



BRAINWARE UNIVERSITY
Term End Examination 2020 - 21

Programme – Bachelor of Law

Course Name – Company Law

Course Code - LLB305

Semester / Year - Semester III

Time allotted : 75 Minutes

Full Marks : 60

[The figure in the margin indicates full marks. Candidates are required to give their answers in their own words as far as practicable.]

Group-A

(Multiple Choice Type Question)

1 x 60=60

1. (Answer any Sixty)

(i) Company is a

- | | |
|---------------------------------------|----------------------|
| a) Legal person | b) Artificial person |
| c) Legal person and Artificial person | d) None of these |

(ii) Pre-incorporation contract is also known as-

- | | |
|----------------|----------------|
| a) Provisional | b) Preliminary |
| c) Illegal | d) Legal |

(iii) “Ultra Vires” means

- | | |
|---|---------------------|
| a) Beyond the power | b) Within the power |
| c) Both Beyond the power & Within the power | d) None of these |

(iv) Address of the Registered Office is situated in?

- | | |
|---------------|------------------|
| a) MOA | b) AOA |
| c) Prospectus | d) None of these |

(v) A company is named as govt. company if it is holds _____% of paid up share capital

- | | |
|-----------------|-----------------|
| a) more than 30 | b) more than 40 |
|-----------------|-----------------|

c) more than 50

d) None of these

(vi) Under which sec. a private company can voluntarily converted into public company

a) Section 14(1)

b) Section 15(2)

c) Section 16(1)

d) Section 17(1)

(vii) How many members should sign the MOA in case of public company

a) 1

b) 3

c) 5

d) 7

(viii) Forfeiture of share can be made only if it is authorized by:

a) AOA

b) MOA

c) ROC

d) CG

(ix) How many members should sign the MOA in case of private company

a) 2

b) 4

c) 6

d) 8

(x) In which case did the doctrine of Indoor Management evolve?

a) Salomon vs. Salomon & Co. Ltd

b) Royal British Bank vs. Turquand

c) Lee vs. Lee's Air Farming Ltd

d) R vs. McDonald

(xi) _____ is the conclusive evidence in case of company that statutory requirements have complied with

a) Certificate of Incorporation

b) Certificate of commencement of Business

c) Both Certificate of Incorporation and Certificate of commencement of Business

d) None of these

(xii) Minimum number of members in case of private company

- a) 1
- b) 2
- c) 3
- d) 4

(xiii) Maximum no of members in case of public company is

- a) 0
- b) Unlimited
- c) 50
- d) 100

(xiv) Minimum subscription should be received within Days.

- a) 120
- b) 125
- c) 130
- d) 135

(xv) Private company can start its business immediately after the issue of

- a) Certificate of commencement of Business
- b) Certificate of Incorporation
- c) Both Certificate of commencement of Business and Certificate of Incorporation
- d) None of these

(xvi) Public company Should start business only after getting certificate of

- a) Incorporation
- b) Commencement of business
- c) Both Incorporation and Commencement of business
- d) None of these

(xvii) The doctrine of indoor management is an _____ to the doctrine of constructive notice

- a) Exception
- b) Extension
- c) Alternative
- d) None of these

(xviii) Any change in the address of the registered office must be communicated to the registrar with in:

- a) 15 days
- b) 30 days

c) 45 days

d) 1 month

(xix) An act ultra-vires the directors can be rectified if it is not ultra vires

a) the articles

b) the memorandum

c) Company Act

d) None of these

(xx) In how many days the company shall have its registered office after incorporation

a) 10

b) 20

c) 15

d) 40

(xxi) Signature of memorandum and articles should be done by _____ number of persons in case of public company

a) 7

b) 5

c) 4

d) None of these

(xxii) If anybody wants to file a case against the company they should file at what place .

a) Company

b) Registered Office

c) BOD

d) Books of accounts

(xxiii) _____ is the charter of a company.

a) Memorandum

b) Articles

c) Both Memorandum and Articles

d) None of these

(xxiv) Pre-incorporation contract is also known as _____

a) Provisional

b) Preliminary

c) illegal

d) legal

(xxv) When there is an untrue statement in a prospectus who can sue

a) Subscribed in primary market

b) Subscribed in secondary market

c) Rights issue

d) None of these

(xxvi) Definition of prospectus was given under which sec.

a) 2 (30)

b) 2 (32)

c) 2 (34)

d) 2 (70)

(xxvii) Which of the following are not required to issue prospectus?

a) Private company

b) In case of right issue

c) Sweat equity issue

d) All of these

(xxviii) _____ are the prospectus issued instead of full prospectus

a) Abridged

b) Statement in lieu

c) Shelf

d) Red herring

(xxix) _____ are the prospectus issued by the issuing house

a) Deemed prospectus

b) Shelf prospectus issued by the issuing house

c) Red herring

d) None of these

(xxx) _____ prospectus was issued in case securities were issued in stages

a) Deemed

b) Shelf

c) Red herring

d) None of these

(xxxii) _____ prospectus was issued in order to test the market before finalizing issue size/ price.

a) Deemed

b) Shelf

c) Red herring

d) None of these

(xxxiii) Which of the following is true regarding “red herring prospectus” under the provisions of the companies Act 2013

a) This prospectus cannot be issued by

b) It does not include quantum of securities

Private limited companies

or the price of securities

c) It is same as shelf prospectus

d) All of these

(xxxiii) Minimum paid up share capital in case of a private company is

a) 1 lakh

b) 2 lakhs

c) 3 lakhs

d) 4 lakhs

(xxxiv) Minimum paid up share capital in case of a public company is

a) 1 lakh

b) 3 lakhs

c) 5 lakhs

d) 7 lakhs

(xxxv) Transfer of shares in the company is

a) Restricted

b) Freely transferable

c) Prohibited

d) None of these

(xxxvi) The dividend on equity shares is only paid when dividend on ----- has already been paid.

a) Debenture

b) Preference Shares

c) Bond

d) Equity Shares

(xxxvii) Bonus shares can be issued by a company

a) Out of the Reserves created by revaluation of fixed assets

b) Out of share premium not collected in cash

c) Without any provision for it in the Articles of Association of the company

d) Out of free reserves built out of genuine profit

(xxxviii) Which one of the following is not a right of a shareholder

a) To receive a dividend declared by the company

b) To attend and vote a meeting

c) To receive the company's accounts

d) To manage company affairs

(xxxix) Shares issues without any special rights attached to them are known as:

- a) Ordinary shares
- b) Preference shares
- c) Treasury shares
- d) Capital shares

(xl) What are redeemable shares?

- a) Shares that cannot be transferred on the stock market.
- b) Shares kept by a company to be sold at a later date.
- c) Shares which when issued carry a right by the company to buy them back.
- d) Shares that carry rights in preference to other shares.

(xli) A company limited by shares can issue equity share capital _____ under the provisions of the Companies Act 2013.

- a) Having differential voting rights
- b) Having differential dividend rights
- c) Both Having differential voting rights and Having differential dividend rights
- d) Neither Having differential voting rights or Having differential dividend rights

(xlii) Share and debentures are in nature of

- a) Immovable transferable property
- b) Movable transferable property
- c) Immoveable non- transferable property
- d) Moveable non- transferable property

(xliii) Which of the following cannot be used for issuing bonus share?

- a) General issue
- b) Premium received on issue of shares
- c) Balance in debenture redemption received
- d) Balance in capital redemption reserve

(xliv) Minimum no. director in case of a public company is

- a) 1
- b) 2
- c) 3
- d) 4

(xlv) Minimum no. director in case of a private company is

- a) 1
- b) 2

c) 3

d) 4

(xlvi) Age limit for directors in case of private company is

a) 65

b) 70

c) 75

d) 21

(xlvii) In case of private company how many members to be present to constitute a quorum for a meeting

a) 2

b) 5

c) 6

d) 4

(xlviii) Quorum for the Board of Directors meeting should be:

a) 1/3 or three whichever is higher

b) 1/2 or three whichever is higher

c) 1/2 or two whichever is higher

d) 1/3 or two whichever is higher

(xlix) Which of the following is beyond the powers of the board of directors?

a) To issue debentures.

b) To make loans

c) To remit the payment of any debt due by a director

d) To issue prospectus.

(l) Which of the following statements hold true regarding “Director Identification Number” issued under the provisions of the Companies Act, 2013?

a) There is no such provisions

b) Central Government has the authority to issue “Director Identification Number”

c) A director must carry the number with him at all times, when he is on duty

d) Every director within 15 days of receiving the number must intimate the same to all the companies in which he is a director

(li) Which of the following persons will be ineligible for appointment as director under the provision of the Companies Act, 2013?

- a) A person was convicted of rape and sentenced to eight years imprisonment. His imprisonment ended seven years ago.
- b) He is a discharged insolvent
- c) Both A person was convicted of rape and sentenced to eight years imprisonment. His imprisonment ended seven years ago and He is a discharged insolvent
- d) Neither A person was convicted of rape and sentenced to eight years imprisonment. His imprisonment ended seven years ago nor He is a discharged insolvent

(lii) Which of the following statements hold true regarding “independent director” under the provisions of the Companies Act, 2013?

- a) A statement on declaration given by independent directors under section 149(6) of the Companies Act, 2013 need not be included in the report by Board of Directors in general meeting
- b) The majority of members of the Audit Committed constituted under the provisions of the Companies Act, 2013 must be independent directors.
- c) Every listed public company shall have at most one-third of the total number of directors as independent directors.
- d) An independent director is entitled to stock option.

(liii) Under the provisions of the Companies Act 2013 an Independent Director must:

- a) Allow any extraneous considerations that will vitiate his exercise of objective independent judgement in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making.
- b) Assist the company in implementing the best Corporate Social Responsibility Policy.
- c) Devote sufficient time and attention to his professional obligations for informed and balanced decision making
- d) All of these

(liv) Alteration of articles must be done only by passing

- a) Special resolution
- b) Ordinary resolution

- c) Either by special resolution or by ordinary resolution d) None of these

(lv) When was the Insolvency and Bankruptcy Code 2016 enacted?

- a) 28.05.2016 b) 28.06.2016
c) 28.07.2016 d) 28.08.2016

(lvi) Who shall be termed as Corporate Debtor as per the Code?

- a) Company who owes a debt to any person b) Corporate person who owes a debt to any person
c) Company who borrows from any company d) Corporate person who owes a debt to any company

(lvii) The National Company Law Tribunal shall consist of President and –

- a) Judicial Members only b) Technical members only
c) Both Judicial and Technical members d) None of these

(lviii) The Appellant Tribunal shall consist of members not exceeding –

- a) Ten b) Eleven
c) Twelve d) Fifteen

(lix) The Members of the National Company Law Tribunal shall be appointed on the recommendation of a selection committee. The selection Committee must have

- a) Chief Justice of India as Chairperson b) Secretary in the Ministry of Corporate Affairs as Member
c) Secretary in the Ministry of Finance as Member d) All of these

(lx) Under the Provisions of Companies Act, 2013 Special Courts can be set up by

- a) National Law Tribunal b) Central Government

c) State Government

d) None of these