

QB365 Question Bank Software Study Materials

Companies Act, 2013 45 Important 1 Marks Questions With Answers (Book Back and Creative)

12th Standard

Commerce

Total Marks : 45

Multiple Choice Question

45 x 1 = 45

- 1) The Company will have to issue the notice of situation of Registered Office to the Register of Companies within _____ days from the date of incorporation.
(a) 14 days (b) 21 days **(c) 30 days** (d) 60 days
- 2) How does a person who envisages the idea to form a company called ?
(a) Director (b) Company Secretary (c) Registrar **(d) Promoter**
- 3) Which of the following types of shares are issued by a company to raise capital from the existing shareholders?
(a) Equity Shares **(b) Right Shares** (c) Preference Shares (d) Bonus Shares
- 4) The shares which are offered to the existing shareholder at free of cost is known as _____
(a) Bonus Share (b) Equity Share (c) Right Share (d) Preference Share
- 5) The shares which are offered first to the existing shareholder at reduced price is known as _____
(a) Bonus Share (b) Equity Share **(c) Right Share** (d) Preference Share
- 6) For which type of capital a company pays the prescribed fees at the time of registration?
(a) Subscribed Capital **(b) Authorised Capital** (c) Paid-up Capital (d) Issued Capital
- 7) Specify the type of resolution to be passed to choose the location of Registered Office of the company within the town or village or city.
(a) Ordinary (b) Special (c) Either Ordinary or Special **(d) Board**
- 8) Who can issue stock?
(a) Public (b) Private (c) One Person (d) Small
- 9) Specify the document which comes under the Negotiable Instrument Act.
(a) Share Certificate (b) Share **(c) Share Warrant** (d) Stock
- 10) The Companies Act 2013 Prohibits the issue of shares at _____ to the public.
(a) Premium (b) Par **(c) Discount** (d) Both at par and Premium
- 11) Which company shares can be freely transferable?
(a) Private company (b) Public company (c) Both 'a' and 'b' (d) None of these
- 12) Minimum number of members required to apply for incorporation certificate in a Public Ltd company is
(a) 3 (b) 2 **(c) 7** (d) 50
- 13) The second stage in the formation of the company is
(a) promotion **(b) registration** (c) capital subscription (d) commencement of business
- 14) The second most important document which is required at the time of registration is
(a) Memorandum of Association (b) Prospectus **(c) Articles of Association** (d) None of these

15) A debenture, in which no specific time is specified by the companies to pay back the money is called an
(a) Registered debentures (b) Bearer debentures (c) Irredeemable debentures (d) None of these

16) The articles of association need to be signed by
 (a) all proposed directors (b) registrar **(c) subscribers of memorandum** (d) none of the above

17) The person who envisages the idea is called a
(a) Promoter (b) Manager (c) Director (d) Member

18)

LIST I		LIST II	
i) Registered debentures	1) Irredeemable debenture		
ii) Bearer debentures	2) Charge on the fixed assets		
iii) Perpetual debentures	3) Negotiable instrument		
iv) Secured debentures	4) Issued in the name of a particular person		

(a) (b) (c) (d)

(i)(ii)(iii)(iv)	(i)(ii)(iii)(iv)	(i)(ii)(iii)(iv)	(i)(ii)(iii)(iv)
2 3 4 1	4 3 2 1	3 4 2 1	1 2 3 4

19)

LIST I		LIST II	
i) Issue of shares at par	1) Except sweat equity share		
ii) Issue of shares at premium	2) Reserves and surplus		
iii) Issue of securities at discount	3) Write off preliminary expenses		
iv) Bonus shares	4) No legal restrictions		

(a) (b) (c) (d)

(i)(ii)(iii)(iv)	(i)(ii)(iii)(iv)	(i)(ii)(iii)(iv)	(i)(ii)(iii)(iv)
1 2 3 4	2 3 1 4	3 4 2 1	4 3 1 2

20) If minimum subscription is not received application money should be refunded within _____ days.
 (a) 20 (b) 25 (c) 30 **(d) 10**

21) Minimum subscription should be received within _____ days.
 (a) 130 (b) 125 **(c) 120** (d) 150

22) The _____ is the charter of a company.
(a) Memorandum of Association (b) Articles of Association (c) Both 'a' and 'b' (d) None of the above

23) The address of the registered office of the company must be notified to the registrar within _____ days of registration if it is not done at the time of incorporation.
 (a) 15 **(b) 30** (c) 60 (d) 45

24) If the proposed nominal capital is more than Rs. 25 lakhs at the time of incorporation then the company needs to submit _____ along with the application.
 (a) statement of capital (b) certificate of incorporation **(c) certificate of capital** (d) none of these

25) _____ is created from fully paid shares by passing an ordinary resolution at the general meeting.
(a) Stock (b) Shares (c) Debentures (d) Preference shares

26) _____ is issued under the common seal of the company acknowledging the receipt of money.
 (a) Shares (b) Stock **(c) Debentures** (d) Preference shares

27) _____ instruments retain the debt character and cannot be converted into equity shares.

- (a) Partly convertible debentures **(b) Non convertible debentures** (c) Fully convertible debentures
(d) Optionally convertible debentures
- 28) _____ is normally decided at the time of subscription.
(a) Fully convertible debentures (b) Optionally convertible debentures (c) Non convertible debentures
(d) Partly convertible debenture
- 29) _____ instruments are secured by on the fixed assets of the issuer company.
(a) Secured debentures (b) Unsecured debenture (c) Redeemable debentures (d) Perpetual debentures
- 30) A copy of the _____ must accompany each from of application for shares offered to the public.
(a) Memorandum of Association **(b) Prospectus** (c) Articles of association (d) None of the above
- 31) Par value of shares means the _____ value of the shares.
(a) Actual **(b) face** (c) market (d) dividend
- 32) _____ share capital has priority both in repayment of dividend as well as capital.
(a) Equity (b) Nonpreference **(c) Preference** (d) All of the above
- 33) For example, par value is Rs.10 and it is issued at Rs.15 then Rs.5 is the _____ amount.
(a) profit (b) dividend (c) market value **(d) premium**
- 34) A Royal charter established the East India company in the year _____.
(a) 1600 (b) 1947 (c) 2010 (d) 2012
- 35) _____ means a corporate entity which has a legal existence.
(a) Body corporate (b) Registered office (c) Articles of Association (d) None of these
- 36) Kinds of share capital.
(a) Equity share capital (b) Preference share capital **(c) Both A and B** (d) None of these
- 37) _____ Shares cannot be converted into equity shares.
(a) Convertible preference shares **(b) Non-convertible Preference shares** (c) Redeemable Preference shares
(d) cumulative Preference shares
- 38) Shares can be issued at _____.
(a) par (b) premium **(c) par, premium and discount** (d) None of these
- 39) _____ means issue of shares to employees or director at a lower price for cash or other than cash.
(a) Sweat Equity shares (b) Bonus shares (c) Right shares (d) Equity shares
- 40) Share certificate is issued by the company within ____ months.
(a) Two **(b) Three** (c) One (d) Four
- 41) Debentures carry a _____ rate of interest.
(a) fixed (b) Fluctuating (c) low (d) high

42) **Match the following.**

(1) Issue of shares at Par	(i) Issue at a Price above the face value
(2) Issue of shares at Premium	(ii) Share to employees
(3) Issue of shares at discount	(iii) At their face value
(4) Sweat Equity shares	(iv) Issued at a price below the face value

(a)	(b)	(c)	(d)
A B C D	A B C D	A B C D	A B C D
iiii ivii	i iiiii iv	iiii i iv	i ii iiiiv

43) Pick out the odd one.

- (a) Sweat Equity shares (b) Bonus shares (c) Right shares **(d) Share warrant**

44) Assertion (A) : Promotion stage begins when the idea to form a company comes in the mind of a person.
Reason (R) : The Person who innovates is called 'promoter'.

- (a) Both (A) and (R) are true and (R) is the correct explanation of (A)
 (b) Both (A) and (R) are true but (R) is not the correct explanation of (A) **(c) (A) is true, but (R) is false**
 (d) (A) is false, but (R) is true

45) Which is not correctly Matched

- (a) Shares certificate - without a definite number** (b) Shares warrant -negotiable instrument
 (c) Debentures - Redemption ability (d) Shares -can be converted into stock