



MULTIPLE CHOICE QUESTIONS- CA INTER

(Companies Act- Shares and Share Capital, Debentures, Public Deposits, Meetings, Agency)

Q1) ABC Infrastructure Development Ltd. wants to issue redeemable preference shares for a period of 35 years. Advise whether it can do so.

- (a) Yes, the company can issue redeemable preference shares
- (b) Yes, the company can issue redeemable preference shares but for only 30 years.
- (c) Instead of issuing of shares for 35 years, the company should issue irredeemable preference shares.
- (d) Yes, the company can issue redeemable preference shares for a period not exceeding 20 years.

Q2) X Limited was sanctioned a term loan of ₹60.00 lacs by ABC Bank Limited on 21st November, 2018. As a security, the company offered its office premises situated at Bandra, Mumbai and an instrument of charge was executed. However, the company failed to get the charge registered with the concerned Registrar within the first as well as second statutory period available as per law. This was adversely commented by the internal auditors of the bank and therefore, after a strict advisory received from Mr. Mehta, the senior manager of the bank, the company was prompted to take steps for registration of charge. Name the specific type of fees which the company is now required to pay for registration of charge.

- (a) Special Fees.
- (b) Ad-valorem Fees.
- (c) A Late Registration Fees.
- (d) Ad-valorem Duty.

Q3) In Annual General Meeting, which one of the following will be treated as special business?

- (a) declaration of any dividend
- (b) fixing of the remuneration of the auditors
- (c) appointment of directors in place of those retiring
- (d) Buy back of shares

Q4) A company can give loans to persons in the employment for the purchase or subscription of its shares-

- a. Yes, the company can give loan up to a limit of Rs.2,50,000
- b. Yes, the company can give loan up to an amount not exceeding 6 months salaries and wages of employees
- c. Yes, the company can give loan up to an amount not exceeding 4 months salaries and wages of employees
- d. Yes, the company can give loan not exceeding his basic salary.

Q5) What is maximum period for which deposits can be issued?

- a) 36 months
- b) 24 months
- c) 12 months
- d) None of these

Q6) Annual general meeting need to be called by giving 21 days' clear notice. However it can be called on a shorter notice if members entitled to vote in that meeting give their consent in writing or by electronic mode. In such case, how many members have to give their consents?

- (a) 75% of members entitled
- (b) 50% of members entitled
- (c) 100% of members entitled
- (d) 95% of members entitled

Q7) The company shall certify that it has not committed any default in repayment of deposits accepted either before or after the commencement of the Act or payment of interest on such deposits and where a default had occurred, the company made good the default and a period of _____ had lapsed since the date of making good the default

- (a) two years
- (b) five years
- (c) three years
- (d) one year

Q8) L made an offer to MD of a company. MD accepted the offer though he had no authority to do so. Subsequently L withdrew the offer but the company ratified the MD's acceptance. State which of the statement given hereunder is correct:

- (a) L was bound with the offer
- (b) An offer once accepted cannot be withdrawn
- (c) Both option (a) & (b) is correct
- (d) L is not bound to an offer.

Q9) An agent is not liable to the principal if

- (a) He is a minor
- (b) He is of unsound mind
- (c) a and b both
- (d) None of these

Q10) In certain circumstances, a person who has been entrusted with another's property, may have to incur unauthorized expenses to protect and preserve it. This is known as

- (A) Agency of necessity
- (B) Agency by operation of law
- (C) Agency by holding out
- (D) Agency by ratification

Answer Key

1. b (A company engaged in the setting up of infrastructure projects may issue preference shares for a period exceeding 20 years but not exceeding 30 years, subject to the redemption of a min 10% of such preference shares per year from the 21st year onwards or earlier, on proportionate basis, at the option of the preference shareholders)

2. b

(<https://www.youtube.com/watch?v=JweNDAb7wPw&list=PL0sBEDN99Ti6kpJwGG5QNBgkgx4dleonr&index=7>) Time stamp(2.09 minute)

3. d

4. b

5. a

6. d

(<https://www.youtube.com/watch?v=HjV46x2pJ00&list=PL0sBEDN99Ti6kpJwGG5QNBgkgx4dleonr&index=8>)

7. b

(<https://www.youtube.com/watch?v=8bTRzSkyu0k&list=PL0sBEDN99Ti6kpJwGG5QNBgkgx4dleonr&index=6>)
Time Stamp (4.50 minutes)

8. c (Agency comes into existence from the time when the agent first acted and not from the time when the principal ratified the act)

9. c

10. a