

**DEC 2024**

**CMA INTER LAW**

**MCOQ**

**CHALLENGER**

**Secure  
your  
30 Marks  
in Law**

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Agrawal*



# CMA Inter Law

## MCQ Challenger - Dec 24

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1. A makes an offer to B on 10th by a letter which reaches B on 12th. B posts letter of acceptance on 14th which reaches A on 16th. The communication of acceptance is complete as against A on:

a. 12 <sup>th</sup>	b. 14 <sup>th</sup>
c. 16 <sup>th</sup>	d. 17 <sup>th</sup>

2. Proudly Sam Limited has received application money of Rs. 20,00,000 (2,00,000 equity shares of Rs. 10 each) on 10th October, 2024 from the applicants who applied for allotment of shares in response to a private placement offer of securities made by the company to them. Select the latest date by which the company must allot the shares against the application money so received.

a. 9 <sup>th</sup> Nov 2024	b. 24 <sup>th</sup> November, 2024
c. 9th December, 2024	d. 8th January, 2025

3. A company is empowered to close its register of members for a maximum period of ---- in a year

a. 30 days	b. 45 days
c. 60 days	d. 90 days

4. An issue house (share broker) has issued an advertisement in two leading newspapers for selling a big number of shares allotted to it by a company under a private placement. In which of the following conditions the advertisement will not be deemed as prospectus:

a. Advertisement was given within six months from the date of allotment	b. Advertisement was given after six months from the date of allotment and the issue house paid the entire consideration to the company
c. The issue house did not pay entire consideration to the company till the date of allotment	d. advertisement was given within three month from the date of allotment

5. A bailee fails to return the goods according to the bailor's direction. He takes reasonable care of the goods but still the goods are lost. The loss will fall on

a. The Bailee	b. The Bailor
c. On both of them	d. Neither of them

6. The sweat equity shares shall be locked in for a period of \_\_\_\_ years from the date of allotment.

a. One	b. Two
c. Three	d. Four

7. In case company not having any share capital, right to demand poll shall remain with:

a. Any member or members present in person or by proxy and having at least 1/5th of total voting power	b. Any member or members present in person or by proxy and having at least 1/10th of total voting power or Paid up capital of 5,00,000
c. Any member or members present in person or by proxy and having at least 1/5th of total voting power or Paid up capital of 5,00,000	d. Any member or members present in person or by proxy and having at least 1/10th of total voting power

8. What is the filing fee for LLP in case where the contribution of LLP exceed Rs Five lakh but does not exceeds Rs Ten lakh:

a. Rs. 150	b. Rs. 200
c. Rs. 100	d. Rs. 50

9. The Correct sequence of the following words in Preamble is

a. Sovereign, Democratic, Socialist, Secular, Republic	b. Sovereign, Socialist, Secular, Democratic, Republic
c. Sovereign, Socialist, Democratic, Secular, Republic	d. None of these

10. The assent or dissent received after \_\_\_\_ days in postal ballot, from the date of issue of notice, shall be treated as if no reply has been received from the member.

a. 3;	b. 7;
c. 30;	d. 45.

11. A company bought back 10% of its equity shares in August 2020. Due to certain miscalculations during the first buy-back, it again buy back another 10% equity shares in September 2020. Whether the company can resort to second buy-back?

a. It can do so subject to the fulfilment of other conditions because maximum buy-back in a financial year is up to 25%	b. It cannot do so because there must be a time gap of 12 months between two buy-backs
c. It can buy back shares within one year but the company need to pass an ordinary resolution by its board of directors	d. It can buy back shares within one year but the company will have to pass a special resolution

12. Where a member want to inspect proxy form, notice of .....days shall be served

a. Atleast 3 days	b. Max 3 days
c. Atleast 7 days	d. Max 7 days

13. Certificate of registration of satisfaction of charge shall be issued by Registrar in

a. Form CHG-5	b. Form CHG-2
c. Form CHG-4	d. Form CHG-1

14. Mr. Hanuman is a worker in a factory and has been getting wages in accordance with Code on Wages. However, for certain reasons, the manager dismissed him on 18<sup>th</sup> June 2024(Saturday) but his wages have not been paid. By when should his wages be paid?

a. By 21 <sup>st</sup> June	b. By Next Saturday
c. At the time of dismissal	d. By 20 <sup>th</sup> June

15. Selflessness means that the holders of public office should act solely in terms of the

a. Government interest	b. Public interest
c. Company interest	d. All of the above

16. No fine imposed on any employee shall be recovered from him after expiry of ----- days on which it was imposed.

a. 30	b. 90
c. 60	d. 45

17. A factory employs 250 workers. All the workers including workers above 60 years of age and below 15 years of age went on strike. The employer.

a. can deduct fine from all the workers	b. cannot deduct fine from workers who are under the age of 15
c. no fine can be imposed from workers who are 60 years and above	d. cannot deduct any fine from any worker.

18. There is a factory located in the state of Uttar Pradesh where usually painting is done once in 10 years. It has wooden metallic doors and should be painted or varnished once in every-

a. 6 Months	b. 5 Years
c. 10 years	d. Annually

19. Compensatory holidays are to be availed within \_\_\_\_\_ month.

a. 1 month	b. 2 months
c. 6 months	d. 9 months

20. When a person positively asserts that a fact is true when his information does not warrant it to be so, though he believes it to be true, there is

a. misrepresentation	b. fraud
c. undue influence	d. coercion

21. The employer shall display an abstract of the Payment of Gratuity Act and the Rules in Form No-

a. U	b. H
c. O	d. N

22. In how many days the site appraisal committee is required to report its recommendations to the State Government.

a. 30 days	b. 90 days
c. 60 days	d. 15 days

23. If an employer intends to close the business he is to send notice to the Controlling Authority within \_\_\_\_\_ before the intended closure.

a. 10 days;	b. 30 days;
c. 60 days;	d. 90 days;

24. A member of the Corporation shall cease to be a member if he fails to attend \_\_\_\_\_ consecutive meeting.

a. 3	b. 5
c. 7	d. None of these

25. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952 is applicable to an establishment engaged in any Industry specified in----

a. Schedule I	b. Schedule II
c. List specified by State Government	d. List Notified by Central Government

26. Seasonal factory is the one which is engaged for a period not exceeding \_\_\_\_\_ in a year

a. 7 months;	b. 6 months;
c. 3 months;	d. None of the above.

27. Every Inspector-cum-Facilitator appointed under sub-section (1) shall be deemed to be public servant within the meaning of section \_\_\_ of the Indian Penal Code.

a. 15	b. 18
c. 21	d. 26

28. No female child shall be allowed to work in any factory except between-

a. 8 a.m., and 7 p.m.;	b. 6 p.m., and 6 a.m.,
c. 6 a.m., and 7 p.m.,	d. 10 p.m. and 5 a.m.,

29. When does the property in the goods pass to the buyer in case of an unconditional contract for the sale of specific goods in a deliverable state?

a. When the contract is made irrespective of whether the time of payment of price or delivery of goods is postponed or not	b. When the party intends to transfer
c. At the time of payment of price of goods	d. At the time of delivery of goods

30. A party who does not suffer any loss in case of breach of contract is entitled to

a. Exemplary damages	b. Nominal damages
c. Liquidated damages	d. Statutory damages

31. Every foreign LLP shall file with the Registrar the Statement of Account and Solvency in

a. Form 6	b. Form 7
c. Form 8	d. Form 9

32. No person shall be prosecuted and punished for the same offence more than once. This is legally termed as-

a. Double Incrimination	b. Double Jeopardy
c. Obiter Dicta	d. Single Incitement

33. A money bill shall be first introduced in-

a. Council of States	b. House of the People
c. Either (a) or (b)	d. As President may decide

34. What is the exact time limit under which a Limited Liability Partnership must file its annual return with the registrar?

a. A Limited Liability Partnership must file its annual return within 30 days from the closing of its financial year	b. A Limited Liability Partnership must file its annual return within 45 days from the closing of its financial year
c. A Limited Liability Partnership must file its annual return within 15 days from the closing of its financial year	d. A Limited Liability Partnership must file its annual return within 60 days from the closing of its financial year

35. On which date was the Constitution of India adopted by Constituent Assembly?

a. August 15, 1947	b. January 26, 1950
c. November 26, 1949	d. January 30, 1948

36. A negotiable instrument drawn in favour of a minor is-

a. Void	b. Void but enforceable
c. Valid	d. None of the above

37. Whether a HUF can become partner in LLP?

a. HUF may become partner of LLP provided the Registrar may grant permission in this behalf.	b. No, HUF can't become partner in the LLP.
c. Yes, HUF may become partner of LLP.	d. None of the above

38. Age of adolescent worker as per Factories Act, 1948 is:

a. Who has completed 17 years of age	b. Who is less than 18 years
c. Who has completed 15 years but less than 18 years.	d. None of these

39. In case , back of a negotiable instrument is full of indorsements a slip of paper may be attached to the instrument for signing indorsements. Such a slip is legally known as

a. Allonge	b. Escrow
c. Zikri chit	d. Peth

40. A lends rs 500 to B. He later tells B that he need not repay the amount , the contract is discharged by

a. Breach	b. Waiver
c. Novation	d. Performance

## Self Practice Questions

41. What would be the position, where a minor elect not to become a partner \_\_\_\_\_.

a. He shall be entitled to sue the partners for his share of the property and profits	b. His rights and liabilities shall continue to be those of a minor under this section up to the date on which he gives public notice.
c. His share shall not be liable for any acts of the firm done after the date of the notice.	d. All of the above

42. The minimum administrative charge payable by the employer to the fund is \_\_\_\_\_.

a. Rs. 75	b. Rs. 500
c. Rs. 1,000	d. None of the above

43. Which of the following agency is irrevocable under The Indian Contract Act, 1872

a. Agency for fixed period	b. Agency for single transaction
c. Agency coupled with interest	d. Continuing Agency

44. Every company limited by shares shall keep and maintain the Register of Members in Form No. \_\_\_\_\_

a. MGT-1	b. MGT-3
c. MGT-7	d. MGT-12

45. As per Sale of Goods Act, this is not included:

a. Growing crop	b. Money
c. Table	d. Goodwill

46. Cash is withdrawn by a customer of a bank from the automatic teller machine is an example of \_\_\_\_\_

a. Express Contract	b. Void Contract
c. Tacit Contract	d. Illegal Contract

47. Applied Ethics deal with-

a. Moral Judgement	b. Ethical Principles
c. Controversial Topics	d. None of the above

48. Where no provision is made by contract between the partners for the duration of their partnership, or for the determination of their partnership, the partnership is called as:

a. Particular partnership	b. Partnership for a fixed term
c. partnership at will	d. None of the above

49. A prospectus which does not have complete particulars on the price of securities offered and the quantum of securities offered by the company is known as:

a. Private placement	b. Red-herring prospectus
c. Deemed prospectus	d. Shelf prospectus

50. The minimum number of directors for a public company is

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

51. Which one of the following is not correct?

a. The articles of the company shall provide for the appointment of Chairman in a meeting;	b. The members personally present at the meeting shall elect one of themselves to be Chairman on a show of hands, if the article does not provide for the same;
c. Managing Director is the Chairman of the meeting.	d. The member selected as Chairman as a result of poll, continue the Chairman, who is elected by show of hands.

52. If any inspection is refused or if any copy required is not furnished within the specified time, the company shall be liable to a penalty of Rs. \_\_\_

a. Rs. 10000;	b. Rs. 25000;
c. Rs. 50000;	d. Rs. 1 lakh.

53. A sort of tacit understanding /agreement among the intending bidders to stifle competition by not bidding against each other in an auction sale is called as \_\_\_\_\_.

a. Damping	b. Knock-out Agreement
c. Puffers	d. By-Bidders

54. The quorum for the Annual General Meeting for a public company having the number of members more than 5000 is \_\_\_\_\_.

a. 2	b. 15
c. 30	d. None of the above

55. According to Factories Act, 1948 white wash or colour wash should be carried out at least once in every period of \_\_\_\_\_.

a. 14 months	b. 24 months
c. 48 months	d. 60 months

56. The age of an adolescent worker under Factories Act, 1948 is-

a. 10 years	b. 14 years
c. 18 years	d. 21 years

57. Weekly holiday shall be \_\_\_\_\_

a. First day of the week;	b. Last day of the week;
c. Third day of the week;	d. None of the above.

58. What is the paid up share capital fixed for the appointment of a woman director?

a. Rs. 100 crores;	b. Rs. 300 crores;
c. Rs. 500 crores;	d. None of the above.

59. Business ethics calls for avoidance of

a. Self-interest	b. Competition
c. Monopoly	d. Publicity

60. A Company shall be a Small Company only if it's Paid Up Share Capital does not exceed \_\_\_\_\_ & its turnover does not exceed \_\_\_\_\_

a. 2 Cr ; 20 Cr	b. 10 Cr ; 100 Cr
c. 50 Lakh ; 2 Cr	d. 4 Cr ; 40 Cr

61. Which one of the following is not the feature of 'agreement to sale'?

a. It gives a right to the buyer against the seller to sue for damages.	b. The seller can sue for damages only in case of breach by the buyer.
c. Sales takes place for existing and specific goods.	d. It is an executor contract.

62. The maximum penalty recoverable from the employer who makes the default in payment of any contribution to the fund is

a. 5%	b. 10%
c. 15%	d. 25%

63. Nomination for Gratuity is to be made by an employee----- in form-----

a. Immediately on his appointment, Form F	b. After completion of one year service, Form F
c. After he is made permanent, Form U	d. None of the above.

64. Withdrawal from PF may be allowed for

a. Marriage of the employer;	b. Post matriculation education of children;
c. For the purchase of a dwelling place;	d. For illness in certain cases.

65. No prospectus shall be valid if it is issued more than \_\_\_\_\_ days after the date on which a copy thereof is delivered to the Registrar.

a. Fifteen	b. Thirty
c. Sixty	d. Ninety

66. The Articles of Association of XYZ Ltd. contained a provision that upto 4% of issue price of the shares may be paid as underwriting commission to the underwriters. The Board of directors decided to pay 6% underwriting commission. State the % of commission that company can pay to the underwriter.

a. 4%	b. 5%
c. 6%	d. None of these

67. In case of unlisted company the duplicate share certificate shall be issued within a period of

a. 45 days	b. 3 months
c. 6 months	d. None of the above.

68. An instrument of the proxy shall be deposited with the registered office of the company \_\_\_\_\_ before the conduct of the meeting.

a. 7 hours	b. 21 hours
c. 48 hours	d. 60 hours.

69. Provisions for cool drinking water during hot weather shall be made where more than

a. 150 workers are employed.	b. 250 workers are employed.
c. 350 workers are employed.	d. 500 workers are employed.

70. Which one of the following will not be included in the definition of wages under Payment of Gratuity Act, 1972?

a. Dearness Allowance	b. Overtime
c. Cash value for consideration	d. All of the above

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

a. 7 days	b. 30 days
c. 60 days	d. 90 days

72. In case of Sec 8 Companies, GM may be called by giving not less than \_\_\_\_\_ days' notice

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

73. In case of e-voting notice shall be sent as attachment in

a. PDF	b. Word file
c. Excel	d. XML

74. If there is a dispute as to the amount of gratuity payable to the employee, the employer shall deposit the gratuity with the

a. State Board	b. Controlling Authority
c. State or Central Board	d. All of the above

75. The role of Management Accounting is not described as-

a. Scorekeeping	b. Problem Solving
c. Cost Reduction	d. Attention Directing

76. Mr. Vishal parks his car at a parking lot, locks it, and keeps the keys with himself. Which of the following statement is correct in this regard?

a. This is a case of bailment	b. The parking people have possession of the car of Mr. Vishal
c. The parking people have custody of car of Mr. Vishal	d. This is the case of Mortgage

77. "Banker" includes:

a. Any person acting as an employee of any bank and any post office saving bank	b. Any person acting as a banker and any post office saving bank
c. Any person acting as an agent of any bank and any post office saving bank.	d. Any person acting as a Managing Director of any bank and any post office saving bank

78. What are the right of partners after dissolution?

a. To have the surplus distributed among the partners or their representatives according to their rights	b. To have business wound up after dissolution.
c. To have the property of the firm applied in payment of the debts and liabilities of the firm	d. To have the property of the firm applied in payment of the debts and liabilities of the firm

79. What is the chief source of legal authority in India?

a. People	b. Constitution of India
c. Parliament	d. President of India

80. Right to Property is a:

a. Fundamental Right	b. Fundamental Duty
c. Constitutional Right	d. None of the above

81. Where any member of a firm has died or otherwise ceased to be a partner, and the surviving or continuing partners carry on the business of the firm with the property of the firm without any final settlement of accounts as between them and the outgoing partner or his estate, then, in the absence of a contract to the contrary, the outgoing partner or his estate is entitled at the option of himself or his representatives to such share of the profits made since he ceased to be a partner as may be attributable to the use of his share of the property of the firm or to interest at the rate of on the amount of his share in the property of the firm:

a. 9% p.a.	b. 18% p.a.
c. 6% p.a.	d. 12% p.a.

82. An appeal shall lie to High Court from the orders of ESI within \_\_\_\_ days from the date of order of the ESI Court.

a. 30	b. 60
c. 90	d. None of the above.

83. Who, among the following, is not the Principal Employer?

a. Occupier of the factory;	b. Owner of the factory;
c. Legal representative of the owner;	d. Legal representative of the contractor.

84. Subject to the approval of P. F. Commissioner withdrawal from the Provident Fund may be allowed up to

a. 25% of the balance.	b. 50% of the balance.
c. 75% of the balance.	d. 100% of the balance.

85. If a company does not have a common seal, the share certificate shall be signed by

a. Two directors;	b. One director and Company Secretary;
c. Either (a) or (b);	d. None of the above.

86. At every AGM, not less than \_\_\_\_ of the total number of directors shall retire by rotation.

a. One third	b. Two third
c. Three fourths	d. Half

87. Provisions of EPF & Miscellaneous Provision Act, 1952 are applicable to Cinema/Theatre employing:

a. 10 or more persons	b. 20 or more persons
c. 5 or more persons	d. 15 or more persons

88. The term 'family' as defined in ESI Act, 1948 does not include:

a. A spouse	b. A minor adopted child
c. A dependent unmarried daughter	d. An independent married sister

89. A quasi contract \_\_\_\_\_.

a. is a contract	b. in an agreement
c. creates only a legal obligation	d. is none of these

90. The employer's and employee's share of contribution of ESI fund is

a. 1.75% and 4.75% of wages respectively	b. 3.25% and 0.75% of wages respectively
c. 10% and 3.75% of wages respectively	d. 11% and 3.75% of wages respectively

91. The term 'ethics' derived from Latin word 'ethos' which means-

a. Values	b. Policy
c. Character	d. Behaviour

92. An employer is liable to pay his contribution in respect of every employee and deduct employees contribution from wages and shall pay them in a bank within \_\_\_days of the last day of the calendar month in which the contribution fall due for any wage period.

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

93. The relationship between laws and ethics is:

a. Complex	b. Simple
c. Inexplicable	d. None of the above

94. While filing appeal to EPF Appellate Tribunal the employer has to deposit \_\_\_of the amount due from him.

a. 25%	b. 50%
c. 75%	d. None of the above.

95. Under the Negotiable Instruments Act, 1881, whether acceptance of a bill of exchange in the following situation shall be treated as qualified acceptance where the acceptor

a. Undertakes to pay only Rs.10,000 for a bill drawn for Rs. 15,000.	b. Declares the payment to be independent of any other event.
c. Writes, 'Accepted, payable at ABC Bank'	d. Writes, Accepted, payable at Delhi'.

96. A Bill of exchange was drawn by A in California, where rate of interest is 25%. Bill is accepted by B payable in Washington where rate of interest is 6%. The bill is indorsed in India and is dishonoured. An action is brought against B in India. What shall be the payable rate of Interest by B?

a. 6%	b. 25%
c. Either (a) or (b) as parties decide	d. Rate by RBI

97. Power to exempt any LLP or class of LLP for audits of accounts is with \_\_\_\_\_.

a. Inspector	b. Central Government
c. Any other regulatory authority	d. None of the above

98. When an instrument is drawn conditionally or for a special purpose as a collateral security and not for the purpose of transferring property therein, it is called:

a. Ambiguous Instrument	b. Inchoate Instrument
c. Escrow Instrument	d. Inland Instrument

99. A agreed to sell 100 shares to B at Rs. 75 per share, delivery to be given on 1st march, B refused to accept delivery on 1st march as price had gone down to Rs. 60 per share. Subsequently A sold these shares at Rs. 92 per share

a. A cannot recover any damages from B	b. A will have to restore to B Rs. 1700, i.e, the profit he made
c. A can recover damages to be determined by the President of the stock exchange	d. None of them

100. A negotiation instrument is said to be discharged when the liability of which of the following parties comes to an end?

a. primarily liable party	b. secondarily liable party
c. subsequently liable party	d. none of the parties

### Answers to MCQs

1	(b)	21	(a)	41	(d)	61	(c)	81	(c)
2	(c)	22	(b)	42	(b)	62	(d)	82	(b)
3	(b)	23	(c)	43	(c)	63	(b)	83	(d)
4	(b)	24	(a)	44	(a)	64	(c)	84	(c)
5	(a)	25	(a)	45	(b)	65	(d)	85	(c)
6	(c)	26	(a)	46	(c)	66	(a)	86	(b)
7	(d)	27	(c)	47	(c)	67	(b)	87	(c)
8	(a)	28	(a)	48	(c)	68	(c)	88	(d)
9	(b)	29	(a)	49	(b)	69	(b)	89	(c)
10	(c)	30	(b)	50	(c)	70	(b)	90	(b)
11	(b)	31	(c)	51	(c)	71	(b)	91	(c)
12	(a)	32	(b)	52	(b)	72	(b)	92	(c)
13	(a)	33	(b)	53	(b)	73	(a)	93	(a)
14	(a)	34	(d)	54	(c)	74	(b)	94	(c)
15	(b)	35	(c)	55	(a)	75	(c)	95	(a)
16	(b)	36	(c)	56	(b)	76	(c)	96	(a)
17	(b)	37	(b)	57	(a)	77	(b)	97	(b)
18	(b)	38	(c)	58	(a)	78	(d)	98	(c)
19	(b)	39	(a)	59	(c)	79	(b)	99	(c)
20	(a)	40	(b)	60	(d)	80	(c)	100	(a)