

National Testing Agency

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Corporate Law

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Corporate Law

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|--|-----------|
| Section Id : | 899514252 |
| Section Number : | 1 |
| Section type : | Online |
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Section Marks : 100
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Sub-Section Id : 899514297
Question Shuffling Allowed : Yes

Question Number : 1 Question Id : 89951415929 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No
Correct Marks : 1 Wrong Marks : 0

A company can be formed with:

1. Limited liability of its members by shares
2. unlimited liability of its members
3. limited liability of its members by shares or guarantee
4. Options (2) and (3) are correct

Options :

89951462279. 1
89951462280. 2
89951462281. 3
89951462282. 4

Question Number : 2 Question Id : 89951415930 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No
Correct Marks : 1 Wrong Marks : 0

Approval of name of the company is the first step towards incorporation of a company. Pick the most appropriate option:

1. True. Name clause is the first clause in Memorandum of Association of any company which needs approval
2. False
3. True
4. False. Name is decided by the company. Therefore, no need to take the approval

Options :

89951462283. 1
89951462284. 2
89951462285. 3
89951462286. 4

Question Number : 3 Question Id : 89951415931 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

What is not true about Memorandum of Association?

1. It defines objects of the company
2. It sets relations between members of a company
3. It governs relationship of the company with outside world
4. It sets relations between company and its members

Options :

- 89951462287. 1
- 89951462288. 2
- 89951462289. 3
- 89951462290. 4

Question Number : 4 Question Id : 89951415932 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Pick the most appropriate option. A company is a separate legal entity which:

- 1.Can raise finance from public and limit its liability
- 2.Only public companies can raise finance from public and cannot limit its liability
3. Only a public listed company can raise finance from public and cannot limit its liability but can limit liability of its members
4. A public listed company can raise finance from public through public issue and private placement, cannot limit its liability but can limit liability of its members

Options :

- 89951462291. 1
- 89951462292. 2
- 89951462293. 3
- 89951462294. 4

Question Number : 5 Question Id : 89951415933 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

The case Moosa Goolam Arif v. Ebrahim Goolam Ariff is related to:

1. Incorporation
2. Certificate of incorporation
3. Memorandum of Association
4. Indoor Management

Options :

- 89951462295. 1
- 89951462296. 2
- 89951462297. 3
- 89951462298. 4

Question Number : 6 Question Id : 89951415934 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

The Companies (Amendment) Act, 2019 provided that:

1. A public company cannot convert into a private company
2. A private company cannot convert into a public company
3. Any alteration converting a public company into a private company shall be approved by the Central Government.
4. There has been no such amendment.

Options :

- 89951462299. 1
- 89951462300. 2
- 89951462301. 3
- 89951462302. 4

Question Number : 7 Question Id : 89951415935 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Partnership business is carried out by:

1. Persons who agreed to become partners under mutual agency
2. Collectively the business is run under firm name
3. Maximum number of partners cannot be more than one hundred
4. All of the above true.

Options :

- 89951462303. 1
- 89951462304. 2

89951462305. 3

89951462306. 4

Question Number : 8 Question Id : 89951415936 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No
Correct Marks : 1 Wrong Marks : 0

No separate subscription clause is present in Companies Act, 2013:

1. It is true
2. It is not true because private companies are required to have at least a paid-up share capital of One lakh
3. It is not true because public companies are required to have at least a paid-up share capital of Five lakh
4. Subscription clause is not related to paid up share capital requirement.

Options :

89951462307. 1

89951462308. 2

89951462309. 3

89951462310. 4

Question Number : 9 Question Id : 89951415937 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No
Correct Marks : 1 Wrong Marks : 0

A subsidiary company hold shares in its holding company. Pick the untrue option:

1. It can hold shares in holding company where the subsidiary company holds such shares as the legal representative of a deceased member of the holding company
2. It can hold shares in holding company where the subsidiary company holds such shares as a trustee
3. It can hold shares in holding company where the subsidiary company is a shareholder even before it became a subsidiary company of the holding company
4. All of the above are untrue.

Options :

89951462311. 1

89951462312. 2

89951462313. 3

89951462314. 4

Question Number : 10 Question Id : 89951415938 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No
Correct Marks : 1 Wrong Marks : 0

Pick the most appropriate option. A cooperative society is:

- 1.A separate legal entity
- 2.Members of a cooperative society can limit its liability
- 3.Only option (1) is correct
- 4.Both options (1) and (2) are correct

Options :

89951462315. 1
89951462316. 2
89951462317. 3
89951462318. 4

Question Number : 11 Question Id : 89951415939 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No
Correct Marks : 1 Wrong Marks : 0

Following is true about an associate company:

- 1.It possesses significant influence over other company
- 2.Joint venture is also considered as an associate company
- 3.Associate company is also considered as related party to the company of which it is an associate
- 4.All of the above are true

Options :

89951462319. 1
89951462320. 2
89951462321. 3
89951462322. 4

Question Number : 12 Question Id : 89951415940 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No
Correct Marks : 1 Wrong Marks : 0

Every company is required to hold one meeting annually known as:

1. Annual General Meeting in which financial reports are laid down by the Board of Directors
2. Annual General Meeting in which financial reports are laid down by the shareholders present
3. AGM which can be held at any city, town or village.
4. AGM which is also sometimes known as EGM

Options :

- 89951462323. 1
- 89951462324. 2
- 89951462325. 3
- 89951462326. 4

Question Number : 13 Question Id : 89951415941 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Following is true about voting in company meetings:

1. Meetings have to be attended by the shareholders personally
2. Proxies are revocable.
3. Voting is generally by poll.
4. Poll may be demanded by NCLT

Options :

- 89951462327. 1
- 89951462328. 2
- 89951462329. 3
- 89951462330. 4

Question Number : 14 Question Id : 89951415942 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Pick the incorrect statement from the options given:

1. Minimum 51% shareholding of a government company is held by any state or central government
2. All government companies are considered 'state'.
3. A foreign company must have a place of business in India
4. A small company is a public company

Options :

- 89951462331. 1
- 89951462332. 2
- 89951462333. 3
- 89951462334. 4

Question Number : 15 Question Id : 89951415943 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Extraordinary General Meeting of the company

1. can be called by shareholders having 1/10th paid up share capital of the company
2. can be called by shareholders having 1/10th voting power of the company
3. can be called by Board of Directors of the company
4. can be called by all of the above

Options :

89951462335. 1
89951462336. 2
89951462337. 3
89951462338. 4

Question Number : 16 Question Id : 89951415944 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

An 'investment company' is a company:

1. Whose principal business is the acquisition of shares, debentures or other securities
2. Whose assets in the form of investment in shares, debentures or other securities constitute not less than fifty per cent of its total assets are deemed investment companies
3. defined under s. 186.
4. All of the above are applicable to investment companies

Options :

89951462339. 1
89951462340. 2
89951462341. 3
89951462342. 4

Question Number : 17 Question Id : 89951415945 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Securities and Exchange Board of India:

1. regulates equity and debt securities
2. protects investors
3. regulates American depository receipts
4. Options (1) and (2) are correct

Options :

89951462343. 1

89951462344. 2

89951462345. 3

89951462346. 4

Question Number : 18 Question Id : 89951415946 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 1 Wrong Marks : 0

SARFAESI Act does not cover:

1. securitization
2. reconstruction of companies
3. reconstruction of financial assets
4. setting up of asset reconstruction companies

Options :

89951462347. 1

89951462348. 2

89951462349. 3

89951462350. 4

Question Number : 19 Question Id : 89951415947 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 1 Wrong Marks : 0

FEMA regulates:

1. All of the below
2. dealings in foreign exchanges
3. current and capital account transactions
4. export of goods and services

Options :

89951462351. 1

89951462352. 2

89951462353. 3

89951462354. 4

Question Number : 20 Question Id : 89951415948 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 1 Wrong Marks : 0

A member is:

1. a subscriber to the memorandum of the company
2. who agrees to become a member of a company in writing and whose name is entered on the register of members
3. who agrees to become a member of a company in writing and whose name is entered on the register of members.
4. All of the above

Options :

89951462355. 1
89951462356. 2
89951462357. 3
89951462358. 4

Question Number : 21 Question Id : 89951415949 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Voting rights of a shareholder in company are subject to:

1. All of the below
2. s. 50
3. s. 188
4. s. 43

Options :

89951462359. 1
89951462360. 2
89951462361. 3
89951462362. 4

Question Number : 22 Question Id : 89951415950 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Shareholders rights in a company cannot be varied:

1. Such rights can be varied subject to special resolution passed by all shareholders of the company
2. Such rights can be varied subject to special resolution passed by shareholders of that class of shareholders whose rights are varied
3. Such rights can be varied subject to provisions in memorandum and articles
4. Only options (2) and (3) are correct

Options :

- 89951462363. 1
- 89951462364. 2
- 89951462365. 3
- 89951462366. 4

Question Number : 23 Question Id : 89951415951 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Shares can be mortgaged or pledged by shareholders:

- 1. Yes
- 2. No
- 3. Yes, shares are movable property
- 4. Can be only pledged

Options :

- 89951462367. 1
- 89951462368. 2
- 89951462369. 3
- 89951462370. 4

Question Number : 24 Question Id : 89951415952 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Alteration of capital is a legal device to alter capital by:

- 1. increasing share capital
- 2. consolidation and division in shares of larger denomination
- 3. conversion of fully paid shares into stock and vice versa
- 4. all of the above

Options :

- 89951462371. 1
- 89951462372. 2
- 89951462373. 3
- 89951462374. 4

Question Number : 25 Question Id : 89951415953 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Judgment in Tin Plate dealers Association P Ltd v Satish Chandra Sanwalka is related to:

1. Initial Public offer
2. further issue of capital
3. conversion of loans into capital
4. None of the above

Options :

89951462375. 1
89951462376. 2
89951462377. 3
89951462378. 4

Question Number : 26 Question Id : 89951415954 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Reduction of share capital is allowed subject to compliance of conditions only:

1. because share capital is security for creditors of company
2. because share capital is security for shareholders of company
3. because share capital is contributed by shareholders
4. options (1) and (3) are correct

Options :

89951462379. 1
89951462380. 2
89951462381. 3
89951462382. 4

Question Number : 27 Question Id : 89951415955 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Following is true for buy -back of shares:

1. Buy back and purchase of shares by a company are synonyms
2. free reserves, securities premium account can be used for buy back
3. it is authorized by a Board resolution
4. buy back can be made by fund surplus companies

Options :

89951462383. 1
89951462384. 2

89951462385. 3

89951462386. 4

Question Number : 28 Question Id : 89951415956 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No
Correct Marks : 1 Wrong Marks : 0

The following are not 'Securities':

1. units of collective investment schemes
2. units under mutual fund scheme
3. rights in securities
4. security for debt repayment

Options :

89951462387. 1

89951462388. 2

89951462389. 3

89951462390. 4

Question Number : 29 Question Id : 89951415957 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No
Correct Marks : 1 Wrong Marks : 0

Private placement:

1. includes issue of securities
2. includes issue of securities to a select group of unlimited persons
3. does not include offer to qualified institutional buyers
4. includes provisions of s. 42, Companies Act, 2013

Options :

89951462391. 1

89951462392. 2

89951462393. 3

89951462394. 4

Question Number : 30 Question Id : 89951415958 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No
Correct Marks : 1 Wrong Marks : 0

Liability for misstatements in prospectus include the following:

1. civil liability under s. 35
2. criminal liability under s. 34
3. rescission for misrepresentation
4. damages for injury

Options :

- 89951462395. 1
- 89951462396. 2
- 89951462397. 3
- 89951462398. 4

Question Number : 31 Question Id : 89951415959 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Rights and liabilities of shareholders of a company are provided by the following:

1. Articles of association of the company
2. Memorandum of association of the company
3. Both by articles of association of the company and the Companies Act
4. Entrenched articles

Options :

- 89951462399. 1
- 89951462400. 2
- 89951462401. 3
- 89951462402. 4

Question Number : 32 Question Id : 89951415960 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

‘Offer for Sale’ can be made only through:

1. Initial public offer
2. Further public offer
3. Both initial public and further public offer
4. Only through fresh issue

Options :

- 89951462403. 1
- 89951462404. 2

89951462405. 3

89951462406. 4

Question Number : 33 Question Id : 89951415961 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No
Correct Marks : 1 Wrong Marks : 0

Lending of money by a banking company in the ordinary course of business of such a company falls under restrictions of section 67, Companies Act, 2013.

1. True
2. False
3. can't say
4. There are no restrictions under s. 67

Options :

89951462407. 1

89951462408. 2

89951462409. 3

89951462410. 4

Question Number : 34 Question Id : 89951415962 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No
Correct Marks : 1 Wrong Marks : 0

Pick the incorrect statement about Auditor of a company:

1. Holds office from conclusion of first annual general meeting to the sixth annual general meeting and thereafter till the conclusion of every sixth annual general meeting
2. Can participate in the annual general meeting and has the right to get opportunity to be heard in matters relating to audit
3. Cannot be the officer or employee of the company in which he is an auditor
4. Has to conduct internal audit

Options :

89951462411. 1

89951462412. 2

89951462413. 3

89951462414. 4

Question Number : 35 Question Id : 89951415963 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 1 Wrong Marks : 0

What is untrue about listing of securities?

1. Listing is governed by SEBI Act, 1992
2. Listing agreements are now regulated under SEBI(LODR) Regulations, 2015
3. Clause 49 dealt with corporate governance
4. Listing is governed by SCRA, 1956

Options :

89951462415. 1
89951462416. 2
89951462417. 3
89951462418. 4

Question Number : 36 Question Id : 89951415964 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 1 Wrong Marks : 0

Kotak Committee is associated with:

1. corporate governance
2. SEBI
3. options (2) and (1)
4. MCA

Options :

89951462419. 1
89951462420. 2
89951462421. 3
89951462422. 4

Question Number : 37 Question Id : 89951415965 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 1 Wrong Marks : 0

Listing is required for:

1. public companies
2. public companies which want to bring public issue of shares
3. public companies which want to bring public issue of securities
4. private companies

Options :

89951462423. 1

89951462424. 2

89951462425. 3

89951462426. 4

Question Number : 38 Question Id : 89951415966 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Which of the following statement is true?

1. Manager of a company has the control over management of the whole or substantially the whole of the affairs of the company but works under the supervision of the Board of directors of the company
2. Positions of the Manager and Managing director are the one and the same in a company
3. Only listed companies are required to appoint a managing director.
4. Managing director is required to be in the whole-time employment of the company

Options :

89951462427. 1

89951462428. 2

89951462429. 3

89951462430. 4

Question Number : 39 Question Id : 89951415967 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Safety net provision is:

1. available under SEBI(ICDR) Regulations, 2018
2. for purchase of shares of original resident retail individual investors
3. is mandatory for all IPOs
4. all of the above

Options :

89951462431. 1

89951462432. 2

89951462433. 3

89951462434. 4

Question Number : 40 Question Id : 89951415968 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Offer for Sale:

1. is an offer by existing shareholders
2. in which only fully paid up shares may be offered under Offer for sale
3. Options (1), (2) and (4) are correct
4. such shares must have been held for at least one year with existing shareholder prior to offer for sale

Options :

- 89951462435. 1
- 89951462436. 2
- 89951462437. 3
- 89951462438. 4

Question Number : 41 Question Id : 89951415969 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Following is not the type of investor:

1. Institutional investors
2. Qualified Institutional Buyers
3. Retail Individual Investors
4. Non-Institutional Investors

Options :

- 89951462439. 1
- 89951462440. 2
- 89951462441. 3
- 89951462442. 4

Question Number : 42 Question Id : 89951415970 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

A limited liability partnership has two types of partners:

1. general and limited
2. specific and general
3. general and united
4. united and trust based

Options :

- 89951462443. 1
- 89951462444. 2

89951462445. 3

89951462446. 4

Question Number : 43 Question Id : 89951415971 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No
Correct Marks : 1 Wrong Marks : 0

Following are included in promoter group:

1. None of the below
2. both options (3) and (4)
3. subsidiary or holding company if promoter is a body corporate
4. immediate relatives of promoter

Options :

89951462447. 1

89951462448. 2

89951462449. 3

89951462450. 4

Question Number : 44 Question Id : 89951415972 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No
Correct Marks : 1 Wrong Marks : 0

Further public offer:

1. is an offer of specified securities by a listed issuer to the public
2. includes an offer for sale of specified securities
3. It is the first offer of securities by a company
4. Options (1), (2) are correct

Options :

89951462451. 1

89951462452. 2

89951462453. 3

89951462454. 4

Question Number : 45 Question Id : 89951415973 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No
Correct Marks : 1 Wrong Marks : 0

Rights issue has following restrictions:

1. it cannot be made if company has outstanding fully convertible debt instruments
2. it cannot be made if company has outstanding fully or partly convertible debt instruments
3. company has made reservation of equity shares in favour of holders of convertible debt instruments
4. both options (2) and (3)

Options :

- 89951462455. 1
- 89951462456. 2
- 89951462457. 3
- 89951462458. 4

Question Number : 46 Question Id : 89951415974 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 1 Wrong Marks : 0

Shareholders can ratify:

1. Any act of the board of directors
2. Act of the board of directors which was intra vires
3. Any act of the board of directors which the board is authorized to act upon
4. Cannot ratify any act

Options :

- 89951462459. 1
- 89951462460. 2
- 89951462461. 3
- 89951462462. 4

Question Number : 47 Question Id : 89951415975 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 1 Wrong Marks : 0

Following applies to Bonus issue:

1. it is made to new shareholders
2. it involves capitalization of reserves
3. it is made on discount
4. it can be made by shareholders by passing a resolution without authority of articles of association

Options :

- 89951462463. 1
- 89951462464. 2

89951462465. 3

89951462466. 4

Question Number : 48 Question Id : 89951415976 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No
Correct Marks : 1 Wrong Marks : 0

The provision of Sec. 250 of the Code of Criminal Procedure, 1973 in the following manner to compensation for accusation without reasonable cause before the Special Court:

1. As it is
2. Mutatis mutandis
3. Inter alia
4. Both (ii) and (iii)

Options :

89951462467. 1

89951462468. 2

89951462469. 3

89951462470. 4

Question Number : 49 Question Id : 89951415977 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No
Correct Marks : 1 Wrong Marks : 0

Pick the correct statement about Indian Depository Receipts:

1. relates to issue of shares of a company listed in a foreign stock exchange
2. issued by a foreign depository
3. relates to issue of shares of an issuing company incorporated outside India and listed in a foreign stock exchange
4. cannot be dealt on stock exchanges

Options :

89951462471. 1

89951462472. 2

89951462473. 3

89951462474. 4

Question Number : 50 Question Id : 89951415978 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No
Correct Marks : 1 Wrong Marks : 0

Mis-selling:

1. involves sale of units of Mutual Fund
2. is a fraudulent activity
3. is covered by SEBI (Prohibition of Fraudulent & Unfair Trade Practices Relating to Securities Markets) Regulations, 2003
4. all of them

Options :

89951462475. 1
89951462476. 2
89951462477. 3
89951462478. 4

Question Number : 51 Question Id : 89951415979 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Following is a 'connected person' :

1. None of the below
2. relative of connected person
3. had contractual or fiduciary relationship in six months prior to insider trading
4. had infrequent communication with officers of company

Options :

89951462479. 1
89951462480. 2
89951462481. 3
89951462482. 4

Question Number : 52 Question Id : 89951415980 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

'Unpublished price sensitive information' can be:

1. related to financial results
2. related to financial reports
3. generally available information
4. appointment of directors

Options :

89951462483. 1

89951462484. 2

89951462485. 3

89951462486. 4

Question Number : 53 Question Id : 89951415981 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 1 Wrong Marks : 0

Remedies for ultra vires borrowings include:

1. subrogation and injunction
2. proceeding before NCLT
3. civil proceeding
4. criminal proceeding

Options :

89951462487. 1

89951462488. 2

89951462489. 3

89951462490. 4

Question Number : 54 Question Id : 89951415982 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 1 Wrong Marks : 0

Charge should be:

1. Created on all properties located only in India
2. Created on property or assets of company
3. Registered with Regional director
4. None of the above is correct

Options :

89951462491. 1

89951462492. 2

89951462493. 3

89951462494. 4

Question Number : 55 Question Id : 89951415983 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No
Correct Marks : 1 Wrong Marks : 0

Debenture:

1. evidences debt
2. is in the form of instrument issued by the company
3. acknowledges debt taken by the company
4. all of the above

Options :

89951462495. 1

89951462496. 2

89951462497. 3

89951462498. 4

Question Number : 56 Question Id : 89951415984 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No
Correct Marks : 1 Wrong Marks : 0

FDI allowed in telecom sector is:

1. 100%
2. 49% automatic approval
3. Automatic up to 49%; Government route beyond 49%
4. None of the above

Options :

89951462499. 1

89951462500. 2

89951462501. 3

89951462502. 4

Question Number : 57 Question Id : 89951415985 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No
Correct Marks : 1 Wrong Marks : 0

An Indian company whose shares are not listed in a recognised stock exchange in India and is engaged in the business of providing services, production or manufacture of articles or things is known as:

- 1.Venture capitalist
2. Indian Venture Capital Undertaking
- 3.Investment vehicle
- 4.Investment Trust

Options :

89951462503. 1
89951462504. 2
89951462505. 3
89951462506. 4

Question Number : 58 Question Id : 89951415986 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Prohibited sectors under FDI Policy include:

- 1.lottery business
- 2.chit funds
- 3.nidhi company
- 4.all of the above

Options :

89951462507. 1
89951462508. 2
89951462509. 3
89951462510. 4

Question Number : 59 Question Id : 89951415987 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Rights of minority shareholders include:

1. Right to appoint a director
- 2.application to NCLT
- 3.class action suit
- 4.all of the above

Options :

89951462511. 1
89951462512. 2

89951462513. 3

89951462514. 4

Question Number : 60 Question Id : 89951415988 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 1 Wrong Marks : 0

Shareholders are not under any legal obligation to take into account the company's interests, contractual or moral obligations while voting on resolutions:

1. true
2. false
3. true as the vote is a property right of the shareholders
4. it applies only to preference shareholder

Options :

89951462515. 1

89951462516. 2

89951462517. 3

89951462518. 4

Question Number : 61 Question Id : 89951415989 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 1 Wrong Marks : 0

The matters for which such a resolution is required are broadly of two categories:

1. contractual relationship between the shareholders
2. to where the interests of shareholders may be affected by the decision of the board (which will be controlled by the majority) or majority shareholders.
3. Both of the above
4. None of the above

Options :

89951462519. 1

89951462520. 2

89951462521. 3

89951462522. 4

Question Number : 62 Question Id : 89951415990 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 1 Wrong Marks : 0

'They are merely agents of a company. The company itself cannot act in its person for it has no person; it acts only through directors and the case is as regards those directors, merely the ordinary case of principal and agent'. It was stated by:

1. Lord Cairns
2. Robert R. Pennington
3. Lord Denning
4. Lord Macnaughten

Options :

89951462523. 1
89951462524. 2
89951462525. 3
89951462526. 4

Question Number : 63 Question Id : 89951415991 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings and to invest otherwise in trust securities the amount of compensation received by it as a result of any merger or amalgamation are powers of:

1. Shareholders
2. Board of Directors
3. Powers of Board exercisable with resolution in general meeting of company
4. Key Managerial Personnel

Options :

89951462527. 1
89951462528. 2
89951462529. 3
89951462530. 4

Question Number : 64 Question Id : 89951415992 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

What is not true for political contributions?

1. Political contribution is compulsory for companies with a net worth of 1000 crores
2. A government company cannot make such contribution
3. A company in existence for less than
4. none of the above

Options :

- 89951462531. 1
- 89951462532. 2
- 89951462533. 3
- 89951462534. 4

Question Number : 65 Question Id : 89951415993 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Directors can be held liable for:

- 1.breach of trust
- 2. negligence
- 3.ultra vires acts
- 4.All of the above

Options :

- 89951462535. 1
- 89951462536. 2
- 89951462537. 3
- 89951462538. 4

Question Number : 66 Question Id : 89951415994 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Shareholders can interfere with the powers of Board of Directors:

- 1. True
- 2. True, they can interfere where directors act mala fide or against interests of the company
- 3. Where shareholders do not like a director
- 4. Where shareholders are powerful than the Board

Options :

- 89951462539. 1
- 89951462540. 2
- 89951462541. 3
- 89951462542. 4

Question Number : 67 Question Id : 89951415995 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 1 Wrong Marks : 0

No company shall, directly or indirectly, advance any loan, including any loan represented by a book debt to give any guarantee or provide any security in connection with any loan taken by:

1. Any director of company, or of its holding company or any partner or relative of such director
2. Any firm in which any such director or relative is a partner.
3. options (1) and (2) are correct
4. Any other company

Options :

- 89951462543. 1
- 89951462544. 2
- 89951462545. 3
- 89951462546. 4

Question Number : 68 Question Id : 89951415996 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 1 Wrong Marks : 0

Senior management means:

1. personnel of the company who are members of a company's core management team
2. comprising all members of management one level below the executive directors
3. Board of Directors are excluded
4. All of the above

Options :

- 89951462547. 1
- 89951462548. 2
- 89951462549. 3
- 89951462550. 4

Question Number : 69 Question Id : 89951415997 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 1 Wrong Marks : 0

The difference between executive and non-executive director lies in their being internal and external to the organisation and their involvement in day-to-day management of the company:

1. False
2. True
3. There is no difference between the two
4. None of the above

Options :

89951462551. 1
89951462552. 2
89951462553. 3
89951462554. 4

Question Number : 70 Question Id : 89951415998 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Section 177(9) of the Companies Act 2013 mandates that the listed companies or companies that accept deposits from the public or companies which have borrowed money from banks and Provident Fund in excess of Rs 50 crore, need to establish a vigil mechanism which is operated by the audit committee or Board:

1. True
2. True, every listed company and other prescribed companies need to provide it
3. False
4. Every company is required to provide for it

Options :

89951462555. 1
89951462556. 2
89951462557. 3
89951462558. 4

Question Number : 71 Question Id : 89951415999 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Non-performance of mandatory CSR carries:

1. civil sanctions
2. criminal sanctions were proposed but not enforced so far
3. options (1) and (2) are correct
4. no sanctions

Options :

89951462559. 1
89951462560. 2
89951462561. 3
89951462562. 4

Question Number : 72 Question Id : 89951416000 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No
Correct Marks : 1 Wrong Marks : 0

CSR activities can be carried out by the company through:

1. a trust
2. section 8 companies
3. own non-profit foundation
4. all of the above

Options :

- 89951462563. 1
- 89951462564. 2
- 89951462565. 3
- 89951462566. 4

Question Number : 73 Question Id : 89951416001 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No
Correct Marks : 1 Wrong Marks : 0

“Executive Director” means a whole-time director as defined in clause (94) of section 2 of the Act:

1. True
2. false
3. whole-time director includes a director in the whole-time employment of the company
4. both (1) and (3) are correct

Options :

- 89951462567. 1
- 89951462568. 2
- 89951462569. 3
- 89951462570. 4

Question Number : 74 Question Id : 89951416002 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No
Correct Marks : 1 Wrong Marks : 0

William Derry v. Henry Peek is a well-known case:

1. covering deceit
2. in which Board of directors were not held liable
3. is discussed in relation to sections 34 and 35, Companies Act, 2013
4. All of the above are correct

Options :

89951462571. 1
89951462572. 2
89951462573. 3
89951462574. 4

Question Number : 75 Question Id : 89951416003 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No
Correct Marks : 1 Wrong Marks : 0

“Until the company has been incorporated it cannot contract or enter in to any other act in the law. Nor once, incorporated, can it become liable on or entitled under contracts purporting to be made on its behalf prior to incorporation, for ratification is not possible when the ostensible principal did not exist at the time when the contract was originally entered in to.” This statement is related to:

1. Kelner v Baxter
2. Hadley Burne case
3. both options (1) and (4) are correct
4. Pre-incorporation agreements

Options :

89951462575. 1
89951462576. 2
89951462577. 3
89951462578. 4

Question Number : 76 Question Id : 89951416004 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No
Correct Marks : 1 Wrong Marks : 0

What is not true about NFRA?

1. provides for accounting and auditing standards
2. will conduct the work of ICAI
3. recommends to central government for laying accounting and auditing policies
4. oversee the quality of service of associated professions

Options :

89951462579. 1
89951462580. 2
89951462581. 3
89951462582. 4

Question Number : 77 Question Id : 89951416005 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Unpaid dividend account:

1. maintains paid dividend of shareholders
2. is a separate account opened under s. 124, Companies Act, 2013
3. maintains unpaid dividend of shareholders
4. Options (2) and (3) are correct

Options :

89951462583. 1
89951462584. 2
89951462585. 3
89951462586. 4

Question Number : 78 Question Id : 89951416006 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

The following are part of :

- a. Number of meetings of the Board;
- b. Directors' Responsibility Statement;
- c. particulars of loans, guarantees or investments under section 186;
- d. particulars of contracts or arrangements

1. Auditors' report
2. Board of Directors' Report
3. Investigation report
4. Financial Disclosures Report

Options :

89951462587. 1
89951462588. 2
89951462589. 3
89951462590. 4

Question Number : 79 Question Id : 89951416007 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Following is true for appointment of auditors:

1. an individual cannot be appointed as auditor for more than one term of five consecutive years
2. an audit firm as auditor for more than two terms of five consecutive years
3. options (1), (2) and (4) are true
4. appoint an individual or a firm as an auditor at first annual general meeting who shall hold office from the conclusion of that meeting till the conclusion of its sixth annual general meeting

Options :

- 89951462591. 1
- 89951462592. 2
- 89951462593. 3
- 89951462594. 4

Question Number : 80 Question Id : 89951416008 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

An amalgamation two or more companies are fused into one by merger or by one taking over the other was observed in the case:

1. Saraswathi Industrial Syndicate v. CIT, Haryana
2. Miheer H. Mafatlal v. Mafatlal Industries Ltd
3. Hindustan Lever Employees' Union v. Hindustan Lever Ltd
4. None of the above

Options :

- 89951462595. 1
- 89951462596. 2
- 89951462597. 3
- 89951462598. 4

Question Number : 81 Question Id : 89951416009 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

“Where the promoters of company have made a contract for company before its incorporation and if the contract is warranted by the terms of incorporation the company may enforce it.” ‘Warranted by terms of incorporation’ in the statement is related to:

1. S. 15(h) of the Companies Act
2. S. 15(h) of the Specific Relief Act, 1963
3. contract is within the scope of company's objects as stated in Memorandum of Association
4. both options (2) and (3) are correct

Options :

- 89951462599. 1
- 89951462600. 2
- 89951462601. 3
- 89951462602. 4

Question Number : 82 Question Id : 89951416010 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Auditors can be held liable for:

- 1. non-compliance
- 2. failure to report a fraud
- 3. committing a fraud
- 4. all of the above

Options :

- 89951462603. 1
- 89951462604. 2
- 89951462605. 3
- 89951462606. 4

Question Number : 83 Question Id : 89951416011 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

The term 'Arrangement':

- 1. includes a reorganization of the company's share capital by the consolidation of shares of different classes
- 2. may be between a company and its creditors
- 3. options (1), (2) and (4) are correct
- 4. may be between a company and its members

Options :

- 89951462607. 1
- 89951462608. 2
- 89951462609. 3
- 89951462610. 4

Question Number : 84 Question Id : 89951416012 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 1 Wrong Marks : 0

Any scheme of compromise or arrangement can be approved on grounds:

1. that the scheme is fair and reasonable
2. that the scheme is just
3. that the scheme is not against public interest or minority interest
4. all of the above

Options :

- 89951462611. 1
- 89951462612. 2
- 89951462613. 3
- 89951462614. 4

Question Number : 85 Question Id : 89951416013 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 1 Wrong Marks : 0

The power to acquire shares of shareholders dissenting from scheme or contract approved by majority:

1. is different from purchase of minority shareholding
2. is provided by s. 235, Companies Act, 2013
3. Both options (1) and (2) are correct
4. is provided by s. 395, Companies Act, 2013

Options :

- 89951462615. 1
- 89951462616. 2
- 89951462617. 3
- 89951462618. 4

Question Number : 86 Question Id : 89951416014 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 1 Wrong Marks : 0

Acquisition by a company can be through acquisition of:

1. shares, voting rights or control
2. assets
3. premises of factory
4. None of the above

Options :

- 89951462619. 1

89951462620. 2

89951462621. 3

89951462622. 4

Question Number : 87 Question Id : 89951416015 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 1 Wrong Marks : 0

Creeping acquisition is:

1. acquisition of additional shares every year up to ten percent.
2. acquisition of additional shares every year up to five percent.
3. there cannot be any creeping acquisition
4. none of the above

Options :

89951462623. 1

89951462624. 2

89951462625. 3

89951462626. 4

Question Number : 88 Question Id : 89951416016 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 1 Wrong Marks : 0

Inspectors under s. 217 have the following powers:

1. discovery and production of books of account and other documents, at such place and time as may be specified by such person
2. summoning and enforcing the attendance of persons and examining them on oath
3. inspection of any books, registers and other documents of the company at any place.
4. All of the above

Options :

89951462627. 1

89951462628. 2

89951462629. 3

89951462630. 4

Question Number : 89 Question Id : 89951416017 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 1 Wrong Marks : 0

Disgorgement of benefits:

1. Is under s. 224
2. Is ordered when a fraud takes place in a company which benefits any director or key managerial personnel
3. When application is made to the central government
4. Options (1) and (2) are correct

Options :

89951462631. 1
89951462632. 2
89951462633. 3
89951462634. 4

Question Number : 90 Question Id : 89951416018 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Following is not correct for NCLAT:

1. it has appellate jurisdiction
2. can hear appeals from NCLT and NFRA
3. it has original jurisdiction
4. it can hear appeals against order of CCI

Options :

89951462635. 1
89951462636. 2
89951462637. 3
89951462638. 4

Question Number : 91 Question Id : 89951416019 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Proceedings before:

1. NCLT are quasi-judicial proceedings
2. NCLAT are judicial proceedings
3. CCI are quasi-judicial proceedings
4. All of the above are correct

Options :

89951462639. 1

89951462640. 2

89951462641. 3

89951462642. 4

Question Number : 92 Question Id : 89951416020 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 1 Wrong Marks : 0

Following is not true for Special courts:

1. Established by the Government
2. A Session Judge of a Metropolitan Magistrate can deal with offences with imprisonment up to two years
3. A Judicial Magistrate of first class can deal with other offences
4. Constituted under s. 435 of the Companies Act, 2013

Options :

89951462643. 1

89951462644. 2

89951462645. 3

89951462646. 4

Question Number : 93 Question Id : 89951416021 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 1 Wrong Marks : 0

“The essence of the matter seems to be that the conduct complained of should at the lowest involve a visible departure from the standards of fair dealing, and a violation of the conditions of fair play on which every shareholder who entrusts his money to the company is entitled to rely” is a statement:

1. cited in Shanti Prasad Jain case
2. was given by Lord Cooper in Elder v Elder & Watson Ltd
3. defining oppression
4. all of the above

Options :

89951462647. 1

89951462648. 2

89951462649. 3

89951462650. 4

Question Number : 94 Question Id : 89951416022 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 1 Wrong Marks : 0

Central government may initiate a case when:

1. any person concerned in the conduct and management of the affairs of a company is or has been in connection therewith guilty of fraud, misfeasance, persistent negligence or default in carrying out his obligations and functions under the law or of breach of trust
2. the business of a company is not or has not been conducted and managed by such person in accordance with sound business principles or prudent commercial practices
3. Both of the above
4. None of the above

Options :

89951462651. 1
89951462652. 2
89951462653. 3
89951462654. 4

Question Number : 95 Question Id : 89951416023 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 1 Wrong Marks : 0

Special court is:

1. deemed to be a Court of Session
2. deemed to be a Court of Metropolitan Magistrate
3. deemed to be a Court of Judicial Magistrate of First Class
4. All of the above

Options :

89951462655. 1
89951462656. 2
89951462657. 3
89951462658. 4

Question Number : 96 Question Id : 89951416024 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 1 Wrong Marks : 0

Derivative claims cannot be brought:

1. for safeguarding interest of the company
2. for individual membership rights
3. personal injury
4. fraud on minority

Options :

- 89951462659. 1
- 89951462660. 2
- 89951462661. 3
- 89951462662. 4

Question Number : 97 Question Id : 89951416025 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

German Date Coffee Co, Re is a case related to:

- 1. loss of substratum
- 2. loss of substratum under just and equitable ground for winding up
- 3. oppression and mismanagement
- 4. derivative action

Options :

- 89951462663. 1
- 89951462664. 2
- 89951462665. 3
- 89951462666. 4

Question Number : 98 Question Id : 89951416026 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0

Voluntary winding up:

- 1. has been removed by the IBC, 2016
- 2. companies can pass a special resolution for voluntary winding up
- 3. it is decided by the members of the company
- 4. none of the above

Options :

- 89951462667. 1
- 89951462668. 2
- 89951462669. 3
- 89951462670. 4

Question Number : 99 Question Id : 89951416027 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 1 Wrong Marks : 0

Laws relating to debt recovery include:

1. Recovery of Debt Due to Banks and Financial Institutions Act, 1993
2. Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
3. Debt Recovery Tribunals Act
4. Options (1) and (2) are correct

Options :

89951462671. 1

89951462672. 2

89951462673. 3

89951462674. 4

Question Number : 100 Question Id : 89951416028 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No

Correct Marks : 1 Wrong Marks : 0

Four pillars of institutional infrastructure under IBC include:

1. Adjudication by NCLT
2. Insolvency professionals
3. Information utilities
4. all of the above

Options :

89951462675. 1

89951462676. 2

89951462677. 3

89951462678. 4