



BRAINWARE UNIVERSITY

Term End Examination 2020 - 21

Programme – Bachelor of Commerce (Honours) in Banking & Financial Accounting

Course Name – Corporate Law

Course Code - BCM503

Semester / Year - Semester V

Time allotted : 85 Minutes

Full Marks : 70

[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 70=70

1. *(Answer any Seventy)*

(i) What is the charter of a company?

- | | |
|---------------------------------|------------------|
| a) Memorandum | b) Articles |
| c) both Memorandum and Articles | d) none of these |

(ii) “Ultra Vires” means

- | | |
|---|---------------------|
| a) Beyond the power | b) Within the power |
| c) both Beyond the power and Within the power | d) none of these |

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

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

(iv)gets all liability of original owner

- | | |
|---------------|---------------|
| a) Transferor | b) Transferee |
| c) Endorser | d) Endorsee |

(v) The person to whom the rights and duties are endorsed regarding transfer of shares is called:

- | | |
|---------------|---------------|
| a) Transferee | b) Transferor |
|---------------|---------------|

c) Endorser

d) Endorsee

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

a) AOA

b) MOA

c) ROC

d) CG

(vii) Prospectus were issued in order to test the market before finalizing issue size/price of the shares.

a) Deemed

b) Shelf

c) Red-Herring

d) none of these

(viii) Information Memorandum + Shelf Prospectus together constitutes:

a) Memorandum

b) Articles

c) Prospectus

d) none of these

(ix) Doctrine of ultra vires is associated with:

a) Name Clause

b) Object Clause

c) Capital Clause

d) Liability Clause

(x) The term company is defined under which section of the Companies Act, 2013?

a) Section 2 (20)

b) Section 4 (2)

c) Section 2 (4)

d) Section 1 (3)

(xi) Which company shares can be freely transferable?

a) Private company

b) Public company

c) both Private company and Public company

d) none of these

(xii) Maximum no of members in case of private company according to Companies Act, 2013

- a) 50
- b) 100
- c) 150
- d) 200

(xiii) Liability of a member in case of a private company is

- a) Limited
- b) Unlimited
- c) both Limited and Unlimited
- d) none of these

(xiv) Age limit for directors in case of public company is

- a) 65
- b) 70
- c) 75
- d) 80

(xv) Transfer of shares in the company is

- a) Restricted
- b) Freely transferable
- c) Prohibited
- d) none of these

(xvi) In the case of Company, Audit is

- a) Compulsory
- b) Optional
- c) none of these
- d) both Compulsory and Optional

(xvii) DP has to be registered with

- a) Depository
- b) Exchanges
- c) SEBI
- d) none of these

(xviii) What kind of account is required by a nominee to give effect to the transmission of shares?

- a) Savings Account
- b) Demat Account
- c) Salary Account
- d) Current Account

(xix) Share warrants can be issued with the prior approval of the _____

- a) Company Law Board
- b) Registrar
- c) RBI
- d) SEBI

(xx) The National Company Law Tribunal shall consists of President and –

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

(xxi) The Chairperson of an Appellate Tribunal shall be person who is or has been a –

- a) Judge of a Supreme Court or Chief Justice of a High Court
- b) Judge of a Supreme Court or Chief Justice of a High Court
- c) Chief Justice of a Supreme Court
- d) both Judge of a Supreme Court or Chief Justice of a High Court and Judge of a Supreme Court or Chief Justice of a High Court

(xxii) 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

(xxiii) Notice of statutory meeting should be attested by at least.

- a) 3 directors
- b) 2 directors
- c) 4 directors
- d) none of these

(xxiv) The buyback of shares is -----per cent or less of the aggregate of paid up capital and free reserves of the company.

- a) 20
- b) 25
- c) 30
- d) 50

(xxv) Remuneration of the auditor is fixed by:

- a) General meeting
- b) Board of directors
- c) CMD
- d) Central Government

(xxvi) DIN represents

- a) Directory Identification Number
- b) Director Identification Number
- c) Doctor Identification Number
- d) Direct Identification Number

(xxvii) The _____ constitute the top administrative organ of the company.

- a) general manager .
- b) shareholders.
- c) board of directors
- d) advisory panel .

(xxviii) When do we call that a Pledge transaction is completed?

- a) When SEBI approves the proposal
- b) When the depository gives its nod
- c) When the confirmation advice is entered in the DP system
- d) none of these

(xxix) Which of the following is a "Cash Corporate Actions"?

- a) Corporate Benefits
- b) Dividend
- c) Rights
- d) Bonus

(xxx) A company can change its name by passing

- a) Ordinary resolution
- b) Special resolution
- c) Either by special or by ordinary resolution
- d) none of these

(xxxii) Duplicate certificate obtained if original certificate is lost in case of:

- a) Share Certificate
- b) Share Warrant
- c) Dividend Warrant
- d) none of these

(xxxiii) A company can create "reserve capital" by passing:

- a) Ordinary Resolution
- b) Special Resolution
- c) Board Resolution
- d) none of these

(xxxiiii) The person who transfers his rights and duties regarding transfer of shares is called:

- a) Transferee
- b) Transferor
- c) Promisor
- d) Promisee

(xxxiv) A Company can become the member of another company if it is so authorized by:

- a) MOA
- b) AOA
- c) Both MOA and AOA
- d) none of these

(xxxv) How many persons are needed to form a public company?

- a) 10 or more
- b) 5 or more
- c) 7 or more
- d) 2 or more

(xxxvi) Property of the company belongs to

- a) Company
- b) Share holders
- c) Members
- d) Promoters

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

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

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

- a) None
- b) 2 lakhs
- c) 3 lakhs
- d) 4 lakhs

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

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

(xl) If the company failed to refund application money within specified days from the date of issue of prospectus on non-receipt of minimum subscription who will be personally liable

- a) Company
- b) Directors
- c) Shareholders
- d) none of these

(xli) Generally company liability is

- a) Limited
- b) Unlimited
- c) Situation does not arise
- d) none of these

(xlii) _____ has powers to register and regulate all market intermediaries in the securities market and also to penalize them.

- a) RBI
- b) Depositories
- c) SEBI
- d) IRDA

(xliii) If the lender needs concurrence of the borrower for appropriating securities to his account, the transaction is called _____?

- a) Pledge
- b) Hypothecation
- c) Either of the above
- d) none of these

(xliv) Issuer shall be required to enter into agreement with all the _____ before coming out with a public offer.

- a) Depositories
- b) Depository Participants
- c) Investors
- d) SEBI

(xlv) What is the maturity period of Treasury Bills?

- a) Upto One year
- b) Upto 3 months
- c) Upto 6 months
- d) More than 10 years

(xlvi) The new Companies Act was passed in the year

- a) 1956
- b) 2013
- c) 1972
- d) 1986

(xlvii) 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

(xlviii) The Appellant Tribunal shall consists of members not exceeding –

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

(xlix) 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

(l) The power of appointing additional director can be exercised by the

- a) Annual General Meeting b) Board Meeting
- c) Statutory Meeting d) none of these

(li) Which of the following are known as Board Committees

- a) Audit committee b) Remuneration committee
- c) Nomination committee d) all of these

(lii) 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.

(liii) _____ is the official recording of the proceedings of a meeting

- a) Quorum b) Minutes
- c) both Quorum and Minutes d) none of these

- (liv) Every business transacted at an EGM is _____ a business
- a) Ordinary
 - b) Special
 - c) Both Ordinary & Special
 - d) none of these
- (lv) The resolution passed at AGM are _____.
- a) Valid
 - b) Void
 - c) Voidable
 - d) Void ab-initio
- (lvi) Sec. 168 provides for the provisions related to _____.
- a) appointment of directors
 - b) removal of directors
 - c) vacation of directors
 - d) Resignation of directors
- (lvii) The meeting held only once in lifetime of a company is named as
- a) Annual General Meeting
 - b) Statutory General Meeting
 - c) Extra-ordinary General Meeting
 - d) Special Meeting
- (lviii) The term company is defined under which sec of the Act?
- a) Sec 3 (11)
 - b) Sec 4 (2)
 - c) Sec 2 (20)
 - d) Sec 1 (3)
- (lix) Minimum number of members in case of public company as per Companies Act, 1956
- a) 1
 - b) 2
 - c) 5
 - d) 7
- (lx) Minimum number of members in case of private company as per Companies Act, 1956 is
- a) 1
 - b) 2
 - c) 3
 - d) 50
- (lxi) Sweat Equity shares is issued under Section _____ of the Companies Act,

2013

- a) 78
- b) 54
- c) 79A
- d) 79B

(lxii) Maximum number of members required in case of formation private limited company as per Companies Act, 2013 is

- a) 200
- b) 50
- c) 2
- d) 30

(lxiii) The term Key Managerial Personnel is defined under which section of the Companies Act, 2013?

- a) Section 2 (20)
- b) Section 4 (2)
- c) Section 2 (4)
- d) Section 2 (51)

(lxiv) Maximum no of members in case of private company according to Companies Act, 2013 is

- a) 50
- b) 100
- c) 150
- d) 200

(lxv) Law is framed by

- a) The executive
- b) The legislature
- c) The judiciary
- d) The bureaucrats

(lxvi) Sources of English Law are

- a) Common Law
- b) Merchant Law
- c) Principles of equity
- d) Statute Law

(lxvii) Which one of the following statement is incorrect?

- a) Oral acceptance is a valid acceptance.
- b) Mere silence is not acceptance
- c) Acceptance must be communicated
- d) Acceptance may not be in the prescribed manner

(lxviii) Contractual rights and duties are created by

- a) State
- b) Statute
- c) Parties
- d) Custom or Usage

(lxix) In Commercial and business agreements, the intention of the parties to create legal relationship is

- a) Presumed to exist
- b) To be specifically expressed in writing
- c) Not relevant or all
- d) Not applicable

(lxx) Law is enacted by

- a) Legislature
- b) Judiciary
- c) Executives
- d) Bureaucrats