

MCQ CHALLENGER SERIES

WITH

CMA INTER LAW

JUNE 2024

<u>Topics Covered</u>	<u>Date</u>
Industrial Laws & Ethics	18th May
Company Law	20th May
Commercial Laws	22nd May

LIVE - 7:30 pm Onwards



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CA SHIVANGI AGRAWAL





MCQs for Class Discussion

1. Which of the following statement about OPC is untrue?

a. OPC can't be converted to section 8 Company	b. No minor shall become nominee in OPC
c. The sole member must be citizen and Resident of India	d. OPC is not required to conduct AGM

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 th Nov 2024	b. 24 th November, 2024
c. 9 th December, 2024	d. 8 th January, 2025

3. 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

4. Satisfaction of charge shall be filed within ----- from date of full satisfaction.

a. 15 days	b. 21 days
c. 30 days	d. 300 days

5. 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

6. The company may make an application to _____ seeking extension of time for repayment of any deposit accepted before the commencement of the Companies Act, 2013.

a. The Tribunal	b. The Registrar
c. The Central Government	d. The Court

7. 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

8. For selecting the name for the company, an application for the reservation of name shall be made in _____ with the fee.

a. INC-1	b. SPICe+
c. INC-2	d. None of the above

9. Copies of annual returns prepared and copies of all certificates and documents required to be annexed thereto shall be preserved for a period of from the date of _____ filing with the Registrar.

a. 8 years	b. 10 years
c. 12 years	d. 15 years

10. 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

11. A Public company having net worth of ----- or turnover of ----- will be “eligible company” under section 76(1) of Companies Act, 2013 to invite deposits from the persons other than its members. Such company can invite public deposits.

a. Not more than Rs. 100 Crs; Not less than Rs. 500 Crs	b. Not less than Rs. 500 Crs; Not more than Rs. 500 Crs
c. Not less than Rs. 500 Crs; Not less than Rs. 500 Crs	d. Not less than Rs. 100 Crs; Not less than Rs. 500 Crs

12. The minimum age prescribed for the appointment of a Managing Director is

a. 18 years	b. 21 years
c. 30 years	d. 70 years

13. A 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

14. 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

15. 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

16. Which one cannot be transacted through postal ballot?

a. Appointment of auditor.	b. Election of a Director.
c. Buy back of shares by a company.	d. Change in place of registered office outside the local limits of any city, town or village.

17. 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.

18. In the case of an adjourned meeting the company shall give not less than ____ notice to the members.

a. 1 day	b. 3 days
c. 7 days	d. None of the above.

19. A poll demanded on any question shall be taken within ____ from the time when the demand was made.

a. Immediately;	b. 12 hours;
c. 24 hours;	d. 48 hours.

20. 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

21. 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

22. 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.

23. 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.

24. 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

25. SLJ Private Limited was incorporated on 27th August, 2020 with 30 persons as subscribers to the Memorandum of Association and with Authorised share capital of Rs. 1.00 crore divided into equal number of shares of Re. 1 each. Each subscriber subscribed for Rs. 1.00 lac shares. Advise the company about the company by what date it needs to deliver the share certificates to the subscribers.

a. 17 th September, 2020.	b. 30 th September, 2020.
c. 27 th October, 2020.	d. 27 th November, 2020.

26. 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

27. Where a member want to inspect proxy form, notice ofdays shall be served

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

28. 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

29. 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

30. If AGM is not held as per the provisions of section 96, -----may make an application to --

a. Any Director; The Tribunal	b. Any member; The tribunal
c. Any director; The Central Government	d. Any member; The Central Government

MCQs for Self Practice

31. The private placement shall be made, not more than _____ persons in aggregate in a financial year as per Companies Act, 2013.

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

32. 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

33. 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

34. An interest or lien created on the property or assets of a company or any of its undertakings or both as security is known as:

a. Debt	b. Charge
c. Liability	d. Hypothecation

35. The appointment of an independent director shall be approved by the

a. Board meeting;	b. General meeting;
c. Registrar of Companies;	d. Central Government.

36. The tenure of director appointed by small share holders shall be

a. Up to the date of next AGM;	b. 1 year;
c. 3 years;	d. 5 years.

37. Which one of the following is not the criterion for the appointment of independent director?

a. He shall not be a promoter of the company.	b. He shall relate to the promoters of the company;
c. He shall not have any pecuniary relationship with the company or their promoters or directors during two immediately preceding financial year.	d. His relatives have not held any pecuniary relationship with the company amounting to 2% or more of its gross turnover.

38. A director may be elected by small shareholders upon a notice by

a. Not less than 1000 small shareholders;	b. One tenth of the total number of shareholders;
c. Not less than 1000 small shareholders or one tenth of such shareholders, whichever is lower;	d. None of the above.

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

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

40. The Bonus shares may be issued out of the

a. Free reserves;	b. Securities premium account;
c. Capital redemption reserve account;	d. Any of the above.

41. For which purposes securities premium account can be utilized?

a. In writing off the preliminary expenses;	b. Buy back of shares;
c. Issue of bonus shares;	d. Any of the above.

42. Which one of the following is not correct in regard to share certificate?

a. The Company Secretary shall issue the share certificate.	b. The share certificate shall be issued in pursuance of a resolution of the Board;
c. Every share certificate shall be distinguished to its distinctive number.	d. The shares may be in the dematerialized form.

43. Where the equity shares of the company are listed on a recognized stock exchange, the issue of such shares shall be approved by shareholders through the-

a. Voting by show of hands	b. Voting through electronic means
c. Postal ballot	d. Voting by poll

44. Which one of the following is not a valid method of voting in a meeting of a company?

a. Voting by show of hands	b. Voting through electronic means
c. Postal Ballot	d. Voting by voice

45. Where a company issues shares with differential right, it should be maintained under Section 88 of Companies Act, 2013.

a. List of share-holders	b. Register of shares
c. Register of Members	d. List of shares

46. 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.

47. 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 `___

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

48. 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.

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

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

50. 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.

Answers to MCQs

1	(c)	11	(d)	21	(d)	31	(c)	41	(d)
2	(c)	12	(b)	22	(c)	32	(a)	42	(a)
3	(d)	13	(b)	23	(a)	33	(b)	43	(c)
4	(c)	14	(b)	24	(b)	34	(b)	44	(d)
5	(a)	15	(c)	25	(c)	35	(b)	45	(c)
6	(a)	16	(a)	26	(b)	36	(c)	46	(c)
7	(b)	17	(c)	27	(a)	37	(b)	47	(b)
8	(b)	18	(b)	28	(a)	38	(c)	48	(b)
9	(a)	19	(d)	29	(b)	39	(c)	49	(a)
10	(c)	20	(d)	30	(b)	40	(d)	50	(c)

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