable at the end of a specified period are known as:

- a. Secured Debentures
- b. Unsecured Debentures
- c. Redeemable Debentures
- d. Convertible Debentures

68. Debentures that are repayable on demand are known as:

- a. Secured Debentures
- b. Unsecured Debentures
- c. Redeemable Debentures
- d. Irredeemable Debentures

69. The process of repurchasing debentures before their maturity is known as:

- a. Redemption
- b. Conversion
- c. Buyback
- d. Amortization

70. Debentures that are backed by a charge on specific assets of the company are called:

- a. Secured Debentures
- b. Unsecured Debentures
- c. Redeemable Debentures
- d. Convertible Debentures

71. The holder of a debenture is known as a:

- a. Creditor
- b. Trustee
- c. Bondholder
- d. Debtor

72. The period after which the principal amount of a debenture is repaid is known as the:

- a. Maturity Period
- b. Lock-In Period
- c. Coupon Period
- d. Amortization Period

73. Debentures that carry a floating interest rate based on market conditions are known as:

- a. Fixed Rate Debentures
- b. Variable Rate Debentures
- c. Convertible Debentures
- d. Non-Convertible Debentures

74. The process of changing the face value of a debenture without changing its total value is known as:

- a. Redemption
- b. Conversion
- c. Splitting
- d. Consolidation

75. Debentures that are not secured by any specific assets but rank higher than ordinary shares in the event of liquidation are called:

- a. Secured Debentures
- b. Unsecured Debentures
- c. Subordinated Debentures
- d. Convertible Debentures

76. The process of changing debentures into equity shares is known as:

- a. Redemption
- b. Amortization
- c. Conversion
- d. Buyback

77. Debentures that give their holders the right to convert them into equity shares at a predetermined ratio are known as:

- a. Secured Debentures
- b. Unsecured Debentures
- c. Convertible Debentures
- d. Redeemable Debentures

78. The process of consolidating smaller units of debentures into a larger unit without changing the total value is known as:

- a. Redemption
- b. Conversion
- c. Splitting
- d. Consolidation

79. Debentures that can only be repaid at the discretion of the company are known as:

- a. Secured Debentures
- b. Unsecured Debentures
- c. Irredeemable Debentures
- d. Convertible Debentures

80. The process of repurchasing a portion of the outstanding debentures in the open market is known as:

- a. Redemption
- b. Conversion
- c. Buyback
- d. Amortization

ANSWERS

1.c, 2.c, 3.b, 4.d, 5.d, 6.d, 7.a, 8.a, 9.b, 10.b, 11.c, 12.c, 13.b, 14.d, 15.c, 16.c, 17.b, 18.b, 19.b, 20.b, 21.b, 22.c, 23.d, 24.a, 25.a, 26.b, 27.a, 28.a, 29.c, 30.b, 31.b, 32.b, 33.b, 34.a, 35.a, 36.b, 37.b, 38.b, 39.d, 40.b, 41.a, 42.a, 43.c, 44.c, 45.c, 46.b, 47.d, 48.a, 49.d, 50.a, 51.c, 52.b, 53.b, 54.c, 55.a, 56.c, 57.d, 58.c, 59.c, 60.d, 61.b, 62.c, 63.d, 64.a, 65.c, 66.b, 67.c, 68.d, 69.c, 70.a, 71.c, 72.a, 73.b, 74.c, 75.c, 76.c, 77.c, 78.d, 79.c, 80.c.

UNIT IV

1. Who is responsible for the overall management and strategic decisions of a company?
 - a. Shareholders
 - b. Board of Directors
 - c. CEO (Chief Executive Officer)
 - d. CFO (Chief Financial Officer)

2. The governing body responsible for supervising the management and ensuring shareholder interests are represented is the:
 - a. Shareholders
 - b. Board of Directors
 - c. Management Team
 - d. Executive Committee

3. What is the main responsibility of the Chief Financial Officer (CFO) in a company?
 - a. Human Resources
 - b. Financial Management
 - c. Marketing Strategy
 - d. Operations Management

4. The term "Corporate Governance" refers to:
 - a. Company Profits
 - b. Ethical Business Practices
 - c. Marketing Strategies

d. Employee Relations

5. The executive responsible for overseeing the day-to-day operations of a company is the:

- a. CEO (Chief Executive Officer)
- b. COO (Chief Operating Officer)
- c. CFO (Chief Financial Officer)
- d. CIO (Chief Information Officer)

6. The process of setting goals, defining strategies, and making decisions to achieve company objectives is known as:

- a. Marketing
- b. Strategic Management
- c. Financial Planning
- d. Human Resources

7. The term "SWOT analysis" is associated with:

- a. Marketing
- b. Financial Planning
- c. Strategic Management
- d. Human Resources

8. What is the primary focus of the Human Resources (HR) department in a company?

- a. Financial Planning
- b. Employee Relations
- c. Marketing

d. Production

9. The process of acquiring, developing, and retaining skilled employees is known as:

- a. Recruitment
- b. Marketing
- c. Employee Engagement
- d. Performance Appraisal

10. The document that outlines the fundamental principles and rules by which a company is governed is the:

- a. Business Plan
- b. Strategic Plan
- c. Articles of Association
- d. Memorandum of Association

11. The practice of combining different companies or business activities under a single management is called:

- a. Diversification
- b. Consolidation
- c. Merger
- d. Acquisition

12. The executive responsible for overseeing the technology infrastructure and information systems of a company is the:

- a. CTO (Chief Technology Officer)

- b. CMO (Chief Marketing Officer)
- c. COO (Chief Operating Officer)
- d. CIO (Chief Information Officer)

13. The process of assessing and comparing a company's financial performance against industry benchmarks is known as:

- a. Financial Planning
- b. Budgeting
- c. Financial Analysis
- d. Cost Control

14. Which department is responsible for promoting and selling a company's products or services?

- a. Human Resources
- b. Marketing
- c. Operations
- d. Finance

15. The legal document that establishes the existence of a company and defines its scope and activities is the:

- a. Business Plan
- b. Articles of Association
- c. Memorandum of Association
- d. Strategic Plan

16. The process of evaluating and planning for the financial needs of a company is known as:

- a. Financial Analysis
- b. Financial Planning
- c. Budgeting
- d. Cost Control

17. The executive responsible for developing and implementing marketing strategies is the:

- a. CEO (Chief Executive Officer)
- b. CMO (Chief Marketing Officer)
- c. CFO (Chief Financial Officer)
- d. COO (Chief Operating Officer)

18. The process of evaluating and controlling expenses to optimize profitability is known as:

- a. Financial Analysis
- b. Financial Planning
- c. Budgeting
- d. Cost Control

19. The term "Stakeholders" in a company includes:

- a. Shareholders, Employees, and Customers
- b. Only Shareholders
- c. Only Employees
- d. Only Customers

20. The committee of the Board of Directors responsible for determining executive compensation and benefits is the:

- a. Audit Committee
- b. Compensation Committee
- c. Nomination Committee
- d. Governance Committee

21. Who typically appoints the Board of Directors in a company?

- a. Shareholders
- b. CEO
- c. Government
- d. Auditors

22. The minimum age requirement for a director is specified in the:

- a. Articles of Association
- b. Memorandum of Association
- c. Companies Act
- d. Board Resolution

23. Directors are appointed for a term specified in the:

- a. Board Resolution
- b. Articles of Association
- c. Memorandum of Association
- d. Companies Act

24. The power to appoint additional directors between annual general meetings is usually vested in the:
- Shareholders
 - CEO
 - Board of Directors
 - Auditors
25. Which qualification is often required for a person to become a director?
- Age above 30 years
 - Shareholding in the company
 - Educational and professional qualifications
 - Political affiliation
26. The document that outlines the criteria and process for the appointment of directors is the:
- Memorandum of Association
 - Companies Act
 - Appointment Policy
 - Articles of Association
27. The power to remove a director from office is usually vested in the:
- CEO
 - Shareholders
 - Auditors
 - Board of Directors

28. The maximum number of directorships that a person can hold in public companies is often restricted by the:

- a. Companies Act
- b. Board Resolution
- c. CEO
- d. Auditors

29. The first directors of a company are often appointed by the:

- a. Shareholders
- b. Government
- c. CEO
- d. Auditors

30. The power to fill casual vacancies in the Board of Directors is typically granted to the:

- a. Shareholders
- b. CEO
- c. Government
- d. Board of Directors

31. Directors are required to disclose their interest in any contract or arrangement in the:

- a. Memorandum of Association
- b. Companies Act
- c. Board Resolution
- d. Articles of Association

32. The qualification and disqualification of directors are specified in the:

- a. Articles of Association
- b. Companies Act
- c. Board Resolution
- d. Memorandum of Association

33. The power to declare dividends is often within the purview of the:

- a. CEO
- b. Shareholders
- c. Board of Directors
- d. Auditors

34. Directors owe their fiduciary duties primarily to the:

- a. CEO
- b. Government
- c. Shareholders
- d. Auditors

35. The duty of directors to act in the best interests of the company is known as:

- a. Duty of Loyalty
- b. Duty of Care
- c. Duty of Skill
- d. Duty of Disclosure

36. Directors are required to exercise reasonable care, skill, and diligence under the:

- a. Board Resolution
- b. Companies Act
- c. Articles of Association
- d. Memorandum of Association

37. The power to borrow money on behalf of the company is often vested in the:

- a. Shareholders
- b. CEO
- c. Board of Directors
- d. Auditors

38. The power to appoint key executives and senior management is generally vested in the:

- a. Shareholders
- b. CEO
- c. Board of Directors
- d. Auditors

39. The process of evaluating the performance of the Board of Directors is known as:

- a. Board Appraisal
- b. Director Evaluation
- c. Corporate Assessment
- d. Governance Review

40. The power to approve the financial statements and annual budget is often within the purview of the:

- a. CEO
- b. Shareholders
- c. Board of Directors
- d. Auditors

41. The power to issue new shares and approve share buybacks is often vested in the:

- a. Shareholders
- b. CEO
- c. Board of Directors
- d. Auditors

42. The power to declare dividends is constrained by the:

- a. Board of Directors
- b. Companies Act
- c. Shareholders
- d. Auditors

43. Directors are obligated to act within the authority conferred upon them by the:

- a. Articles of Association
- b. Companies Act
- c. Board Resolution
- d. Memorandum of Association

44. The power to appoint and remove the CEO is often vested in the:

- a. Shareholders
- b. Government
- c. Board of Directors
- d. CEO

45. The power to appoint auditors and approve their remuneration is generally vested in the:

- a. Shareholders
- b. Government
- c. Board of Directors
- d. CEO

46. Directors are obligated to avoid situations where their personal interests conflict with the interests of the:

- a. CEO
- b. Government
- c. Shareholders
- d. Auditors

47. The power to recommend dividend payments to shareholders is often vested in the:

- a. CEO
- b. Board of Directors
- c. Shareholders
- d. Auditors

48. The power to amend the company's Articles of Association is generally vested in the:

- a. Shareholders
- b. CEO
- c. Board of Directors
- d. Government

49. The duty of directors to exercise reasonable care, skill, and diligence is known as:

- a. Duty of Loyalty
- b. Duty of Care
- c. Duty of Skill
- d. Duty of Disclosure

50. The power to approve major strategic decisions, mergers, and acquisitions is generally vested in the:

- a. Shareholders
- b. CEO
- c. Board of Directors
- d. Auditors

51. Who convenes a managers' meeting in a company?

- a. CEO
- b. Board of Directors
- c. Shareholders
- d. Company Secretary

52. The notice for a managers' meeting is usually sent to:
- Shareholders
 - Board of Directors
 - Company Secretary
 - All Managers
53. The primary purpose of a managers' meeting is to:
- Declare Dividends
 - Appoint Managers
 - Discuss and Make Decisions
 - Approve Annual Budget
54. Resolutions passed at a managers' meeting are recorded in the:
- Memorandum of Association
 - Articles of Association
 - Resolution Register
 - Board Resolution
55. The quorum for a managers' meeting is determined by the:
- Board of Directors
 - Shareholders
 - Government
 - Company Secretary

56. In a managers' meeting, each manager usually has how many votes?

- a. One
- b. Two
- c. Proportional to Shareholding
- d. None

57. The resolution passed by a simple majority at a managers' meeting is called a:

- a. Special Resolution
- b. Ordinary Resolution
- c. Extraordinary Resolution
- d. Unanimous Resolution

58. Who presides over a managers' meeting in the absence of the Chairman?

- a. CEO
- b. CFO
- c. Managing Director
- d. Director nominated by the managers

59. The minutes of a managers' meeting are prepared by the:

- a. CEO
- b. Company Secretary
- c. CFO
- d. Managing Director

60. A resolution passed by the managers without holding a meeting is known as a:

- a. Special Resolution
- b. Ordinary Resolution
- c. Circular Resolution
- d. Emergency Resolution

61. What is the minimum notice period required for convening a managers' meeting?

- a. 7 days
- b. 14 days
- c. 21 days
- d. 30 days

62. The resolution requiring the approval of a higher majority (usually 75% or more) is termed a:

- a. Special Resolution
- b. Ordinary Resolution
- c. Extraordinary Resolution
- d. Unanimous Resolution

63. The resolution passed at a managers' meeting with the consent of all managers is called a:

- a. Special Resolution
- b. Ordinary Resolution
- c. Extraordinary Resolution
- d. Unanimous Resolution

64. The proceedings of a managers' meeting are recorded in the:

- a. Memorandum of Association
- b. Articles of Association
- c. Resolution Register
- d. Minutes of the Meeting

65. Who is responsible for circulating the agenda for a managers' meeting?

- a. CEO
- b. CFO
- c. Company Secretary
- d. Chairman of the Board

66. The resolution passed by the managers for urgent matters requiring immediate attention is known as an:

- a. Special Resolution
- b. Ordinary Resolution
- c. Emergency Resolution
- d. Extraordinary Resolution

67. The resolution requiring the approval of a simple majority is termed a:

- a. Special Resolution
- b. Ordinary Resolution
- c. Extraordinary Resolution
- d. Unanimous Resolution

68. The quorum for a managers' meeting is determined based on:

- a. Number of Managers Present
- b. Total Number of Managers
- c. Shareholding of Managers
- d. Decision of the Chairman

69. In a circular resolution, what is the time frame within which managers must respond?

- a. 7 days
- b. 14 days
- c. 21 days
- d. 30 days

70. The Chairman of a managers' meeting has a casting vote in the case of:

- a. Ordinary Resolution
- b. Special Resolution
- c. Tied Votes
- d. Emergency Resolution

71. The resolution passed by the managers for an important and unexpected matter is known as an:

- a. Special Resolution
- b. Ordinary Resolution
- c. Emergency Resolution
- d. Extraordinary Resolution

72. A notice for a managers' meeting must specify the:
- Agenda
 - Attendees
 - Date of the Next Meeting
 - All of the Above
73. The Chairman of a managers' meeting is appointed by the:
- CEO
 - Board of Directors
 - Shareholders
 - Company Secretary
74. The resolution passed by the managers for matters outside the ordinary course of business is termed an:
- Special Resolution
 - Ordinary Resolution
 - Emergency Resolution
 - Extraordinary Resolution
75. A resolution passed by the managers without holding a meeting is evidenced by a:
- Resolution Register
 - Circular Resolution
 - Special Resolution
 - Ordinary Resolution
76. The Chairman of a managers' meeting is responsible for:

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- a. Casting Vote
- b. Preparing Minutes
- c. Circulating Agenda
- d. All of the Above

77. A resolution passed at a managers' meeting is binding on:

- a. Shareholders
- b. Managers
- c. Government
- d. All of the Above

78. The resolution requiring the approval of a specified majority, but not as high as a special resolution, is termed an:

- a. Ordinary Resolution
- b. Extraordinary Resolution
- c. Emergency Resolution
- d. Unanimous Resolution

79. Who ensures that the minutes of a managers' meeting are signed by the Chairman?

- a. CEO
- b. CFO
- c. Company Secretary
- d. Managing Director

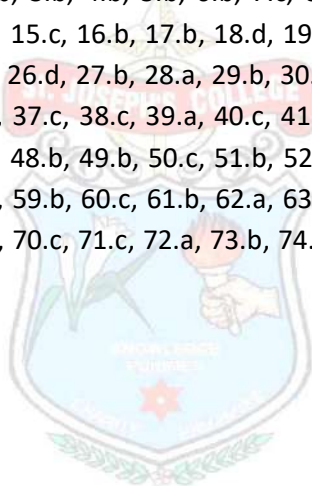
80. A resolution passed by the managers without unanimous consent is termed a:

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- a. Special Resolution
- b. Ordinary Resolution
- c. Extraordinary Resolution
- d. Majority Resolution

ANSWERS

1.c, 2.b, 3.b, 4.b, 5.b, 6.b, 7.c, 8.b, 9.a, 10.c, 11.b,
12.d, 13.c, 14.b, 15.c, 16.b, 17.b, 18.d, 19.a, 20.b, 21.a, 22.c,
23.b, 24.c, 25.c, 26.d, 27.b, 28.a, 29.b, 30.d, 31.b, 32.b, 33.c,
34.c, 35.a, 36.b, 37.c, 38.c, 39.a, 40.c, 41.c, 42.b, 43.a, 44.c,
45.a, 46.c, 47.b, 48.b, 49.b, 50.c, 51.b, 52.b, 53.c, 54.c, 55.a,
56.a, 57.b, 58.d, 59.b, 60.c, 61.b, 62.a, 63.d, 64.d, 65.c, 66.c,
67.b, 68.b, 69.b, 70.c, 71.c, 72.a, 73.b, 74.d, 75.b, 76.d, 77.d,
78.a, 79.c, 80.d.



UNIT V

1. What does "winding up" of a company refer to?
 - a. Expanding business operations
 - b. Closing down the company
 - c. Increasing shareholder equity
 - d. Merging with another company
2. The process of winding up a company is governed by:
 - a. Companies Act
 - b. Tax Regulations
 - c. Employment Laws
 - d. Banking Regulations
3. The term used for the voluntary winding up of a solvent company is:
 - a. Compulsory Winding Up
 - b. Members' Voluntary Winding Up
 - c. Creditors' Voluntary Winding Up
 - d. Official Winding Up
4. In the context of winding up, "creditors" refer to:
 - a. Shareholders
 - b. Employees
 - c. Suppliers and Lenders
 - d. Directors

5. Which court has the jurisdiction to wind up a company?
- District Court
 - High Court
 - Supreme Court
 - Magistrate Court
6. The winding-up petition can be presented by:
- Shareholders
 - Creditors
 - Directors
 - All of the Above
7. The grounds for compulsory winding up include:
- Inability to pay debts
 - Expiry of a fixed term
 - Voluntary decision by shareholders
 - Successful completion of objectives
8. The person appointed by the court to oversee the winding up process is called the:
- Receiver
 - Liquidator
 - Trustee
 - Supervisor

9. What is a "winding-up order"?
- Approval for a new business venture
 - Court order to close down a company
 - Decision by shareholders to wind up
 - Agreement between directors to dissolve the company
10. Which type of winding up is initiated by the shareholders and is not due to insolvency?
- Compulsory Winding Up
 - Members' Voluntary Winding Up
 - Creditors' Voluntary Winding Up
 - Official Winding Up
11. The primary duty of a liquidator is to:
- Maximize shareholder profits
 - Pay off creditors' claims
 - Distribute assets to directors
 - Continue business operations
12. During voluntary winding up, the liquidator must prepare a report known as the:
- Liquidation Statement
 - Creditors' Report
 - Directors' Declaration
 - Statement of Affairs

13. What is the "Statement of Affairs" in the context of winding up?

- a. Financial statement of the company
- b. Report on creditors' claims
- c. Director's personal statement
- d. Overview of the company's objectives

14. The statutory meeting of creditors during winding up is called the:

- a. Creditors' Assembly
- b. Liquidation Meeting
- c. Creditors' Committee
- d. Committee of Inspection

15. The order of priority for distributing assets during winding up is governed by:

- a. Liquidator's discretion
- b. Creditors' agreement
- c. Companies Act
- d. Shareholders' vote

16. What is the "Contributory" in winding up terminology?

- a. Company Director
- b. Shareholder or Member
- c. Liquidator
- d. Creditor

17. The process of settling the debts of the company during winding up is known as:
- Distribution of Assets
 - Dividends Payment
 - Creditors' Settlement
 - Creditors' Voluntary Agreement
18. Which type of winding up occurs when a company cannot pay its debts as they fall due?
- Compulsory Winding Up
 - Members' Voluntary Winding Up
 - Creditors' Voluntary Winding Up
 - Official Winding Up
19. What is a "winding-up resolution"?
- Resolution to continue business operations
 - Decision by directors to dissolve the company
 - Agreement between shareholders to wind up
 - Court order to close down a company
20. The "Statement of Affairs" includes details about the company's:
- Current directors
 - Assets and Liabilities
 - Shareholding structure
 - Marketing strategies

21. The winding-up process begins with the filing of a:
- Liquidation Statement
 - Winding-Up Petition
 - Statement of Affairs
 - Court Order
22. The order in which debts are paid during winding up is:
- Secured, Unsecured, Preferential
 - Preferential, Secured, Unsecured
 - Unsecured, Preferential, Secured
 - Unsecured, Secured, Preferential
23. A winding-up petition can be presented on the grounds of:
- Ability to pay debts
 - Voluntary decision by shareholders
 - Fraudulent activities
 - Successful completion of objectives
24. The "Proof of Debt" is submitted by:
- Shareholders
 - Creditors
 - Directors
 - Liquidators

25. Which statement is true regarding the role of contributories in winding up?
- They are responsible for appointing the liquidator
 - They contribute to the assets of the company
 - They represent the company in court
 - They can override the court's decision
26. The court may order winding up if it is just and equitable, for example, due to:
- A profitable business
 - Disputes among shareholders
 - Successful completion of objectives
 - A new business venture
27. The "Official Receiver" is appointed by:
- Shareholders
 - Creditors
 - Directors
 - Liquidators
28. The "Antecedent Transaction" in winding up refers to:
- Future business plans
 - Past transactions that may be set aside
 - Outstanding debts
 - Current assets

29. The winding-up order is made after the court is satisfied that:
- The company is profitable
 - The company can continue business operations
 - The company is insolvent and unable to pay debts
 - Shareholders want to continue the company
30. The purpose of the "Committee of Inspection" is to:
- Oversee the court proceedings
 - Represent the company's interests
 - Assist and supervise the liquidator
 - Approve future business plans
31. Which statement is true regarding the appointment of a liquidator?
- Shareholders always appoint the liquidator
 - Creditors always appoint the liquidator
 - The court appoints the liquidator
 - The government appoints the liquidator
32. The "Statement of Affairs" provides information about the company's:
- Future business plans
 - Past performance
 - Assets and liabilities
 - Shareholders' interests

33. The "Contributory's Meeting" is convened by the:
- Liquidator
 - Creditors
 - Directors
 - Committee of Inspection
34. A company can be wound up voluntarily if shareholders pass a:
- Creditors' Resolution
 - Ordinary Resolution
 - Special Resolution
 - Emergency Resolution
35. During the liquidation process, the liquidator has the power to:
- Continue business operations
 - Ignore creditors' claims
 - Distribute assets to shareholders
 - Investigate the company's affairs
36. The winding-up order is deemed to commence at the time of:
- Filing the winding-up petition
 - Court approval of the winding-up petition
 - Appointment of the liquidator
 - Issuing the winding-up order

37. The "Proof of Debt" submitted by creditors includes details about:

- a. Shareholding structure
- b. Assets of the company
- c. Liabilities owed by the company
- d. Directors' personal assets

38. What is the role of the "Official Receiver" in winding up?

- a. Representing the company's interests
- b. Overseeing the liquidation process
- c. Assisting the liquidator
- d. Appointing the liquidator

39. The "Committee of Inspection" is usually composed of:

- a. Shareholders
- b. Creditors
- c. Directors
- d. Liquidators

40. The liquidator's remuneration is determined by the:

- a. Creditors
- b. Shareholders
- c. Committee of Inspection
- d. Court

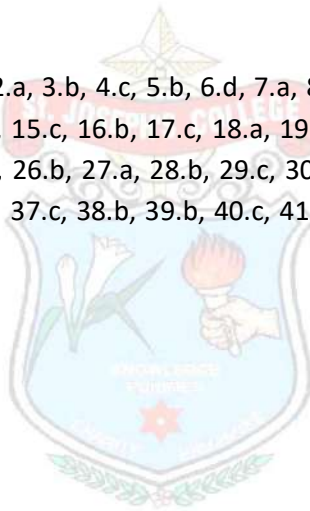
41. What is the effect of a winding-up order on the powers of the directors?
- a. Directors' powers are enhanced
 - b. Directors' powers are suspended
 - c. Directors' powers are transferred to shareholders
 - d. Directors' powers are unaffected
42. The "Statement of Affairs" is prepared by the:
- a. Creditors
 - b. Directors
 - c. Liquidator
 - d. Shareholders
43. Which of the following is a ground for compulsory winding up?
- a. Profitable business operations
 - b. Ongoing disputes among shareholders
 - c. Voluntary decision by shareholders
 - d. Shareholders' desire to continue the company
44. The court may dismiss a winding-up petition if:
- a. The company is profitable
 - b. The company can pay its debts
 - c. There are ongoing disputes among shareholders
 - d. Directors want to continue business operations

45. The liquidator has the power to disclaim onerous contracts, which are contracts that are:

- a. Profitable
- b. Disadvantageous or burdensome
- c. Approved by shareholders
- d. Disputed by creditors

ANSWERS

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



ABOUT AUTHOR

Mrs. D. Annie Jenifer was born in 1990 in Krishnagiri. She is currently working as an Assistant Professor in the Department of Commerce, St. Joseph's College of Arts and Science for Women, Hosur. She has completed M.Com., in Periyar University and M.Phil in Avinashilingam University and MBA in Bharathiar University. She has experience of 2 years. She has presented research articles in International, National Conference and symposium. She has published papers in national and international journals. Her area of interest includes Finance, Marketing and Human Resource Management. Received the Best paper presentation award from International conference.

