

Chapter 7

ELEMENTS OF COMPANY LAW-I

THIS CHAPTER COVERS MCQs ON:

- Company-meaning and characteristics
- Distinction with other forms of business
- Advantages & disadvantages of incorporation
- Types of companies
- Promotion and incorporation of a company
- Registration of company
- Commencement of business
- How company function

COMPANY-MEANING & CHARACTERISTICS

1. Companies Act, 1956 extends to the -----
 - (a) Whole of India
 - (b) Whole of India excluding State of Jammu & Kashmir
 - (c) Whole of India excluding state of Bihar
 - (d) Whole of India excluding State of Jammu
2. A company may be -----
 - (a) An incorporated company
 - (b) A corporation
 - (c) An unincorporated company
 - (d) Any of above
3. The case of -----, has clearly established the principle that company is a legal person distinct from its members.
 - (a) *Salmon v Salmon & Co. Ltd.*
 - (b) *Salomon v Salomon & Co. Ltd.*
 - (c) *Salomon v Salomon*
 - (d) None of the above
4. Characteristic of a company-----
 - (a) Limited liability
 - (b) Perpetual succession
 - (c) Corporate personality
 - (d) All of the above
5. Characteristic of a company-----
 - (a) Transferability of shares
 - (b) Separate property
 - (c) Common seal

- (d) All of the above
6. Characteristic of a company -----
 - (a) Capacity to sue and be sued
 - (b) Limited liability
 - (c) Common seal
 - (d) All of the above
7. The liability of the members of a company is limited to the extent of the ----- of the shares held by them.
 - (a) Nominal value
 - (b) Market value
 - (c) Exchange value
 - (d) None of the above
8. Company has ----- succession.
 - (a) Limited
 - (b) Perpetual
 - (c) No continue
 - (d) Longer
9. In the case of a company limited by guarantee, the members are liable only to the extent of the ----- by them and not beyond, and only when the company goes into liquidation.
 - (a) Nominal value of shares
 - (b) Amount guaranteed
 - (c) Market value of shares
 - (d) Rs. 5 lakh out of shares
10. Perpetual succession means -----
 - (a) Members may go and members may go but the company goes on forever
 - (b) Members may come and members may come but the company goes on forever
 - (c) Members may come and members may go but the company goes on forever
 - (d) Members may go and members may come but the company cannot go on forever.
11. A company dies with the death of its shareholders.
 - (a) True
 - (b) False
 - (c) Partly true
 - (d) Partly false

12. The shares of company are said to be -----
(a) Immovable property
(b) Movable property
(c) Tangible property
(d) Permanent property
13. The shares of joint stock companies are ----
(a) Not freely transferable
(b) Freely transferable
(c) Freely transferable subject to permission of government
(d) None of the above
14. In the case of a private company, every member owing fully paid-up shares can freely transfer shares held by him subject to the provisions in the articles of the company.
(a) True
(b) False
(c) Partly true
(d) Partly false
15. As a corporate person, the company is not entitled to own and hold property in its own name.
(a) True
(b) False
(c) Partly true
(d) Partly false
16. Member can claim ownership of any item of the company's assets.
(a) True
(b) False
(c) Partly true
(d) Partly false
17. On incorporation, a company acquires legal entity with perpetual succession and a ---
(a) Seal
(b) Common seal
(c) Rubber stamp
(d) None of the above
18. Common seal of the company acts are the official signature of a -----
(a) Managing director
(b) Company
(c) General manager
(d) Shareholders
19. A document not bearing common seal of the company is not authentic and has no legal force.
(a) True
(b) False
(c) Partly true
(d) Partly false
20. A company being, a body corporate can sue but cannot be sued in its own name.
(a) True
(b) False
(c) Partly true
(d) Partly false
21. Which of the following is a distinct legal person?
(a) Sole proprietor
(b) Partnership
(c) Company
(d) All of above
22. Members or shareholders are agents of a company.
(a) True
(b) False
(c) Partly true
(d) Partly false
23. Members of a company cannot contract with company.
(a) True
(b) False
(c) Partly true
(d) Partly false
24. A partner's liability is always limited whereas that of shareholders may be unlimited either by shares or a guarantee.
(a) True
(b) False
(c) Partly true
(d) Partly false
25. A private company cannot have more than - ---

- (a) 50 members including cannot have more than employee members
(b) 50 members excluding past and present employee
(c) 100 members excluding past and present employee members
(d) 100 members including past and present employee members
26. In a public company there must not be less than -----
(a) Two persons
(b) Seven persons
(c) Six persons
(d) Ten persons
27. ----- have homogenous member.
(a) Partnership firm
(b) Company
(c) Cooperatives
(d) Hindu undivided family
28. In a private company there must not be less than -----
(a) Two persons
(b) Seven persons
(c) Six persons
(d) Ten persons
29. A partnership firm cannot have more than in any business other than banking business.
(a) 50 members
(b) 20 members
(c) 30 members
(d) 15 members
30. A company is legally required to have its Accounts audited annually by a -----
(a) Account
(b) Chartered accountant
(c) Chartered financial analyst
(d) Chartered secretary
31. A company consist of ----- members, whereas a Hindu Undivided Family business consists of ----- members since it consists of members of the joint family itself.
(a) Homogenous, homogenous
(b) Heterogeneous, homogenous
(c) Homogeneous, Heterogeneous
(d) None of the above
32. Registration of a company is -----
(a) Optional
(b) Compulsory
(c) Compulsory in some cases
(d) Optional but compulsory in some cases
33. "Body corporate" or "Corporation" includes a company incorporated outside India but does not include -----
(a) A corporation sole;
(b) A co-operative society registered under any law relating to co-operative societies; and
(c) Any other body corporate which the Central Government may, by notify in this behalf.
(d) All of the above
34. A society registered under the Societies Registration Act come within the term 'body corporate'.
(a) True
(b) False
(c) Partly true
(d) Partly false
35. Which of the following are advantages of incorporation of company?
(a) Corporate personality
(b) Limited liability
(c) Perpetual succession
(d) All of above
36. Which of the following is an advantage of incorporation of company?
(a) Transferable shares
(b) Separate property
(c) Capacity to sue
(d) All of above
37. Which of the following advantages of incorporation of company?
(a) Capacity to sue
(b) Flexibility and Autonomy
(c) Corporate personality
(d) All of above

38. Which of the following is a disadvantage of incorporation of company?
(a) Detailed winding-up procedure
(b) Greater tax burden
(c) Greater social responsibility
(d) All of above
39. Where a fraudulent and dishonest use is made of the legal entity. The Court will break through the corporate shell and apply the principle of what is known as -----
(a) Lifting of the corporate veil
(b) Piercing through the corporate veil
(c) (a) or (b)
(d) None of above
40. If company do not follow the principle of separate legal entity ----- can be done.
(a) Principle of natural justice
(b) Principle of equity
(c) Lifting of corporate veil
(d) All of above
41. The corporate veil can be lifted: -----
(a) Where the corporate veil has been used for proper & legal purpose.
(b) Where the corporation is really an agency or trust for someone else and the corporate façade is used to cover up that agency or trust.
(c) Where the company is incurring continuous losses.
(d) All of above
42. The corporate veil can be lifted: -----
(a) For determining the true status of the company
(b) In order to determine whether it was an enemy company.
(c) Where the company fails to pay taxes and duties
(d) All of above
43. The corporate veil can be lifted: -----
(a) Where it was found that the sole purpose for which the company was formed was to evade taxes
(b) Where the purpose of company formation was to fulfill labor welfare & other legislation
(c) To punish for contempt of Court
(d) (a) or (c)
44. Minimum paid-up capital for a private company is -----
(a) Rs. Two lakh
(b) Rs. One lakh
(c) Rs. Five lakh
(d) Rs. Ten lakh
45. A private company means a company which has -----
(a) A minimum paid-up capital of one lakh rupees
(b) Such higher paid up capital as may be prescribed
(c) (a) or (b)
(d) None of the above
46. A private company means a company which by its articles -----
(a) Restricts the right to transfer its shares
(b) Limits the number of members to fifty not including past and present employee
(c) Prohibits any invitation to the public to subscribe for any shares in, or debentures
(d) All of above
47. A private company by its articles prohibits any invitation or acceptance of deposits form public.
(a) True
(b) False
(c) Partly true
(d) Partly false
48. A private company may accept deposits form -----
(a) Members
(b) Directors
(c) Relatives of members and directors
(d) All of the above

49. Where two or more persons hold one or more shares in a private company jointly, they shall be counted as a ---- member
- (a) Single
 - (b) Double
 - (c) One and half
 - (d) None of the above
50. The Companies Act, 1956, confers certain privileges on -----
- (a) Private companies
 - (b) Public companies
 - (c) Private company which is subsidiary public company
 - (d) None of the above
51. Public company means a company which is not a -----
- (a) Public company
 - (b) Private company
 - (c) Statutory company
 - (d) None of the above
52. Minimum paid up capital for public company is -----
- (a) Rs. 2 lakhs
 - (b) Rs. 1 laks
 - (c) Rs. 5 Lakhs
 - (d) Rs. 10 lakhs
53. Private company which is a subsidiary of a public company is a -----
- (a) Public company
 - (b) Private company
 - (c) Statutory company
 - (d) Deemed company
54. Maximum number of members of a public company are ----
- (a) 20
 - (b) 50
 - (c) 100
 - (d) Unlimited
55. A public company must have at least -----
- (a) 5 directors
 - (b) 3 directors
 - (c) 2 directors
 - (d) 12 directors
56. A private company must have at least -----
- (a) 5 directors
 - (b) 3 directors
 - (c) 3 directors
 - (d) 12 directors
57. In the case of a -----, the directors must file with the Registrar a consent to act as a directors or sign an undertaking for their qualification shares
- (a) Public company
 - (b) Private company
 - (c) Both (a) & (b)
 - (d) None of above
58. Total managerial remuneration in a public company cannot exceed ---- of the net profits
- (a) 10%
 - (b) 11%
 - (c) 15%
 - (d) 12%
59. A company may be -----
- (a) Limited by shares
 - (b) An unlimited company
 - (c) Company limited by guarantee
 - (d) None of above
60. ----- is a company not having any limit on the liability of its members
- (a) Limited company
 - (b) An unlimited company
 - (c) Company limited by guarantee
 - (d) None of above
61. An association not for profit registered under the Companies Act, 1956 popularly known as -----
- (a) Section 25 company
 - (b) Section 20 company
 - (c) Section 55 company
 - (d) Section 35 company
62. Association not for profit has to take ----- from central government.
- (a) Certificate
 - (b) Grant
 - (c) Approval

- (d) License
63. ----- permits the registration, under a license granted by the Central Government, of associations not for profit with limited liability without being required to use the word 'Limited' or the words 'Private Limited' after their names.
- (a) Section 25 company
(b) Section 20 company
(c) Section 55 company
(d) Section 35 company
64. License under section 25 may be granted by Central government if -----
- (a) It is intended to form a company for promoting commerce, art, science, religion, charity or any other object
(b) The company prohibits payment of any dividend to its members
(c) Apply its profits or other income in promotion of its objects
(d) All of above
65. Section 617 defines a "government company" as any company in which not less than ---- of the paid-up share capital is held by the Central government, or by any State Government or Governments, or partly by the one or more State Governments. A subsidiary of a Government company is also treated as a Government company.
- (a) 31%
(b) 41%
(c) 51%
(d) 61%
66. The auditor of a Government company is appointed or reappointed by the -----
- (a) Controller and Auditor General of India
(b) Comptroller and Auditor General of India
(c) Comptroller and Auditor of India
(d) Central Government
67. A ----- is a company which is incorporated in a country outside India under the law of that other country and has established a place of business in India.
- (a) Domestic company
(b) Foreign company
(c) Alien company
(d) All of above
68. Section 592 lies down that every foreign company which establishes a place of business in India must, within ---- of the establishment of such place of business, file with the Registrar of Companies at New Delhi and also with the Registrar of Company of the State in which such place of business is situated certain documents.
- (a) 30 days
(b) 60 days
(c) 1 month
(d) 90 days
69. Section 592 of the companies Act lays down that every foreign company which establishes a place of business in India must, within 30 days of the establishment of place of business, file with the -----
- (a) Registrar of Companies at New Delhi
(b) Registrar of Companies at Mumbai
(c) Registrar of Companies of the State in which such place of business is situated
(d) (a) and (c)
70. According to Section 4 of the Companies Act, a company shall be deemed to be a subsidiary of another, if and only if -----
- (a) That other controls the composition of its Board of directors
(b) That other holds more than half of the nominal value of its equity share capital
(c) The first-mentioned company is a subsidiary of any company which is that others subsidiary
(d) Any of above
- PROMOTION & INCORPORATION OF COMPANAY**
71. Company should be formed for a -----
- (a) Unlawful purpose

- (b) Lawful purpose
(c) Illegal purpose
(d) All of above
72. The ROC is the authority which -----
(a) Register companies
(b) Receives documents and forms from companies and registers them
(c) Maintains records of the companies and makes this record available for public inspection
(d) All of above
73. ----- conceives the idea of the business
(a) Shareholders
(b) Directors
(c) Auditors
(d) Promoters
74. Promoter means -----
(a) Who undertakes to form a company with reference to a given object and to set it going
(b) Who takes the necessary steps to incorporate company.
(c) Who performs the preliminary duties and develops the idea and induces others to join.
(d) All of above
75. Who of the following can be promoter?
(a) Individual
(b) Syndicate association
(c) Company
(d) All of above
76. Function of promoter -----
(a) To decide the company's name
(b) To settle the details of the company's MOA & AOA
(c) To print the MOA & AOA
(d) All of above
77. A promoter is ----- of company
(a) An agent
(b) A trustee
(c) Both (a) & (b)
(d) Neither (a) & (b)
78. A promoter can make a secret profit?
(a) True
(b) False
(c) Partly true
(d) Partly false
79. A ----- stands in a fiduciary relation to the company which he promotes.
(a) Promoter
(b) Creditor
(c) Equity shareholders
(d) Debenture shareholders
80. Promoter can make a profit-----
(a) Even if he does not make full disclosure
(b) If he make full disclosure
(c) If he make part disclosure
(d) All of above
81. The first step towards incorporation of company is -----
(a) To print MOA & AOA
(b) To have certificate of incorporation
(c) To adopt a suitable name
(d) None of above
82. A company is identified by the name with which it is registered and such name of the company is stated in -----
(a) AOA
(b) MOA
(c) Prospectus
(d) Share application form
83. A company cannot be registered with the name -----
(a) Which is undesirable
(b) Which is identical to name of an existing company
(c) Which is identical to or too nearly resembles the name of an existing company
(d) All of above
84. For ascertaining as to whether the proposed name is available for adoption, the promoters are required to make an application to the -----
(a) Regional director
(b) Registrar of Companies

- (c) Central Government
(d) State Government
85. For ascertaining as to whether the proposed name is available for adoption, the promoters are required to make an application to the Register of in -----
(a) e-Form No. 1
(b) e-Form No. 10
(c) e-Form No. 1A
(d) e-Form No. 15
86. For ascertaining as to whether the proposed name is available for adoption, the promoters are required to make an application to the Registrar Companies e-Form No. 1A along with fee of Rs. -----
(a) 500
(b) 5,000
(c) 50,000
(d) 1,000
87. The Registrar of Companies shall ordinarily furnish the information by way of a letter within ----- of the receipt of the application in e-Form No. 1A for name availability
(a) 30 days
(b) 14 days
(c) 45 days
(d) 60 days
88. Where the promoters are informed by the Registered of the availability of name as proposed, such name of the availability for adoption by the promoters of the company for a period of ----- from the date of intimation by the Register.
(a) 1 months
(b) 2 months
(c) 3 months
(d) 4 months
89. The memorandum has to be divided into ----
-
(a) Four Clause
(b) Five Clause
(c) Seven Clause
(d) Ten Clauses
90. The first clause of the memorandum is ----
(a) Capital Clause
(b) Objects Clause
(c) Registered Clause
(d) Name Clause
91. The second clause of the memorandum is --

(a) Capital Clause
(b) Objects Clause
(c) Registered Clause
(d) Name of Clause
92. The third clause of the memorandum is ----
(a) Capital Clause
(b) Objects Clause
(c) Registered Office Clause
(d) Name Clause
93. The fourth clause of the memorandum is ----
--
(a) Capital Clause
(b) Objects Clause
(c) Registered Office Clause
(d) Liability Clause
94. The fifth clause of the memorandum is ----
(a) Capital clause
(b) Objects clause
(c) Registered office Clause
(d) Liability Clause
95. Registered office clause of the memorandum shall mention the ----- in which the registered office of the company is to be situated.
(a) Complete address
(b) State
(c) City
(d) Town
96. The objects clause of company is further divided into
(a) Main objects
(b) Other objects
(c) (a) & (b)
(d) None of above

97. A process of examining carefully the contents of documents from legal point of view is known as -----
(a) Scanning
(b) Vetting
(c) Reading
(d) Verifying
98. The memorandum must be subscribed by at least seven persons in the case of a public company and by at least two persons in the case of a private company, who shall sign the memorandum in the presence of at least -----
(a) Two witness
(b) One witness
(c) Three witness
(d) Five witness
99. The articles constitute a contract between the company and its ----- and members inter se.
(a) Creditor
(b) Members
(c) Debtors
(d) Debenture holder
100. Model Articles of Association contained in First Schedule can be adopted by -----
(a) Public companies
(b) Private companies
(c) Both (a) & (b)
(d) None of above
101. A private company must register its own Article
(a) True
(b) False
(c) Partly true
(d) Partly false
102. The provisions contained in the Articles of Association should not conflict with -----
(a) Companies Act
(b) Memorandum of Association
(c) Both (a) & (b)
(d) None of above
103. Table A of Schedule I to the Companies Act, 1956 contains the forms of -----
(a) AOA of company limited by shares
(b) MOA of company limited by shares
(c) AOA & MOA of company limited by shares
(d) Company limited by shares
104. Table B Schedule I to the Companies Act, 1956 contains the formats of MOA of -----
(a) AOA of company limited by shares
(b) MOA of company limited by shares
(c) AOA & MOA of company limited by shares
(d) Company limited by shares
105. Table C of Schedule I to the Companies Act, 1956 contains the formats of AOA & MOA of -----
(a) Unlimited company
(b) Company limited by guarantee having share capital
(c) Company limited by guarantee not having share capital
(d) Company shares by limited
106. Table D of Schedule I to the Companies Act, 1956 contains the formats of AOA & MOA of -----
(a) Unlimited company
(b) Company limited by guarantee having share capital
(c) Company limited by guarantee not having share capital
(d) Company limited by shares
107. Table E of Schedule I to the Companies Act, 1956 contains the formats of AOA & MOA of -----
(a) Unlimited company
(b) Company limited by guarantee having share capital
(c) Company limited by guarantee not having share capital

- (d) Company limited by shares
108. The memorandum and articles must be -----
- (a) Divided into paragraphs
 - (b) Numbered consecutively
 - (c) (a) & (b)
 - (d) (a) or (b)
109. In the case of companies having share capital the subscribers to the memorandum should take at least ----- each
- (a) One share
 - (b) Five share
 - (c) Ten share
 - (d) Hundred Shares
110. Consent in writing to act as director of the company should be filed in -----
- (a) E-Form No. 18
 - (b) E-Form No. 32
 - (c) E-Form No. 23
 - (d) E-Form No. 1
111. Notice of registered address of the company should be filed in -----
- (a) E-Form No. 18
 - (b) E-Form No. 32
 - (c) E-Form No. 23
 - (d) E-Form No. 1
112. According to Section 146, a company must have a registered office -----
- (a) Within 30 days of incorporation
 - (b) When it commences business
 - (c) (a) and (b) whichever is earlier
 - (d) None of above
113. Notice of change in registered address to the Registrar of Companies should be filed in -----
- (a) E-Form No. 18
 - (b) E-Form no. 32
 - (c) E-Form No. 23
 - (d) E-Form No. 1
114. Notice of appointment of company secretary to the Registrant of companies should be filed in -----
- (a) e-Form No.18
 - (b) e-Form No. 32
 - (c) e-Form No. 23
 - (d) e-Form No. 1
115. The declaration to the effect that all the requirements of the Companies Act and the rules there under have been complied with in respect of registration matters precedent and incidental there to should be filed in -----
- (a) e-Form No. 18
 - (b) e-Form No. 32
 - (c) e-Form No. 23
 - (d) e-Form No. 1
116. The declaration in e-Form No. 1 can be signed by the Companies Act and the rules there under have been complied with in respect of registration and matters precedent and incidental thereto.
- (a) An advocate of the Supreme Court
 - (b) An advocate of the any high Court
 - (c) An attorney
 - (d) any one of above
117. The declaration in e-Form No. 1 can be signed by a ----- to the effect that all the requirements of the companies Act and the rules there under have been complied with in respect of registration and matters precedent and incidental thereto.
- (a) e-Form No. 18
 - (b) e-Form No. 32
 - (c) e-Form No. 23
 - (d) e-Form No. 1
118. Payment of Registration Fees has been prescribed in ---- to the Companies Act, 1956.
- (a) Schedule XI
 - (b) Schedule XV
 - (c) Schedule IX
 - (d) Schedule X

119. If the registrar is satisfied that all requirements, as discussed above, have been complied with, he will register the company and issue the -----
- (a) Certificate of commencement of business
 - (b) Certificate of incorporation
 - (c) Certificate to act as director
 - (d) None of above
120. Private company need not to obtain certificate of commencement of business.
- (a) True
 - (b) False
 - (c) Partly true
 - (d) Partly false

Chapter 8

ELEMENTS OF COMPANY LAW-II

THESE CHAPTER COVERS MCQs ON:

- Meaning & types of directors
- Appointment of director
- Managerial personnel
- Managing director
- Manager
- Shareholders
- Meetings
- Kinds of company meetings
- Company secretary

MANAGERIAL PERSONNEL

1. The persons who are in charge of the management of the affairs of a company are -----
(a) Termed as directors
(b) Collectively known as Board of Directors
(c) (a) or (b)
(d) None of above
2. Directors take the decision regarding the management of a company collectively in their meetings known as -----
(a) Business meetings
(b) Board meetings
(c) Transaction meetings
(d) Shareholders meetings
3. As per companies Act, 1956 meetings of the Board of Directors must be held -----
(a) Once in every three calendar months
(b) Once in every four calendar months
(c) Once in every 120 days
(d) Once in every 150 days
4. As per Companies Act, 1956, at least ----- board meetings must be held every year.
(a) 3
(b) 4
(c) 5
(d) 2

5. The decisions at the board meetings are taken by ---- of votes.
(a) Simple majority
(b) Equality
(c) 3/4th majority
(d) 2/3rd majority
6. In board meetings if there is situation of equal number of votes for and against any resolution, the Chairman has the power to exercise his ----- for deciding the matter.
(a) Extra vote
(b) Casting vote
(c) Extraordinary vote
(d) None of above
7. In board meetings if there is situation of equal number of votes for and against any resolution, the ----- has the power to exercise his casting vote for deciding the matter.
(a) Director senior in age
(b) Additional director
(c) Chairman
(d) Managing director
8. The term director is defined in -----
(a) Section 2(16)
(b) Section 2(15)
(c) Section 2(14)
(d) Section 2(13)
9. According to Section 2(13) of the Act, a director includes "any person occupying the position of a director by whatever name called".
(a) True
(b) False
(c) Partly true
(d) Partly false
10. As per the provisions of the Companies Act, 1956 educational qualification of director ----
--
(a) B.Com.
(b) 12th pass
(c) 5th pass
(d) No qualification has been prescribed

11. The Companies Act, 1956 does not lay down any qualifications for a director except the holding of a specific number of -----, if any which the articles may fix as a requisite for the appointment of a director.
- (a) Shares warrants
 - (b) Shares
 - (c) Debenture
 - (d) Any of the above
12. The qualification shares have to be obtained by directors within a period of -----
- (a) Three months
 - (b) Two months
 - (c) Four months
 - (d) 60 days
13. Any provision in the articles of the company which requires a person to hold the qualification shares before his appointment as a director or to obtain appointment as such shall be -----
- (a) Voidable
 - (b) Void
 - (c) Illegal
 - (d) None of above
14. The nominal value of the qualification shares should not exceed -----
- (a) Five thousand rupees
 - (b) Ten thousand rupees
 - (c) Four thousand rupees
 - (d) One thousand rupees
15. Disqualification of director has been prescribed in -----
- (a) Section 274
 - (b) Section 277
 - (c) Section 284
 - (d) Section 294
16. The Companies Act, 1956 states that a person shall not be capable of being appointed as a director of a company, if -----
- (a) He has been found by the Court to be of unsound mind
 - (b) He is an undercharged insolvent
 - (c) He has applied to be adjudicated as an insolvent and his application is pending
 - (d) All of above
17. The Companies Act, 1956 states that a person shall not be capable of being appointed as a director of a company, if -----
- (a) He has been convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than 6 months, and a period of 5 years has not elapsed from the date of expiry of the sentence
 - (b) He has failed to pay call on his shares in the company for 6 months from the date fixed for the payment
 - (c) He has been disqualified by a Court under Section 203 which empowers the Court to restrain fraudulent persons from managing companies
 - (d) All of above
18. As per Section 274 (1)(g), of the Companies Act, 1956 states that a person shall not be capable of being appointed as a director of a company, if such person is already a director of a public company which -----
- (a) Has not filed the annual accounts and annual returns for any continuous three financial years commencing on and after the first day of April, 1999
 - (b) Has failed to repay its deposits or interest thereon on due date or redeem its debentures on due date or pay dividend and such failure continues for one year or more
 - (c) (a) or (b)
 - (d) 9a) and (b)
19. Any director disqualified as per Section 274(1)(g) shall not be eligible to be appointed as a director of any other public company for a period of ----- for the date of disqualification
- (a) Two years

- (b) Five years
(c) Three years
(d) One year
20. Additional disqualification other than those prescribed in Section 274 can be prescribed by -----
(a) Public company
(b) Private company
(c) Both (a) and (b)
(d) (a) or (b)
21. According to Section 253 of the Act, ----- cannot be appointed as director of any company.
(a) Body corporate
(b) Association
(c) Firm
(d) All of above
22. According to Section 253 of the Act, only ---- ---- can be appointed as director of any company.
(a) Body corporate
(b) Body corporate
(c) Association
(d) Firm
(e) All of above
23. Any corporate body/ Association of firm can be appointed as director of the company. This statement is -----
(a) False
(b) True
(c) Partly true
(d) Partly false
24. No company shall appoint or re-appoint any individual as director of the company unless he has been allotted a ----- under Section 266B.
(a) Permanent Account Number
(b) Director identification Number
(c) Permanent Identification Number
(d) Director account Number
25. Every public company shall have at least --- ----
(a) 2 directors
- (b) 3 directors
(c) 4 directors
(d) 5 directors
26. Every public company shall have at least 3 directors provided that a public company having a paid-up capital of ----- and one thousand or more small shareholders must appoint small shareholders director.
(a) Ten crore rupees
(b) Five crore rupees
(c) Five crore rupees or more
(d) Ten crore rupees or more
27. Every public company shall have at least 3 directors provided that a public company having a paid-up capital of Five crore rupees or more and ----- small shareholders
(a) One thousand
(b) One thousand or more
(c) Five thousand
(d) Five thousand or more
28. Every private company shall have at least -- ----
(a) 2 directors
(b) 3 directors
(c) 4 directors
(d) 5 directors
29. Any increase in number of directors beyond the maximum permitted by the Articles is to be approved by the -----
(a) Regional director
(b) Registrar of company
(c) Central Government
(d) State Government
30. Where the increase in number does not make the total number of directors ----, no approval of the Central Government is needed.
(a) More than 11
(b) More than 12
(c) More than 13
(d) More than 14
31. Directors may be appointed -----

- (a) By a provision in the articles
(b) By shareholders in general meeting
(c) By the Board of directors
(d) All of above
32. Directors may be appointed -----
(a) By Central Government
(b) By third parties like financial institution
(c) By shareholders in general institution
(d) All of above
33. The first directors are usually named in the -

(a) Memorandum
(b) Article
(c) Prospectus
(d) All of above
34. If first directors are not named in the Article,
the subscribers to the ----- are deemed to
be the directors
(a) Memorandum
(b) Memorandum who are individuals
(c) Article who are individuals
(d) Article
35. In the case of public company, out of the
total number of directors only ----- can be
permanently appointed
(a) Two-third
(b) one-third
(c) three-third
(d) one-fifth
36. In the case of public company, out of the
total number of directors ----- be directors
liable to retire by rotation
(a) Two-third
(b) One-third
(c) Three-fourth
(d) One-fifth
37. In the case of public company, out of the
total number of directors two thirds be
directors liable to retire by rotation. At each
annual general meetings ----- of these two
thirds of directors are however eligible for
reappointment.
(a) Two-third
- (b) One-third
(c) Three-fourth
(d) One-fifth
38. XYZ Ltd. has total 6 directors. Directors
liable to retire by rotation should be -----
(a) 3
(b) 4
(c) 5
(d) 6
39. XYZ Ltd. has total 7 directors. Directors
liable to retire by rotation should be -----
(a) 3
(b) 4
(c) 5
(d) 6
40. XYZ. Ltd. has total 8 directors. Directors
liable to retire by rotation should be -----
(a) 3
(b) 4
(c) 5
(d) 6
41. XYZ. Ltd. has total 9 directors. Directors
liable to retire by rotation should be -----
(a) 5
(b) 6
(c) 7
(d) 8
42. XYZ. Ltd. has total 10 directors. Directors
liable to retire by rotation should be -----
(a) 5
(b) 6
(c) 7
(d) 8
43. XYZ. Ltd. has total 11 directors. Directors
liable to retire by rotation should be -----
(a) 5
(b) 6
(c) 7
(d) 8
44. XYZ Ltd. has 6 rotational directors. Out of
directors liable to retire at the AGM but
eligible for reappointment will be -----
(a) 2

- (b) 3
(c) 4
(d) 5
45. XYZ Ltd. has 7 rotational directors. Out of directors liable to retire at the AGM but eligible for reappointment will be ----
(a) 2
(b) 3
(c) 4
(d) 5
46. XYZ Ltd. has 8 rotational directors. Out of directors liable to retire at the AGM but eligible for reappointment will be ----
(a) 2
(b) 3
(c) 4
(d) 5
47. XYZ Ltd. has 9 rotational directors. Out of directors liable to retire at the AGM but eligible for reappointment will be ----
(a) 3
(b) 4
(c) 5
(d) 6
48. XYZ Ltd. has 10 rotational directors. Out of directors liable to retire at the AGM but eligible for reappointment will be ----
(a) 3
(b) 4
(c) 5
(d) 6
49. XYZ Ltd. has 11 rotational directors. Out of directors liable to retire at the AGM but eligible for reappointment will be ----
(a) 3
(b) 4
(c) 5
(d) 6
50. Out of two directors liable to retire by rotation one third directors retiring ----- retire first.
(a) Those who have senior as per age
(b) Those who have been longest in office
(c) Those who have less experience
(d) None of above
51. Additional directors are appointed by ----
52. Additional directors hold office up to the date of the next -----
53. ----- director is appointed in the place of original director in case of his absence
54. As per Section 313, the Board of directors of a company may, if so authorized by its articles or by a resolution passed by its articles or by a resolution passed by the company in general meeting, appoint an --- -- to act for a director during his absence for a period of not less than three months from the state in which meetings of the Board are ordinarily held.
55. As per section 313, the Board of directors of a company may, if so authorized by its articles or by a resolution passed by the company in general meeting, appoint an alternate director to act for a director during his absence for a period of ----- from the State in which meetings of the Board are ordinarily held.
56. As per Section 313, the Board of directors of a company may, -----, appoint alternate director to act for a director during his absence for a period of not less than three months from the state in which meetings of the Board are ordinarily held.
57. As per Section 313, The Board of directors of a company may, if so authorized by its articles or by a resolution passed by the company in general meeting, appoint an alternate director to act for a director during his absence for a period of not less than three months -----
58. As per section 262, In the case of a public company or a private company which is a subsidiary of a public company, if ----- is vacated before his term of office will expire in the normal course, the resulting casual vacancy may, in default of and subject to

- any regulations in the articles of the company, be filled by the Board of directors at a meeting of the Board.
59. As per Section 262, In the case of a public company or a private company which is a subsidiary of a public company, if the office of any director appointed by the company in general meeting is vacated before his term of office will expire in the normal course, the resulting casual vacancy may, in default of and subject to any regulations in the articles of the company, be filled by the ----- at a meeting of the Board.
- (a) Central Government
 - (b) Board of directors
 - (c) Company in general meeting
 - (d) Managing director
60. As per Section 262, in the case of a public company or a private company which is a subsidiary of a public company, if the office of any director appointed by the company in general meeting is vacated before his term of office will expire in the normal course, the resulting casual vacancy may, in default of and subject to any regulations in the articles of the company, be filled by the at a -----
- (a) Shareholder in extraordinary meeting of shareholder
 - (b) Shareholder in annual general meeting of shareholder
 - (c) Board of directors in meeting of the Board
 - (d) None of above
61. As per Section 408, the ----- has the power to appoint the directors for the purpose for the purpose of safeguarding the interests of the company, or its shareholders or the public interest.
- (a) Company Law Board
 - (b) Central Government
 - (c) Regional director
 - (d) Registrar of company
62. As per Section 408, The Central Government has the power to appoint the directors for the purpose of safeguarding the interest of the -----
- (a) Company
 - (b) Shareholders
 - (c) Public director
 - (d) Registrar of company
63. As per Section 408, the Central Government may appoint such number of persons as the ----- may, by order writing, specific as being necessary to effectively safeguard the interest of the company, or its shareholders or the public interests.
- (a) Company Law Board
 - (b) Central Government
 - (c) Regional director
 - (d) Registrar of company
64. As per section 408, reference to Company Law Board can be made by -----
- (a) The Central Government
 - (b) 100 members of the Company
 - (c) Members holding 1 / 10 of the total voting power
 - (d) Any of the above
65. Minimum ----- % application is needed for appointed of director to be done by central government.
- (a) 10%
 - (b) 25%
 - (c) 20%
 - (d) 5%
66. As per Section 408, the directors so appointed hold office for a period of ----- but can be reappointed by the Central Government for further periods of three years each.
- (a) Two years
 - (b) Three years
 - (c) Five years
 - (d) Six years
67. As per Section 284, a company may, by ----- passed in general meeting after special

- notice, remove a director before the expiry of his period of office.
- (a) Ordinary resolution
 - (b) Special resolution
 - (c) Specific resolution
 - (d) Board resolution
68. As per Section 284, a company may, by ordinary resolution passed in general meeting after -----, remove a director before the expiry of his period of office.
- (a) special notice
 - (b) specific notice
 - (c) General notice
 - (d) None of above
69. Section 284 dealing with removal of director by shareholders does not apply to -----
- (a) The director appointed by the Central Government
 - (b) In the case of a private company, director holding office for life on April 1, 1952
 - (c) Directors appointed by the removal of director by portioned representation
 - (d) All of above
70. Section 284 dealing with removal of director by shareholders does not apply to -----
- (a) Director appointed by financial institutions pursuant to stipulations under their agreements viz., IDBI, IFCI, etc. under their respective Acts.
 - (b) Directors appointed by Board for Industrial and Financial reconstruction
 - (c) In the case of a private company, director holding office for life on April 1, 1952
 - (d) All of above
71. The Central Government may remove managerial personnel from office on the recommendations of -----
- (a) Company Law Board
 - (b) Central government
 - (c) Regional director
 - (d) Registrar of company
72. Company Law Board / National Company Law tribunal can remove the directors for prevention of -----
- (a) Oppression
 - (b) Competition
 - (c) Mismanagement
 - (d) (a) and (c)
73. Removal of directors can be done by ----
- (a) Shareholders
 - (b) Central Government
 - (c) Company law board
 - (d) All of above
74. As per section 291, ----- is entitled to exercise all such powers and to do all such acts and things as the company is authorized to exercise and do.
- (a) Shareholders
 - (b) The Board of directors
 - (c) Managing directors
 - (d) Manager
75. In which of following case shareholders may exercise the power vested in the Board?
- (a) Where the actions of directors are mala fide, against the interest of the company
 - (b) When the Board for some valid reasons becomes incompetent to act,
 - (c) When there is a deadlock in the Board
 - (d) All of above
76. As per Section 292, which of the following power of the company can be exercised only by means of resolutions passed at meetings of the Board?
- (a) To make calls on shareholders in respect of money unpaid on their shares
 - (b) To authorize the buy-back up 10% of paid up capital
 - (c) To issue debentures
 - (d) All of above
77. As per Section 292, which of the following power of the company can be exercised only by means of resolutions passed at meetings of the Board?

- (a) Power to borrow money otherwise than on debentures
(b) Power to invest the funds of the company
(c) Power to make loans
(d) All of above
78. Which of the following power of the Board may by a resolutions passed at its meeting delegated to any committee of directors, the managing director, the manager or any other principle officer of the company?
(a) Power to borrow money otherwise than on debentures
(b) Power to invest the funds of the company
(c) Power to make loans
(d) All of above
79. A company cannot have both-a Managing Directors and a Manager
(a) True
(b) False
(c) Partly true
(d) Partly false
80. A managing director being essentially a directors must be an individual
(a) True
(b) False
(c) Partly true
(d) Partly false
81. As per Section 267, no company should appoint or continue the appointment or employment of any person as its managing directors or whole-time director, who -----
(a) Is an undercharged insolvent or has at any time been adjudged an insolvent
(b) Suspends or has at any time suspended, payment to his creditors or makes or has at any time made a composition with them
(c) Is, or has been convicted by a Court of an offence involving moral turpitude.
(d) All of above
82. Only an individual can be appointed a manager of a company.
(a) True
(b) False
(c) Partly true
(d) Partly false
83. As per Section 385, no company shall appoint or employ, or continue the appointment or employment of, any person as its manager who -----
(a) Is an undercharged insolvent, or has at any time within the preceding five years been adjudged an insolvent
(b) Suspends, or has at any time within the preceding five years suspended payment to his creditors
(c) Is or has at any time within the preceding five years been convicted of an offence involving moral turpitude.
(d) All of above
84. The maximum term of appointment of a managing director or manager in a public company or a private company which is a subsidiary of public company, cannot be more than ----- at a time.
(a) 3 years
(b) 5 years
(c) 6 years
(d) 8 years
85. Re-appointment of a managing director or manager in a public company or a private company which is a subsidiary of public company can be made for ----- at a time.
(a) 3 years
(b) 5 years
(c) 6 years
(d) 8 years
86. The re-appointment of a managing director should not be sanctioned not earlier than --- --- from the date on which it is to come into force.
(a) 2 years
(b) 5 years

- (c) 6 years
- (d) 8 years

SHAREHOLDERS

87. The persons who hold the shares of a company are called the ----- of the company
- (a) Unit holder
 - (b) Shareholders
 - (c) Share purchaser
 - (d) None of above
88. Preference shares carry preferential right as to -----
- (a) Payment of dividend during the life time of the Company
 - (b) Repayment of capital on winding up
 - (c) Both (a) and (b)
 - (d) None of above
89. ----- Deals with sweat equity shares.
- (a) Section 77 A
 - (b) Section 79 A
 - (c) Section 372 A
 - (d) Section 88 A
90. ----- Mean shares issued by the company at a discount or for consideration other than cash for providing knowhow or making available rights in the nature of intellectual property rights or value additions, by whatever name called.
- (a) Sweat equity shares
 - (b) Sweat preference shares
 - (c) Sweat debenture
 - (d) None of above
91. Sweat equity shares can be issued for -----
- (a) For providing know how
 - (b) Making available rights in the nature of intellectual property rights or value additions
 - (c) (a) and (b)
 - (d) None of above
92. Sweat equity shares can be issued -----
- (a) At discount
 - (b) For consideration other than cash

- (c) (a) or (b)
 - (d) None of above
93. Every shareholder is a member but every member is not shareholder.
- (a) True
 - (b) False
 - (c) Partly true
 - (d) Partly false
94. Every member is a shareholder but every shareholder is not member.
- (a) True
 - (b) False
 - (c) Partly true
 - (d) Partly false
95. Member is a person who has signed company's memorandum of Associations.
- (a) True
 - (b) False
 - (c) Partly true
 - (d) Partly false
96. A person is member of company -----
- (a) Who agrees in writing to become a member
 - (b) Whose name is entered in the company's register of members
 - (c) Both (a) and (b)
 - (d) None of above
97. In which of the following case a shareholder is not a member of the company?
- (a) A person having a share warrant
 - (b) A legal representative of a deceased shareholder
 - (c) A person who has applied for allotment of shares but his application has been rejected.
 - (d) All of above
98. The shareholders who provide the funds for the company are commonly regarded as the "-----" of the company
- (a) Creditors
 - (b) Owners
 - (c) Lenders
 - (d) Debtors

99. The right of a shareholder includes the right

- (a) To receive notice of general meetings
- (b) To attend meetings
- (c) To vote either in person or by proxy
- (d) All of above

100. The right of a shareholder includes
the right -----

- (a) To receive dividends when declared
- (b) To transfer shares, subject to
restrictions imposed by the articles
- (c) To inspect registers and records of the
company and obtain extracts
- (d) All of above

101. The right of a shareholder includes
the right -----

- (a) To apply to the Court to have any
variation or abrogation of his rights
- (b) To share in the assets of the company
on its dissolution
- (c) To take part in day business activities
- (d) (a) & (b)

102. In which of the following case
consent of shareholder is necessary?

- (a) Commencement of any new business
- (b) Sale, lease or disposal of the whole, or
substantially the whole of the
undertaking of the company
- (c) Remission of, or granting time for, the
repayment of any debt due by a director
- (d) All of above

103. In which of the following case
consent of shareholder is necessary?

- (a) Investment of any compensation
received by the company for the
compulsory acquisition of its
undertaking
- (b) Borrowing of moneys in excess of the
aggregate paid-up capital and its free
reserves
- (c) Contribution in any year to outside
charitable and other funds of amounts
exceeding Rs. 25,000 or 5% of the

average net profits during the past 3
financial years, whichever is greater

- (d) All of above

104. In which of the following case
consent of shareholder is necessary?

- (a) Appointment of sole selling agents by
the Board
- (b) Issue of bonus shares
- (c) Reorganization of the capital
- (d) All of above

105. In which of the following case
consent of shareholder is necessary?

- (a) Amendment of the MOA and AOA
- (b) Voluntary winding up of the company
- (c) Commencement of any new business
- (d) All of above

106. The Board of directors of a public
company, shall not, except with the consent
of such public company in general meeting
contribute, to charitable and other funds not
directly relating to the business of the
company or the welfare of its employees,
any amounts the aggregate of which will, in
any financial year, exceed -----

- (a) Rs. 50,000
- (b) 5% of its average net profits during the 3
financial years immediately preceding,
- (c) Rs. 50,000, or 5% of its average net
profits during the 3 financial years
immediately preceding, whichever is
grater
- (d) None of above

107. Preference shareholders have right
to vote on every resolution of a company

- (a) True
- (b) False
- (c) Partly true
- (d) Partly false

MEETINGS

108. There must be at least ----- persons to constitute a meeting.
- (a) One
 - (b) Two
 - (c) Three
 - (d) Five
109. ----- of the Companies Act, 1956 lays down the provisions relating to statutory Meeting
- (a) Section 164
 - (b) Section 166
 - (c) Section 165
 - (d) Section 163
110. As per Section 165, ----- shall, within a period of not less than one month nor more than six months from the date at which the company is entitled to commence business, hold a general meeting of the members of the company, which shall be called "the statutory meeting".
111. As per Section 165, Every company limited shares, and every company limited by guarantee and having a share capital, shall, within a period of not less than ----- nor more than six months from the date at which the company is entitled to commence business, hold a general meeting of the members of the company, which shall be called "the statutory meeting" .
- (a) One month
 - (b) Three month
 - (c) Six month
 - (d) Eight month
112. As per section 165, Every company limited by shares, and every company limited by guarantee and having a share capital, shall, within a period of not less than one month nor more than ----- from the date at which the company is entitled to commence business, hold a general meeting of the members of the company, which shall be called "the statutory meeting".
- (a) One month
 - (b) Three months
 - (c) Six months
 - (d) Eight months
113. The board of directors shall, at least twenty-one days before the day on which the meeting is held, forward the statutory report to every ----- of the company.
- (a) Creditor
 - (b) Member
 - (c) Debenture holder
 - (d) Debtors
114. The board of directors shall, at least twenty-one days before the day on which the meeting is held, forward the statutory report to every ----- of the company.
- (a) Thirty-one days
 - (b) Twenty-one days
 - (c) Eleven days
 - (d) Five days
115. If the statutory report is forwarded later than as required by Section 165(2), it shall be deemed to have been duly forwarded if it is so agreed to by ----- entitled to attend and vote at the meeting.
- (a) 95% members
 - (b) All the members
 - (c) 51% members
 - (d) 21% members
116. As per Section 171, a general meeting of a company may be called by giving not less than -----
- (a) Thirty-one clear days
 - (b) Twenty-one clear days
 - (c) Eleven clear days
 - (d) Five clear days
117. A general meeting may be called after giving shorter notice than that specified Section 165 (1), if consent in accorded thereto in the case of an AGM, by ----- entitled to vote thereat.
- (a) 95% members
 - (b) All the members

- (c) 51% members
(d) 21% members
118. A general meeting may be called after giving shareholder notice than that specified Section 165(1), if consent is accorded thereto in the case of any other meeting by members of the Company -----
- (a) Holding if the company has a share capital, not less than 95% of such part of the paid-up share capital of the company, or
(b) Having, if the company has no share capital, not less than 95% of the total voting power
(c) (a) or (b)
(d) None of above
119. Section 165(4) makes it obligatory that the Statutory Report be certified by ----- in so far as the report relates to the shares allotted by the company, cash received in respect of the shares and the receipts and payments of the company.
- (a) At least two directors, and also by the company's auditors
(b) At least two directors, including the managing director if there is one.
(c) At least two directors, including the managing director, if there is one, and also by the company's auditors
(d) None of above
120. As per Section 165(5), the Board of directors must file a copy of the statutory Report duly certified with the ----- for registration, after copies thereof have been sent to the shareholders of the company.
- (a) Central Government
(b) Registrar of Companies
(c) State Government
(d) All of above
121. ----- shall in each year hold in addition to any other meetings a general meeting as its annual general meeting and shall specify the meeting as such in the notices calling it.
- (a) Every company
(b) Public company
(c) Private company
(d) Public company having share capital
122. Every company shall in each year hold in addition to any other meetings a general meeting as its annual general meeting and shall specify the meeting as such in the notices calling it; and not more than ----- shall elapse between the date of one annual general meeting of a company and that of the next.
- (a) 10 months
(b) 12 months
(c) 15 months
(d) 18 months
123. A company may hold its first AGM within a period of not more than ----- from the date of its incorporation
- (a) 13 months
(b) 12 months
(c) 15 months
(d) 18 months
124. Gap between two annual general meeting cannot be exceeding to -----
- (a) 13 months
(b) 12 months
(c) 15 months
(d) 18 months
125. In the event of any difficult in holding an AGM except the first annual general meeting ----- may, for any special reason shown, grant an extension of time for holding the meeting by a period not exceeding three month.
- (a) The central Government
(b) The Registrar
(c) The State Government
(d) The Regional Director
126. In the event of any difficult in holding an AGM except the first annual general

- meeting, the Registrar may, for any special reason shown, grant an extension of time for holding the meeting by a period not exceeding -----
- (a) 3 months
 - (b) 2 months
 - (c) 5 months
 - (d) 8 months
127. Every annual general meeting must be held on a -----
- (a) Public holiday
 - (b) Working day
 - (c) National holiday
 - (d) State holiday
128. Can a Company hold an AGM on public holiday?
- (a) Yes
 - (b) No
 - (c) both (a) and (b)
 - (d) none of these
129. Every annual general meeting must be held -----
- (a) During business hour
 - (b) After business hour
 - (c) Between 6 pm to 9 pm
 - (d) None of above
130. Every annual general meeting must be held at -----
- (a) During business hours
 - (b) After business hour
 - (c) Between 6 pm to 9 pm
 - (d) None of above
131. According to section 2(38) "public holiday" means a public holiday within the meaning of the -----
- (a) Indian Contract Act, 1872
 - (b) Negotiable Instruments Act, 1881
 - (c) Partnership Act, 1932
 - (d) Sales of Goods Act, 1930
132. If a company defaults in holding an AGM any member may apply to the -----
- (a) Central Government
 - (b) Company Law Board
 - (c) Regional Director
 - (d) All of above
133. If a company defaults in holding an AGM any member may apply to the Central Government and Central Government may direct that ----- present in person or by proxy shall be deemed to constitute the meeting.
- (a) One member
 - (b) Two members
 - (c) Three members
 - (d) Four members
134. In the case of an AGM, all business to be transacted at the meeting shall be deemed ----- except (i) the consideration of the accounts, balance sheet and the reports of the board of directors and auditors, (ii) the declaration of a dividend, (iii) the appointment of directors in the place of those retiring, and (iv) appointment of, and the fixing of the remuneration of, the auditors
- (a) Special business
 - (b) Ordinary business
 - (c) Specific business
 - (d) Extraordinary business
135. Which of the following is ordinary business?
- (a) The consideration of the accounts, balance sheet and the reports of the directors and auditors
 - (b) The declaration of a dividend
 - (c) The appointment of directors in the place of those retiring
 - (d) All of above
136. Which of the following is ordinary business?
- (a) The appointment of, and the fixing of the remuneration of, the auditors
 - (b) The appointment of, and the fixing of the remuneration of, the auditors
 - (c) The appointment of directors in the place of those retiring

- (d) None of above
137. Which of the following is special business?
- (a) The consideration of the accounts, balance sheet & the reports of the directors and auditors
 - (b) The appointment of, and the fixing of the remuneration of, the auditors
 - (c) The appointment of directors in the place of those retiring
 - (d) None of above
138. A general meeting may be called after giving shorter notice than that specified if consent in the case of an annual general meeting is accorded by all the members entitled to vote therein in -----
- (a) Form No. 22
 - (b) Form No. 22A
 - (c) Form No. 23
 - (d) Form No. 23A
139. All the general meetings of a company, with the exception of the ----- are called extraordinary general meetings
- (a) Statutory meeting
 - (b) Annual general meetings
 - (c) (a) & (b)
 - (d) None of above
140. Usually the ----- of companies contain provisions with regard to the calling of extraordinary general meetings.
- (a) Articles of association
 - (b) Memorandum of association
 - (c) Prospectus
 - (d) Share application form
141. As per Regulation 48 Table A, ----- may, whenever it thinks fit, call an extraordinary general meeting.
- (a) The board
 - (b) Any director
 - (c) Company secretary
 - (d) Chairman
142. If at any time, there are not within India directors capable of acting that are sufficient in number to form a quorum, -----
- may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be the Board.
 - (a) Any director
 - (b) Any two members of the company
 - (c) Any directors or any two members of the company
 - (d) Any director or company secretary or any two members of the company
143. U/s 169, the Board of directors of a company shall, on the requisition of such number of members of the company in Sub-section (4) forth with proceed duly to call an extraordinary general meeting of the company. The number of members entitled to requisition a meeting in regard to any matter shall be -----
- (a) In case of a company having a share capital not less than 1/10th of the paid-up capital
 - (b) In case of a company not having a share capital not less than 1 / 10th of the total voting power
 - (c) (a) or (b)
 - (d) None of above
144. As per section 186, if for any reason it is impracticable to call a meeting other than an AGM, the ----- may, either on its own motion or on the application of any director of the company, or of any member of the company who would be entitled to vote at the meeting order a meeting of the company to be called, held and conducted in prescribed manner.
- (a) Central government
 - (b) Company Law Board
 - (c) Regional Director
 - (d) Registrar of Company
145. As per Section 186, if for any reason it is impracticable to call a meeting other than an AGM, the Company LAW Board

may, ----- order a meeting of the company to be called, held and conducted in prescribed manner

- (a) On its own motion
- (b) On the application of any director of the company, or of any member of the company who would be entitled to vote at the meeting
- (c) Either on its own motion or on the application of any director of the company, or of any member of the company who would be entitled to vote at the meeting none of above

146. Under Section 286, notice of every meeting of the board of directors of a company shall be given in writing to -----

- (a) Every director
- (b) Every director for the time being in India
- (c) Every director for the time being in India, and at his usual address in India to every other director.
- (d) None of above

147. If notice of the board meeting is not properly given, the proceedings at the meeting will be -----

- (a) Voidable
- (b) Void
- (c) Enforceable
- (d) Illegal

148. The meetings of the Board of directors may, there force, be held at any place convenient to the directors outside the business hours and even on a public holiday

- (a) True
- (b) False
- (c) Partly true
- (d) Partly false

COMPANY SECRETARY

149. As per Section 383A, every company having ----- must have a whole-

time secretary and where the Board of any such company comprises only two directors, neither of them can act as the secretary of the company

- (a) Issued share capital of Rs.5 cores or more
- (b) Authorized share capital of Rs.5 crores or more
- (c) Subscribed share capital of Rs.5 cores or more
- (d) Paid-up share capital of Rs.5 crores or more

150. The term "Secretary" has been defined under ----- of the Companies Act, 1956.

- (a) Section 2(45)
- (b) Section 2(55)
- (c) Section 3(55)
- (d) Section 2(35)

151. As per Section 2(1)(c) of the Company Secretaries Act, 1980, a company secretary means a person who is a member of the -----

- (a) Institute of Chartered Secretaries of India
- (b) Institute of Company Secretaries of India
- (c) Institute of Chartered Accountant of India
- (d) Institute of Cost & Works Accountant of India

152. A company having paid-up share capital of less than Rs.5 cores may appoint any individual as its whole-time secretary if he possesses prescribed qualifications. Prescribed qualification includes -----

- (a) Membership of the CFA
- (b) Pass in the Intermediate / (executive) examination conducted by the ICSI.
- (c) B.Com or B.A. of any approved university
- (d) Any of above

153. A company having paid-up share capital of less than Rs.5 cores may appoint

- any individual as its whole-time secretary if he possesses prescribed qualifications. Prescribed qualification includes -----
- (a) Degree in B.Com by any university.
 - (b) Membership of the ICAI
 - (c) Membership of the CFA
 - (d) Any of above
154. A company having paid-up share capital of less than Rs.5 cores may appoint any individual as its whole-time secretary if he possesses prescribed qualifications. Prescribed qualification includes -----
- (a) Post Graduate degree or diploma or diploma in management sciences granted by university or institutes of Management, Ahmadabad, Calcutta, Bangalore, Lucknow.
 - (b) Post-graduate diploma in company Secretary ship grated by Institute of Commercial practice under Delhi Administration or diploma in Corporate Laws and Management granted by Indian Law Institute, New Delhi
 - (c) Post-graduate diploma in Company Law and Secretarial Practice granted by the University of Udaipur
 - (d) Any of above
155. A company having paid-up share capital of less than Rs.5 cores may appoint any individual as its whole-time secretary if he possesses prescribed qualifications. Prescribed qualification includes -----
- (a) Membership of Association of Secretaries and Managers, Calcutta.
 - (b) Pass in the Intermediate examination conducted by the ICSI
 - (c) Post-graduate diploma in company Secretary Ship granted by Institute of Commercial Practice under Delhi Administration or Diploma in Corporate Laws and Management granted by Indian Law Institute, New Delhi.
156. Every company not required to appoint a whole time secretary and having a paid-up share capital of Rs.10lakh or more shall file with the Register from certificate from a ----- in prescribed form and in such prescribed as may be prescribed by Companies (Compliance Certificate) Rules, 2001, as to whether the company has complied with all the provisions of this Act and a copy of such certificate shall be attached with Boards Report referred to in Section 217.
- (a) Secretary in part-time practice
 - (b) Secretary in whole-time practice
 - (c) Secretary
 - (d) Accountant in whole-time practice
157. Every company not required to appoint a whole time secretary and having a paid-up share capital of ----- shall file with the Registrar a certificate from a Secretary in whole-time practice in prescribed by Companies (Compliance Certificate) Rules, 2001.
- (a) Less than Rs.10 lakh
 - (b) Rs.10lakh or more
 - (c) Rs.25 lakh or more
 - (d) Rs.50 lakh or more
158. Every company not required to appoint a whole time secretary and having a paid-up share capital of Rs. 10 lakh or more shall file with the Registrar a certificate from a Secretary in whole-time practice in prescribed form and in such prescribed as may be prescribed by Companies (Compliance Certificate) Rules, 2001, as to whether the company has compiled with all the provisions of this Act and a copy of such certificate shall be attached with ----- referred to in Section 217.
- (a) Boards Report
 - (b) Prospectus
 - (c) Corporate Governance Report
 - (d) All of above

159. Company secretary is appointed by passing resolution at -----
- (a) Shareholders meeting
 - (b) Board meeting
 - (c) Debenture holders meeting
 - (d) All of above
160. The secretary of a company is empowered to pre form -----
- (a) All acts which he is required to perform under enactments like the Companies' Act, the Income-tax Act, etc.
 - (b) All acts which the Board of directors specifically direct him to perform
 - (c) All acts which are essential to enable him to discharge his duties smoothly as the administrative head
 - (d) All of above
 - (e) All of above
161. Role of Company Secretary can conveniently be studied
- (a) As a statutory officer
 - (b) As a coordinator
 - (c) As an administrative officer
 - (d) All of above
162. Under the Companies Act, 1956 Company Secretary is responsible for performance of the duties of a secretary and such other ----- duties as may be assigned to him.
- (a) Ministerial
 - (b) Administrative
 - (c) (a) or (b)
 - (d) None of above