

UNIT I

1. The company is formed and registered under this act or -----company
 - (a) Previous company
 - (b) Existing company**
 - (c) Private company
 - (d) Public company
2. The company act
 - (a) 2015
 - (b) 1956**
 - (c) 1957
 - (d) 1960
3. In company the partners liabilities is
 - (a) Limited
 - (b) Unlimited**
 - (c) Not limited
 - (d) Not limited
4. The public limited company registration is
 - (a) Optional
 - (b) Compulsory**
 - (c) Not optional
 - (d) Both compulsory
5. The minimum number of members in private limited company
 - (a) 7
 - (b) 2**
 - (c) 1
 - (d) 6
6. The minimum number of members in public company
 - (a) 7**
 - (b) 2
 - (c) 1
 - (d) 6
7. Promoter means
 - a) Who conceive an idea to form a company
 - b) Share holder
 - c) Denture holder
 - d) Creditor
8. A private limited company can commence business
 - (a) Immediately on receiving the certificate of incorporation**
 - (b) Only after the certificate of commence mint of business is resaved
 - (c) On getting name approval from the registrar
 - (d) On filling all the documents necessary for formation with the reiterate
9. The liability of shareholders of a private limited company limited to

- (a) The paid up value of the shares
 - (b) Amount remaining unpaid on the shares**
 - (c) The extent of private assets
 - (d) Amount called up
10. The -----company has to take some more steps after obtaining the certificate of incorporation
- (a) Private ltd
 - (b) govt.
 - (c) Public**
 - (d) none of the above
11. A -----delegation stating that all the requirements of law relating to registration to be filled
- (a) Private ltd
 - (b) govt.
 - (c) Public
 - (d) statutory**
12. Every public company must end with the word
- a) Limited**
 - b) Unlimited
 - c) Private limited
 - d) Public limited
13. One cannot be a manager of more than -----public company at a time
- a) 1**
 - b) 6
 - c) 5
 - d) 46
14. Term company is defined under which section of the Act
- a) Sec3 (1)**
 - b) Sec4 (1)
 - c) Sec 4(2)
 - d) Sec4 (2)
15. -----Stands in the fiduciary position of the company
- a) Directors
 - b) Promoters**
 - c) Auditors
 - d) Creditors
16. Pre incorporation contract also knows as
- a) Provisional
 - b) Preliminary**
 - c) illegal
 - d) legal
17. According to which sec.name of the company should end with Ltd or Pvt ltd
- a) 10
 - b) 11
 - c) 12

- d) **13**
18. liability of members if company limited by guarantee
a) **Guarantee amount**
b) Unlimited liability
c) Limited liability
d) None of the above
19. under which sec a private company can voluntarily converted in to public company
a) 34
b) **44**
c) 54
d) 64
20. Central government permission is required in case of ---- conversion -----
a) Private to public
b) Public to private
c) Both a and b
d) None of the above

II UNIT

1. Which of the following documents defines the scope of a company's activities?

(a) **Memorandum of association**
(b) Articles of association
(c) Prospectus
(d) Statutory declaration
2. . ----- Is the scope of activities of the company?

(a) **Memorandum of association**
(b) Articles of association
(c) Prospectus
(d) Statutory declaration
3. A company can change its name at its own discretion by passing _____
a) Ordinary resolution
b) **Special resolution**
c) Board's resolution
d) None of the above
4. Any change in the address of the registered office must be communicated to the registrar within:
a) 15 days
b) 30 days
c) **1 Month**
d) 12 months
5. 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 the above
6. The lending of funds ultra vires, the company has no rights
a) **Under the company's Act**
b) Contract Act

- c) Under equity
 - d) None of the above
7. If a new company get registered with a name which resembles the name of existing company then it should apply to whom?
- a) **NCLT**
 - b) SEBI
 - c) ROC
 - d) None of the above
8. In how many days did the company have its registered office after incorporation
- a) 10
 - b) 20
 - c) **30**
 - d) 40
9. In case of forgeries acts done in the name of the company are
- a) Valid
 - b) Void
 - c) **Void ab initio**
 - d) None of the above
10. 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
11. MOA should be in form _____ in case of company limited by guarantee not having share capital
- a) Table A
 - b) Table B
 - c) **Table C**
 - d) Table D
12. MOA should be in form _____ in case of company limited by guarantee and having share capital
- a) Table A
 - b) Table B
 - c) Table C
 - d) **Table D**
13. In the MOA there are 6 classes. We can alter all clauses expect one clause. What is that clause?
- a) Objects clause
 - b) Name clause
 - c) **Association clause**
 - d) None of these
14. Address of the registered office is situated in
- a) MOA
 - b) **AOA**
 - c) Prospectus
 - d) None of these
15. Which of the following need not have MOA
- a) Public company
 - b) Private company

- c) Government company
d) Statutory Corporation.
16. A company can change its name by passing
 a) Ordinary resolution
 b) Special resolution
c) Either by special resolution or by ordinary resolution
 d) None of the above
17. Ultra vires means
a) Beyond the power
 b) within the power
 c) Both
 d) None of the above
18. Ultra vires loans granted by the company are
a) Void
 b) Voidable
 c) Valid
 d) None of the above
19. Change in objects clauses can be effected
 a) For any reason
b) For special reason only
 c) to comply with C.G order
 d) None of the above
20. The capital clause of a company can be changed with the permission of

 a) Company law board
 b) Registrar
c) Court
 d) None of the above

UNIT III

1. A----- contains all essential points which would induce the investing public to apply for shares in the company
 (a) Memorandum
 (b) Board of director
 (c) Articles
(d) Prospectus
2. Prospectus means
(a) An invitation to offer to the public
 (b) Private
 (c) govt.
 (d) Bonus
3. Any documents which satisfied the company's laid down in company's act shall be known as
(a) Prospectus
 (b) Shareholders
 (c) Dividend

- (d) None of the above
4. ----- Is not merely an advertisement it may be a circular or notice
- (a) **Prospectus**
 - (b) Shareholders
 - (c) Dividend
 - (d) None of the above
5. A -----is gently issue after incorporation of a company
- (a) **Prospectus**
 - (b) Shareholders
 - (c) Dividend
 - (d) None of the above
6. A ----- company is not required to issue a prospectus
- (a) prospectus
 - (b) **Private**
 - (c) Dividend
 - (d) None of the above
7. A prospectus must not be issued more than days after the date on which a company there of is a delivered for registration
- (a) **90 days**
 - (b) 120 days
 - (c) 140 days
 - (d) 60 days
8. -----does not take any responsibility for the correctness of the statement mode are opinions expressed in the prospectus.
- a) **SEBI**
 - b) RBI
 - c) IBI
 - d) IDBI
9. A -----constitutes the basis of the contract between the company and the person who purchases shares or debentures
- a) Share capital
 - b) **Prospectus**
 - c) Dividend warrant
 - d) Advertisement
10. -----statements include statements made by a person who does not case whether the statement is true or false.
- a) **Misleading**
 - b) Escaped
 - b) Co identical
 - d) Default
11. -----is any act committed with an intention to derive somebody
- a) **Fraud**
 - b) Lending

- c) Unfair truth
d) Mortgage
12. Every person who authorized the issue of prospectus containing untrue statement shall be
- a) **Punishable**
b) Not punishable
c) Liable
d) Not liable
13. The punishment for issuing an application for shares or debentures which is not calculated by prospectors is a fine upto
- a) **Rs.5000**
b) Rs.40000
c) Rs.6000
d) Rs.70000
14. Company is ----- in damages where the misrepresentation is an innocent one
- a) Punishable
b) Not punishable
c) **Liable**
d) not liable
15. A company can proceed to allot shares only if minimum subscription is specified in the
- a) **Prospectus**
b) Articles
c) Advertisement
d) Arrangement
16. All moneys received from an applicant shall be deposited and kept deposited in schedule can until ----- has been received by company
- a) **Minimum subscription**
b) Share certificate
c) Prospectus
d) Dividend warrant
17. 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 the above**
18. _____ are the prospectus issued instead of full prospectus
- a) **Abridged**
b) Statement in lieu
c) Shelf
d) Red herring
19. Which one of the following has a right to claim compensation for any loss due to misstatement in
- a) **Purchasing shares in Primary Market**
b) Secondary Market

- c) Subscribers to memo.
 - d) All the above
20. What is the liability not delivering that can be imposed for statement in lieu of prospectus
- a) **Fine – 10,000**
 - b) Imprisonment – 2 years
 - c) Both (a) & (b)
 - d) None of the above
21. _____ 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 the above

IV UNIT

1. First directors are appointed by
 - (a) Members in statutory meeting
 - (b) Members in the first annual general meeting
 - (c) **By being named in the articles of association**
 - (d) None of the above
2. A director is acting as
 - (a) Agent of the company
 - (b) Trustee of the company
 - (c) Chief executive officer of the company
 - (d) **all of these**
3. A person can hold director ship, of not more than----- public limited company
 - (a) 7
 - (b) 2
 - (c) **15**
 - (d) 6
4. The valuation of qualification shares of a director in a public limited company share not exceed
 - (a) **11% of net profits**
 - (b) 11% of paid up capital
 - (c) 5% of net profits
 - (d) 5% of paid up capital
5. The value of qualification shares of a director in a public limited company shall not exceed
 - (a) **5000**
 - (b) 3000
 - (c) 2000
 - (d) 1000
6. A company secretary is appointed by
 - (a) govt.
 - (b) **The board of directors**

- (c) Public
d) private
7. A company should compulsorily appoint a qualified company secretary, having a paid up capital of more than
- (a) **50 lakhs**
(b) 40 lakhs
(c) 30 lakhs
(d) 20 lakhs
8. Which of the following must hold a statutory meeting?
- (a) Previous company
(b) Existing company
(c) Private company
(d) **public company**
9. The interval between two annual general meetings shall not exceed
- (a) **15 months**
(b) 10 months
(c) 5 months
(d) 1 months
10. Which of the following business is not transacted at the annual general meeting?
- f(a) Appointment of director
(b) **Issue of debentures**
(c) Appointment of debentures
(d) Delegation of evident
11. Who can call extra ordinary general meeting?
- (a) A company law tribunal
(b) Board of directors on its own on the requisition of members
(c) By the requisitionists themselves on board's failure of convene
(d) **all of these**
12. Directors act as----- trustees and officers of the company
- (a) **Agents**
(b) Chief executive
(c) President
(d) Chairman
13. First directors are usually named in the
- (a) Memorandum of association
(b) **Articles of association**
(c) Prospectus
(d) Statutory decollation
14. Statutory meeting must be held not later than _____ and not earlier than _____ form the date on which a public company is entitled to commence business
- (a) 5 months, 1 month
(b) **6 months, 1 month**
(c) 6 months, 2 months

- (d) None of the above
15. A statutory report must be sent to every member of the company afloat----- days before the meeting is to be held
- (a) **21**
 (b) 22
 (c) 23
 (d) 24
16. The time between two consecutive annual general meetings should not exceed--- months
- (a) 21
 (b) 22
 (c) **15**
 (d) 24
17. A person appointed to attend a meeting on behalf of shareholders is known as
- (a) Agenda
 (b) Miniature
 (c) **Proxy**
 (d) Quorum
18. The quorum for a general meeting of members of a public company is
- (a) **5**
 (b) 4
 (c) 3
 (d) 2
19. The minimum member of members required for meetings is known as
- (a) Agenda
 (b) Miniature
 (c) Proxy
 (d) **Quorum**
20. Auditors are generally appointed and there remuneration, fixed at the-----meeting
- (a) **Annual general**
 (b) Ordinary
 (c) special
 (d) None of the above

UNIT-5

1. Voluntary winding up:
 - a. If period fixed for the company is expired.
 - b. If company passes a special resolution the company wound up voluntarily.
 - c. Members voluntary winding up is applicable to solvent companies only.
 - d. **All of the above**
2. Compulsory winding up:
 - a. If a company unable to pay its debt
 - b. If the number of members of company reduced below statutory limit.
 - c. if a company does commence its business within a year from its incorporation.

- d. All of the above.**
3. The first item in order of payment to be made by liquidator is:
 - a. Secured creditors
 - b. Preferential creditors
 - c. **Liquidation expenses**
 - d. Preferential creditors
 4. Liquidator's statement of receipts and payment is know as:
 - a. Cash flow statement
 - b. Cash book
 - c. **Liquidator's final statement of account**
 - d. Deficiency accout
 5. A contibutory is
 - a. A creditor
 - b. **A shareholder**
 - c. A debentureholder
 - d. A convertible debentureholder
 6. A past member is not liable to contribute:
 - a. In respect of any liability contracted after he ceased to be member of the company.
 - b. One year passed since he ceased to be a member.
 - c. In case of company limited by shares, no liability arises if shares are fully paid up.
 - d. **All of the above**
 7. salaries due to clerk is preferential for a period not exceeding:
 - a. Two months
 - b. Three months
 - c. **Four months**
 - d. Fine months
 8. Maximum _____ can be treated as preferential salary and wages.
 - a. **20000**
 - b. 25000
 - c. 30000
 - d. 40000
 9. B" List of contributories are not liable:
 - a. If shares are fully paid up
 - b. For liabilities after they are ceases to be member of the company.
 - c. If present shareholders paid the unpaid amount of the shares transferred by them.
 - d. **All of the above**
 10. In the event of Company being wound up the Tribunal shall prepare list of contributories into.
 - a. List A
 - b. List B
 - c. **List A and List B**
 - d. d.. List A or List B
 11. A voluntary winding up means winding up by.
 - a. **Members or creditors**

- b. Members or contributors.
 - c. contributors. or creditors
 - d. All of the above
12. Statutory meeting of the company must be held within.
- a. One month of obtaining the certificate to commence business
 - b. 3 months of obtaining the certificate to commence business
 - c. 6 months of obtaining the certificate to commence business.**
 - d. 3 months of obtaining the certificate to commence business
13. Statutory meeting of the company is held.
- a. Every year.
 - b. After every two years.
 - c. Once in the life time of the company.**
 - d. Every year at the discretion of the Board of Directors.
14. Statutory meeting is not to be held if a new company is a .
- a. Public limited Company. C. Government Company.
 - b. Private Company (Limited).** d. FERA company.
15. The first annual general meeting of the company must be held within.
- a. 12 months from the date of incorporation.
 - b. 12 months from the date of commencement of business.
 - c. 18 months from the date of its incorporation.**
 - d. 18 months from the date of commencement of business.
16. A company can create 'reserve capital' by passing _____
- a. an ordinary resolution
 - b. a special resolution**
 - c. a board resolution
 - d. None of the above
17. The capital which is part of the uncalled capital of the company which can be called up only in the event of its winding up it is called
- a) Issued capital
 - b) Nominal capital
 - c) Authorised Capital
 - d) Reserve capital**
18. Who are the persons who can file petition for winding up of the company?
- a) Company & its Contributories
 - b) The Central Government or State Government
 - c) Registrar on his own account
 - d) Both A and B**
19. For the Registrar who wants to file a petition for winding of a company what are the Conditions to be fulfilled
- a) Registrar need to take permission of CG
 - b) The Company needs to be given opportunity of being heard

- c) Registrar can directly approach tribunal
 - d) Both A and B
20. To which of the following authorities shall intimation be sent of passing of the resolution for appointment of the liquidator:
- A .The Insolvency and Bankruptcy Board of India (IBBI) only
 - B .Registrar of Companies (ROC) only
 - C. National Company Law Tribunal (NCLT)
 - D .The Insolvency and Bankruptcy Board of India (IBBI) and Registrar of Company.**

UNIT I

1. Define company.

A voluntary association formed and organized to carry on a business or any entity that engages in business

2. What do you mean by artificial person?

Entity (such as a firm) other than a natural person(human being) created by law

3. State the meaning of common seal.

It is the signature of the company to any document on which it is affixed and binds the company for all obligations undertaken in the document.

4. What is holding company?

Holds half of equity share capital of other companies

5. State the meaning of foreign company.

It is any company or body corporate incorporated outside India

6. Who is called promoter?

A person who does the preliminary work incidental to the formation of a company.

7. Define promotion.

It is the first stage in the process of formation. It involves dreaming of a business opportunity and taking necessary steps to form a company.

8. Who is called professional promoter?

A promoter may be an individual, a firm, an association of persons or a company.

9. Who is called financial promoter?

A promoter is an individual or organization that helps raise money for some type of investment activity

10. What is statutory company?

When a company is incorporated/formed by passing a special Act at the legislature, it is called as a statutory company

UNIT II

1. What is memorandum?

It is an important corporate document in certain jurisdictions.

2. Mention the two important document of the company.

Articles of Association and memorandum Association

3. Define the Articles of Association.

Articles of Association are a document that specifies the regulations for a company's operations and defines the company's purpose

4. What is Doctrine of Ultra vires?

It is an act beyond the powers

5. What is doctrine of indoor management?

It is an exception to the rule of constructive notice. What is forfeiture of shares?

Forfeiture share is a process where the company forfeits the shares of a member or shareholder who fails to pay the calls on shares

6. What is doctrine of constructive notice?

It is doctrine where all persons dealing with a company are deemed to have knowledge of the company articles of association and memorandum of association.

7. What is alteration of Articles?

Subject to the provisions of this act and to the conditions contained in its memorandum by special resolution a company may alter its articles.

8. What is the clause in memorandum of association?

Name clause, object clause, liability clause, capital clause, Association clause

9. What is Turquand rule?

Royal british bank v Turquand is a UK company law case that held people transacting with companies are entitled to assume that internal company rules

UNIT III

1. Define prospectus.

It is formal document published by every firm offering its securities to public for purchase.

2. What is misleading prospectus?

The prospectus which contains misstatement or misleading statements

3. What is deemed prospectus?

The document by which the issuing house offers share to the public is said to be deemed prospectus

4. What is shelf prospectus?

A prospectus in respect of which the securities or parts of securities included there in are used for subscription in one or more issues What is statement in lieu of prospectus?

It is document filed with the registrar of the companies

5. What is under subscription?

It means that the number of shares subscribed by the public is lower than the number of shares offered by the company

6. What is minimum subscription?

The minimum shares of the company need to get from the public out of the total issue by the date of closure.

7. What is a qualification share?

A situation in which investors show how much interest in a new issue of a security that demand exceeds supply

8. What is abridged prospectus?

It is the actual summary of prospectus

9. What is Redherring prospectus?

It is a first or preliminary prospectus is a document submitted by a company as part of public offering of securities

UNIT IV

1. How many directors are in company?

A company can have a maximum of fifteen Directors – it can be increased further by passing a special resolution.

2. What is agenda?

The agenda should be distributed to attendees a day or two before the meeting.

3. What is a minute?

Minute is an official written statement of the motions and resolutions taken in a meeting. ...

4. Can a person be a director without holding shares?

The shareholders (also called members) own the company by owning its shares and the directors manage it.

5. Who can not be a director of a company?

A company director can be a person or a corporate entity, such as a group, partnership, organisation, charity, firm, another limited company,

6. Can a director be removed by other director?

A company director can be appointed at any time after incorporation. Likewise, a director can resign or be removed by members

7. Who appoints the first director of a company?

First directors of a firm are appointed by the original investors

8. What are the different kinds of meetings of the shareholders of a company?

A board meeting, and some are shareholders' meetings.

9. What is general meeting of the company?

A general meeting is a meeting of a company's shareholders. Companies Act 2006, provides the statutory framework for the calling and conduct of general meetings.

10. What is extra ordinary general meeting of the company?

An Extraordinary General Meeting (an EGM) can be defined as a meeting of shareholders which is not an Annual General Meeting (an AGM).

UNIT-V

1. What is Winding up of a company?

Winding up of a company is the process through which life of a company comes to an end .

2. What is the law governing the procedure of Winding up in India?

By the tribunal and By Voluntary

3. What is Voluntary Winding up of a company?

The winding up of a company can also be done voluntarily by the members of the Company, if the company passes a special resolution for winding up of the Company.

4. State the two methods of Winding-up of a company i

Compulsory Winding-up by the Court, and (B) Voluntary Winding-up!

5. State the meaning for Compulsory Winding-Up.

It takes place when a company is directed to be wound-up by an order of the Court.

6. Who can apply for Winding-up? (Sec. 439)

By the Company [Sec. 439(1) and by any Creditor [Sec. 439(1) (b)];

7. State about winding up of a company by a tribunal.

Suspension of the business for one year from the date of incorporation or suspension of business for whole year.

8. State the first item in order of payment to be made by liquidator.

Liquidation expenses.

9. Find the procedure for voluntary winding up.

Issues notices in writing for calling of a General Meeting proposing the resolution along with the explanatory statement.

10. When Statutory meeting of the company is held?

Once in the life time of the company.

I UNIT

1. What are the different features of company? briefly explain it.
2. Show the various kinds of promoter
3. Examine the procedure to commence a business.
4. Sketch the functions of promoter.
5. Briefly explain the legal position of promoter?

II UNIT

1. Examine the features of Articles of Association.
2. Show the importance of Articles of Association.
3. Examine the exceptions of Doctrine of ultra vires.
4. Sketch the objects of registering memorandum of association?
5. Sketch the format of memorandum of association?

III UNIT

1. Schedule the importance of prospectus
2. Examine the features of prospectus
3. Show the objectives of prospectus.
4. Examine the remedies for misstatement in prospectus.
5. Examine the civil liability for mis statement in prospectus.

IV UNIT

1. Examine the duties of director.
2. Differentiate the director and managing director
3. Examine the various qualification of director.
4. Schedule the role of director in a company.
5. Examine the powers of director.

V UNIT

1. Explain the power for court to appoint or remove liquidators.
2. Explain the concept of winding up of a company.
3. Discover the meaning of compulsory winding up.
4. Examine the procedure for winding up.
5. Discover the meaning of members voluntary winding up

UNIT 1

1. Classify the different types of companies.
2. Analyze the formation of companies.
3. Investigate the remuneration of promoter.
4. Distinguish between the private and public company
5. Explain the functions of Promotor.

UNIT 2

1. Analyse the contents of Articles of association
2. Investigate the procedure to be followed by company for making alterations in the Articles of association.
3. Examine the various contents of memorandum of association
4. Investigate the procedure to be followed by company for making alterations in the memorandum of association.
5. What are the procedures to be followed to make alterations in the Articles of association

UNIT 3

1. Point out the various contents of prospectus
2. Categorize the different types of prospectus
3. Classify the different kinds of share.
4. Investigate the different types of minimum subscription.
5. Point out the difference between shares and debentures

UNIT 4

1. Investigate the procedure to appoint the directors
2. Analyze the procedure to removal of the directors
3. Classify the different types of meeting.
4. Point out the disqualification of director
5. Analyze the qualification of directors

UNIT-5

1. Analyze the winding up of registered companies.
2. Who may petition the national company law tribunal for order of winding up. Analyze.
3. Summarize the various modes of winding up.
4. Analyze the concept of winding up subject to supervision of the court.
5. Explain the members compulsory winding up in detail.