

## **MULTIPLE CHOICE QUESTIONS- CA INTER**

**(Companies Act- Payment of Dividend, Accounts of Companies, Negotiable Instruments Act)**

Q1) Offences committed under the Negotiable Instruments Act can be

- (a) Compoundable
- (b) Non- compoundable
- (c) Non- compoundable and non-bailable
- (d) bailable

Q2) Parties to a negotiable instrument can be discharged from liability by

- (a) Cancellation
- (b) Payment
- (c) Release
- (d) All of the above

Q3) CSR Committee of the Board shall consist of:

- (a) Directors forming 1/3rd of the total no of directors
- (b) At least 2 directors
- (c) 3 or more directors
- (d) 3 or more directors, out of which at least 1 director shall be an independent director.

Q4) Which of the activities are not considered as spending on CSR (i.e. activities not included or specified under Schedule VII):

- (a) urban development projects
- (b) disaster management, including relief, rehabilitation and reconstruction activities
- (c) training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports
- (d) contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government

Q5) Dividends can be paid in the form of .....

- (a) Cash
- (b) Bonus shares
- (c) Right shares
- (d) all of the above

Q6) The authority to prescribe Accounting Standards lies with -

- (a) Central Government
- (b) ICAI
- (c) Central Government as recommended by ICAI
- (d) NFRA

Q7) Which of the following amount is not credited to IEPF Account

- (a) Unpaid dividend account of company
- (b) Matured deposit with company
- (c) Profit on sale of asset
- (d) Matured debentures with companies.

Q8) A draws a cheque in favour of M, a minor. M endorses the same in favour of X. The cheque is dishonoured by the bank on grounds of inadequate funds. As per the provisions of Negotiable Instruments Act, 1881:

- (a) M is liable to X
- (b) X can proceed against A
- (c) No one is liable in this case
- (d) M can proceed against A

Q9) A company can re-open/ recast its book of accounts on an application to Tribunal made by:

- (a) Registrar
- (b) Member
- (c) Board of Directors
- (d) Income –tax authorities

Q10) If declared dividend has not been paid or the warrant in respect thereof has not been posted within 30 days from the date of declaration to any entitled shareholder, the company shall be liable to pay simple interest at the rate of \_\_\_\_\_ p.a. during the period for which such default continues.

- (a) 5%
- (b) 6%
- (c) 15%
- (d) 18%

### Answer Key

1. a (**Compoundable offences** are those **offences** where, the complainant (one who has filed the case, i.e. the victim), enter into a compromise, and agrees to have the charges dropped against the accused.)

2. d

3. d

4. a

(<https://www.youtube.com/watch?v=IlFVQSW6ZG4&list=PL0sBEDN99Ti7SUx378tqm8MXqkC073BkF&index=5>)

5. a (Dividends are payable in cash. Dividends that are payable to the shareholder in cash may be paid by cheque or warrant or in any electronic mode.)

6. c (The ICAI is free to set Accounting Standards as it has been doing since 1977. For the purpose of the Companies Act, the Central Government enjoys the authority to prescribe such accounting standards which are recommended by the ICAI.)

7. c

8. b

9. d

10. d