# CS- EXECUTIVE

## MCQ’S - COMPANY LAW

### INTRODUCTION

1. The term company is defined under which sec of the Act?
   - a) Sec 3(1)
   - b) Sec 4(2)
   - c) Sec 2(4)
   - d) Sec 1(3)

2. Property of the company belongs to _______
   - a) Company
   - b) Share holders
   - c) Members
   - d) Promoters

3. Minimum number of members in case of public company _______
   - a) 1
   - b) 2
   - c) 5
   - d) 7

4. Minimum number of members in case of private company is _______
   - a) 1
   - b) 2
   - c) 3
   - d) 

5. Maximum no. of members in case of private company is _______
   - a) 50
   - b) 100
   - c) 150
   - d) 200

6. Maximum no. of members in case of public company is _______
   - a) 0
   - b) unlimited
   - c) 50
   - d) 100

7. How many months did the company can continue its business u/s 45 _______
   - a) 1
   - b) 2
   - c) 5
   - d) 6

8. Minimum subscription should be received within ______ days
   - a) 120
   - b) 125
   - c) 130
   - d) 135

9. If minimum subscription is not received application money should be refunded within ______ days
   - a) 20
   - b) 25
   - c) 30
   - d) 10

10. Minimum paid up share capital in case of a private company is _______
    - a) 1 Lakh
    - b) 2 Lakhs
    - c) 3 Lakhs
    - d) 4 Lakhs

11. Minimum paid up share capital in case of a public company is _______
    - a) 1 Lakh
    - b) 3 Lakhs
    - c) 5 Lakhs
    - d) 7 Lakhs

12. Minimum no. of Directors in case of a public company is _______
    - a) 1
    - b) 2
    - c) 3
    - d) 4

13. Minimum no. of Directors in case of private company is _______
    - a) 1
    - b) 2
    - c) 3
    - d) 4

14. The liability of members if company is limited by guarantee.
    - a) Unpaid value of shares
    - b) Guarantee amount
    - c) Unlimited liability
d) None of the above

15 The liability of members if company is limited by shares
   a) **Unpaid value of shares**  b) Guarantee amount  c) Unlimited liability
d) None of the above

16 XYZ Company conducted an AGM on 1st Sept. 2007. On that day due to fire accident in the Hall, all shareholders died. Will the company will be in existence?
   a) Yes  b) No

17 Company’s owners are shareholders. So the company property belongs to the shareholders.
   Do you agree with this statement?
   a) Yes  b) No

18 Company will have fundamental rights.
   a) True  b) False

19 XYZ Company shares are totally held by government. The company will be government.
   a) True  b) False

20 If the company failed to refund application money within 130 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

21 Transfer of shares in the company is
   a) Restricted  b) **Freely transferable**  c) Prohibited  d) None of these

22 Generally Company liability is
   a) **Limited**  b) Unlimited  c) Situation does not arise

23 Generally partnership firm liability is
   a) Limited  b) **Unlimited**  c) Situation does not arise

24 XYZ private company had reduced to a single member and continued business more than 6 months. The company’s liability will be.
   a) Limited  b) **Unlimited**  c) None of the above.

25 In the case of Company, Audit is
   a) **Compulsory**  b) Optional  c) None of the above

26 X Company is holding majority of shares in Y company. Will X and Y companies will be the same.
a) Yes  

27 X, is a director of X Company and X is also a director of Y Company this means X Co. and Y Co. both are same  

a) True  

b) False

28 Members of a company can enter contract with the company  

a) True  

b) False

29 Generally rights and obligations of the company are regulated in  

a) A.O.A  

b) M.O.A  

c) Partnership deed.  

d) None of these

30 Generally rights and obligations of the Partnership firm are regulated in  

a) A.O.A  

b) M.O.A  

c) Partnership deed.  

d) None of these

31 X is a director who has experience of 20 years on this basis X co. and taken him as a director. Can the X Co. say that the director X experience is company’s experience  

a) Yes  

b) No  

c) Situation does not arise.

Types of Companies

1 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

2 Which companies are exempted to add “Ltd” or “Pvt Ltd” at the end of their name  

a) Private  

b) Govt  

c) Defunct  

d) Association not for profits

3 If the companies does not increase their paid up capital by 1/5 lakhs with in 2 years such companies are known as  

a) Private  

b) Public  

c) Defunct  

d) Govt Company

4 Under which sec. a private company can voluntarily converted into public company  

a)34  

b)44  

c)54  

d)64

5 Under which sec. a private company can automatically converted into a public company  

a)34  

b)43  

c)53  

d)35

6 Central Government permission is required in case of ______ conversion ________  

a) Private to public  

b) Public to private  

c) Both (a) or (b)  

d) None of the above

7 With in how many days prospectus or statement in lieu of prospectus should file with ROC  

a) 30  

b)40  

c)20  

d)50
8. ______% of shares should be held by a company in another company so as to become subsidiary
   a) more than 50  b) more than 40  c) more than 30  d) more than 20

9. Liability under ______sec. may be imposed only if it is proved that the companies business has been carried on with a view to defraud the creditors
   a) 540  b) 541  c) 542  d) 543

10. In case of Non –Profit making Companies notice of general meeting should be given within ______days
    a) 14  b) 15  c) 21  d) 22

11. In case of companies other than Non –Profit making Companies notice of G.M. should be given within ________days
    a) 14  b) 15  c) 21  d) 22

12. In case of Non –Profit making Companies books of accounts are required to be preserved for ________years
    a) 2  b) 4  c) 6  d) 8

13. According to which sec. name of the company should end with “Ltd” or “Pvt Ltd”
    a) 10  b) 11  c) 12  d) 13

14. The companies which are formed under special charter granted by the king or queen of England are called
    a) Statutory companies  b) Registered companies  c) Chartered companies  d) None of these

15. The companies which are formed under special Act. Those companies are called as
    a) Chartered companies  b) Statutory companies  c) Registered companies  d) None of these

16. The companies which are formed under companies Act. 1956. They will be called as
    a) Chartered companies  b) Statutory companies  c) Registered companies  d) None of these

17. If the guarantee Co. having no share capital the liability of shareholders will be
    a) To the extent of guarantee  b) Unpaid value of shares  c) Unlimited  d) None of the above

18. If the guarantee Co. having share capital the liability of shareholders will be
    a) Guarantee +unpaid value of shares  b) Unpaid value of shares  c) Unlimited
19. If a company which is formed with unlimited liability wants to convert to limited liability then it should pass
   a) Ordinary resolution  b) Special resolution  c) No need

20. Maximum capital of private company is
   a) 50 Lakhs   b) 1 Crore   c) 1.5 Crore   d) Unlimited.

21. Transfer of shares in case of private company is
   a) Prohibited  b) Restricted  c) Freely transferable  d) None of these

22. Maximum members in case of private company
   a) 50  b) 100  c) 75  d) None of these

23. While calculating maximum limit in case of private company which of the following will not be included
   a) Employee + Member  b) Member + Employee  c) Member  d) None of these

24. Managing director will be counted as _____________ while calculating maximum limit in case of private company.
   a) Member  b) Employee  c) Shareholder  d) None of these

25. Where the registrar strikes off the register the name of a company as a defunct one, the court has the power to order restoration of name within:
   a) 5 years  b) 7 years  c) 10 years  d) 20 years

26. In a private company 49 members are there who were first appointed as a member then joined as an employee 2 members holding 1 share and 15 debenture holders. Did the Company cross maximum limit?
   a)Yes  b)No

27. Can private company go for public issue?
   a) Yes  b) No.

28. Can private company accept deposits from the public?
   a)Yes  b)No

29. Accepting of deposits from public in case of private company is
   a) Prohibited  b) Restricted  c) Acceptable  d) None of these
30. Invitation to public offering shares or debentures in case of private company
   a) **Prohibited**  b) Restricted  c) Acceptable  d) None of these

31. Maximum paid up capital in case of public company
   a) 50 lakhs  b) 100 lakhs  c) 125 lakhs  d) None of these

32. Y Pvt. Co is subsidiary of X Co. which is public company? Mention Y is a
   a) Private Co.  b) **Public Co.**  c) Government Co.  d) None of these

33. Transfer of shares in the case of public company is
   a) Prohibited  b) Restricted  c) **Freely transferable**  d) None of these

34. Public Company and Public Sector Company both the companies are same.
   a) True  b) **False**

35. XYZ Co, is having 10% share capital held by another Public Company and 35% held by Central Government and 55% held by people then that Company is
   a) Government Company  b) Private Company  c) **Public Company**  d) None of these

36. XYZ Co, is having 15% share capital held by X Company and 50% held by Central Government and 10% held by State Government and 25% held by other people then that company will be
   a) **Government Company**  b) Private Company  c) Public Company  d) None of these

37. XYZ Company is a Government Company and X Co. is a subsidiary of XYZ Co. Then X Co. will be
   a) Public Company  b) Private Company  c) **Government Company**
   d) None of these

38. Every Government Company may be a Public Company but every public company need not be Government Company. Do you agree with this statement
   a) Yes  b) No

39. X Co. having control on Board of Directors of Y Co. Can we say that Y Co. is subsidiary of X Co.
   a) Yes  b) No

40. Can sec.25 Companies alter their objects clause
   a) Yes  b) **No**
41. Sec.25 Companies should pay stamp duty for registering MOA and AOA.
   a) Yes  b) No

42. Can a partnership firm become a member of Sec.25 companies
   a) Yes  b) No

43. Every Company needs company secretary. So in the case of sec.25 companies the same is
    the case. Do you agree with this statement?
   a) Agree  b) Disagree

44. Can a Company hold an AGM on public holiday?
   a) Yes  b) No  c) a) and b) are correct

45. Audit of a public company will be counted for the limit of audits
   a) Yes  b) No

46. Audit of a private company will not be counted for the limit of audits
   a) Yes  b) No

47. Statutory meeting must be held in case of a public company
   a) Yes  b) No

48. Statutory meeting must be held in case of a private company
   a) Yes  b) No

49. Private company can allot shares without receiving minimum subscription?
   a) Yes  b) No

50. Public company can allot shares without receiving minimum subscription?
   a) Yes  b) No

51. For every special resolution passed the form attached should be
   a) Form no.32  b) Form no.18  c) Form no.23  d) None of these

52. NCLT came into force instead of company Law Board from
   a) June 4th  b) May 4th  c) June 5th  d) None of these

53. In the process of conversion of a private company into a public company which
    prospectus must be issued
   a) Deemed prospectus  b) Shelf prospectus  c) Statement in lieu of prospectus
d) None of the above
54. Company should file a prospectus in case of conversion of private company into a public company within __________ from the date of resolution
a) 30 days   b) 45 days   c) 60 days   d) none of these

Promotion and Incorporation of Companies

1. How many members should sign the MOA in case of public company ________
   a) 1   b) 3   c) 5   d) 7

2. How many members should sign the MOA in case of private company ________
   a) 1   b) 2   c) 3   d) 4

3. In case of appointment of Directors ________ form is to be filed
   a) 29   b) 32   c) 18   d) 1

4. ________ 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   d) None of the above

5. Private company can start its business immediately after the issue of
   a) Certificate of commencement of Business   b) Certificate of Incorporation
   c) Both   d) None of the above

6. Public company should start business only after getting certificate of
   a) Incorporation   b) Commencement of business
   c) None of these

7. Private company can start business only after getting certificate of
   a) Incorporation   b) Commencement of business
   c) None of these

Memorandum and Articles of Association

1. The doctrine of indoor management is an ________ to the doctrine of constructive notice
   a) Exception   b) Extension   c) Alternative   d) None of the above

2. The doctrine of ________ does not apply to acts void ab initio.
   a) Ultra virus   b) Intra virus   c) constructive notice   d) Indoor management

3. A company can change its name at its own discretion by passing ________
a) Ordinary resolution  b) Special resolution  c) Boards resolution  d) None of the above

4. Any change in the address of the registered office must be communicated to the registrar with in:
   a) 15 days   b) 30 days   c) 1 Month   d) 12 months

5. An act ultra vius 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. Companies are now allotted a ________ in addition to their name
   a) PAN   b) SIN  c) PIN   d) CIN

9. In how many days did the company have its registered office after incorporation
   a)10   b)20  c)30   d)40

10. Under which sec. if company fails to commence its main object the court may order winding up
    a) 403 (f)   b) 413 (f)  c) 423 (f)   d) 433 (f)

11. 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

12. 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

13. Signature of memorandum and articles should be done by __________ number of persons in case of private company
    a)3   b)4  c)2   d) None of these

14. Can a company sign on behalf of a person in memorandum and articles
    a) Yes   b)No

15. Can a Minor be a subscriber
    a) Yes   b)No

16. Can Foreigners be subscriber
    a) Yes   b)No
17. MOA should be in form ________ in case of company limited by shares
   a) Table A    b) Table B    c) Table C    d) Table D

18. 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

19. 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

20. MOA should be in form ____________ in case of a unlimited liability
    a) Table A    b) Table B    c) Table E    d) None of these

21. In the MOA there are 6 classes. We can alter all clauses except one clause. What is that
    clause?
    a) Objects clause    b) Name clause    c) Association clause    d) None of these

22. If any body 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

23. A company must have a registered office from the day on which it ____________ or 30
    th day after its incorporation, whichever is earlier

24. Address of the registered office is situated in
    a) MOA    b) AOA    c) Prospectus    d) None of these

25. Which of the following need not have MOA
    a) Public company    b) Private company    c) Government company
    d) Statutory Corporation.

26. 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

27. For changing name of a company Central Govt. permission must be taken
    a) Yes    b) No

28. If the name of the company is identical with or similar to an existing company then which
    resolution should be passed to change name
    a) Ordinary resolution    b) Special Resolution
29. Alteration of articles must be done only by passing
   a) **Special resolution**  b) Ordinary resolution

30. Ultra vires means
   a) **Beyond the power**  b) with in the power  c) Both    d) None of the above

31. Ultra vires loans granted by the company are
   a) Void          b) Voidable       c) Valid           d) None of the above

32. _____ is the charter of a company.
   a) **Memorandum**   b) Articles       c) Both a) and b)  d) None of the above

33. The granting of the certificate of incorporation renders the illegal objects include in the memorandum:
   a) Legal           b) Void          c) Voidable        d) None of the above

34. 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

35. 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

Promotion and incorporation

1. _____ conceives the idea of the business
   a) **Promoters**       b) Directors       c) Auditors       d) None of the above

2. _____ stands in the fiduciary position of the company
   a) Directors           b) **Promoters**      c) Auditors       d) None of the above

3. _____ are the contracts entered into by promoters on behalf of a prospectus company.
   a) Provisional contracts    b) PreIncorporation contracts
   c) Preliminary contracts   d) **Both a) & b)**

4. Contracts made after incorporation but before the grant of Certificate of commencement of
   Business _____
   a) Provisional contracts    b) Preincorporation contracts
   c) **Preliminary contracts**   d) Both (b) & (c)

5. Preincorporation contract is also known as __________
   a) Provisional      b) **Preliminary**
   c) illegal        d)
6. A public company can borrow money ___________
a) before incorporation       b) Soon after incorporation
c) after issuing a proposal   d) after obtaining certificate to commerce business.

7. A private company can borrow funds
   a) after incorporation     b) after obtaining certificate to commerce business
c) after holding first annual general meeting   d) None of the above

PROSPECTUS

1. Private Company need not issue prospectus
   a) Yes                      b) No

2. Prospectus is required to be issued when right issue are made
   a) Yes                     b) No

3. Prospectus is not required to be issued when sweat equity shares are issued to directors and employees
   a) Yes                     b) No

4. Prospectus is required to be issued when issue is for Employees under Employee stock option scheme
   a) Yes                     b) No

5. When there is a untrue statement in a prospectus who can sue
   a) Subscribed in primary market  b) Subscribed in secondary market
c) Rights issue                    d) None of the above

6. Definition of prospectus was given under which sec.
   a) 2 (30)                    b) 2 (32)          c) 2 (34)       d) 2 (36)

7. Which of the following are not required to issue prospectus?
   a) Private company  b) Incase of right issue  c) Sweat equity issue  d) All the above

8. _______are the prospectus issued instead of full prospectus
   a) Abridged                b) Statement in lieu   c) Shelf          d) Red herring

9. Which one of the following has a right to claim compensation for any loss due to mis statement in prospectus
SIDDHATH ACADEMY

a) Purchasing shares in Primary Market  
b) Secondary Market  
c) Subscribers to memo.  
d) All the above

10. _______ years of imprisonment will be imposed in case of issue of prospectus with untrue statements  
a)1  
b)2  
c)3  
d)4

11. _______ includes an engineer, valuationer, accountant  
a) Expert  
b) Promoter  
c) Auditor  
d) Director

12. What is the liability of an expert for misstatement ________  
a) Fine – 50,000  
b) Imprison – 2 years  
c) Both a) & b)  
d) None of the above

13. 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

14. _______ 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

15. _______ prospectus were issued in case securities were issued in stages  
a) Deemed  
b) Shelf  
c) Red herring  
d) None of the above

16. _______ are required to file prior to making second and subsequent issue of securities in case shelf prospectus are filed:  
a) Information memorandum  
b) Information articles  
c) Form 13  
d) None of the above

17. Information memorandum + shelf prospectus together constitutes ________  
a) Memorandum  
b) Articles  
c) Prospectus  
d) None of the above

18. Validity period of information memorandum is _______  
a) 1 year  
b) 2 years  
c) 3 years  
d) 4 years

19. _______ prospectus were issued in order to test the market before finalizing issue size/price.  
a) Deemed  
b) Shelf  
c) Red herring  
d) None of the above

20. If there is any variation in case of R.H.P _______ days should be given for withdrawal of application  
a)1  
b)3  
c)5  
d)7
21. In case of redherring prospectus the refund is made with an interest @ ________
a) 12 b) 13 c) 15 d) 16

22. When there is a untrue statement in the prospectus. The shareholder who subscribed in secondary market can sue the company
a) Yes b) No

23. When there is any untrue statement in the prospectus. The shareholder who was A subscriber to the memorandum can sue the company
a) Yes b) No

24. Because of Misrepresentation in prospectus an expert will be criminally liable.
a) Yes b) No

25. What is punishment for directors, promoters and other persons for Misrepresentation in prospectus
a) 50,000 b) 2 years imprisonment c) Both of the above d) None

26. When a private company is converted into public company. In which form it should be
a) Schedule III b) Schedule IV c) Schedule VI d) None of these

ALLOTMENT AND ISSUE OF CERTIFICATES

1. The date of the opening of the subscription list means the beginning of the ________ from the day of the issue of prospectus.
a) 5th b) 3rd c) 10th d) 20th

2. The minimum application money should be _________ of nominal value.
a) 5% b) 3% c) 2% d) None of these

3. The minimum application money should be _________ of nominal value as per SEBI guidelines
a) 25% b) 30% c) 40% d) None of these

4. Can shares be allotted immediately after the issue of prospectus
a) Yes b) No c) None of the above

5. The min subscription amount is reckoned with amounts payable in _________
a) cash only b) kind only c) cash as well as kind d) None of the above
6. All money received in the form of application money can be used for business activities
   a) Yes   b) No

7. Allotment of shares or debentures must be made after getting __________ subscription against entire public issue as per SEBI guidelines.
   a) 80%   b) 90%   c) 100%   d) None of these

8. If the refunds are delayed by more than 10 days after this period. The directors become liable to repay the money with how much interest as per SEBI Guidelines.
   a) 10%   b) 15%   c) 20%   d) None of these

9. Every Company who want to go for public issue and allot shares, they should make an applicant to stock exchange
   a) Yes   b) No

10. If the permission has not been granted or not applied for permission for listing through stock exchange. The allotment of shares will be void in case of public company
    a) Yes   b) No

11. If the company has not received permission for listing from stock exchange and repayment of amount delayed by more than 8 days the minimum interest should be paid is
    a) 4%   b) 3%   c) 2%   d) None of these

12. From the above how much will be maximum interest
    a) 10%   b) 12%   c) 15%   d) None of these

13. After the expiry of how much time the company must think that the permission was not granted
    a) 11 weeks   b) 12 weeks   c) 10 weeks   d) None of these

14. As per SEBI guidelines the application money should be minimum of ________
    a) 10   b) 15   c) 20   d) 25

15. In case minimum subscription is not received and refund is delayed _____% of interest to be paid by the company.
    a) 5   b) 6   c) 7   d) 8

16. As per SEBI application money should be refunded from the end of ______ day
    a) 60   b) 70   c) 80   d) 90

17. An appeal is made to whom against stock exchange for refusing the permission of listing.
    a) SAI   b) NCLT   c) MAT   d)
18. If permission from S.E is not obtained amount should be refunded within how many days.
   a) 2    b) 4    c) 6    d) 8

1. A company cannot pay underwriting commission unless it is authorized by its__________
   a) Articles       b) Memorandum    c) Both a) & b)   d) None of the above

2. Every company must go for underwriting
   a) Yes    b) No

3. Underwriting commission payment shall be authorized by AOA
   a) Yes    b) No

4. In case of shares underwriting commission will be
   a) 2%    b) 3%    c) 5%    d) None of these

5. In case of debentures underwriting commission will be
   a) 3%    b) 4%    c) 2.5%    d) None of these

6. If the company wants to place shares to brokers they should give a maximum of
   as brokerage commission.
   a) 3%    b) 2%    c) 1.5%    d) None of these

DEPOSITS

1. Any amount received from Central Government or State Government can be termed as deposit
   a) Yes    b) No

2. Any amount received as a loan from banking company, SBI and nationalized banks
   including a cooperative Bank will be treated as deposit
   a) Yes    b) No

3. Security deposit received from the employee will not be treated as deposit.
   a) Yes    b) No

4. Amount received by a company from another company will not be treated as deposit.
   a) Yes    b) No

5. Advance received against orders for the supply of goods or selling of properties will be
treated as deposits.
a)Yes  
b)No
6  
Advance money received from any purchasing agent, selling agent in the ordinary course of the business will be treated as deposit.
 a)Yes  
b)No
7  
XYZ Company accepted deposits on March 1\textsuperscript{st} 2006 and at the time of acceptance the repayment will be as per the company is March 1\textsuperscript{st} 2011. Is the company and deposits are valid.
 a)Yes  
b)No
8  
What is maximum period for which deposits can be issued?
 a)\textbf{36 months}  b) 24 months  c) 12 months  d) None of these
9  
XYZ Company accepted deposits on March 1\textsuperscript{st} 2007 and at the time of acceptance they said that the deposits will be repaid on Aug.1\textsuperscript{st} 2007. Is the company proposal and deposits are valid.
 a)Yes  
b)No
10. What is minimum period for which deposits can be issued?
 a)\textbf{6 months}  b) 7 months  c) 8 months  d) None of these
11. A company can accept or renew deposits for a period less than 6 months if they do not exceed 10\% of the aggregate of
 a) Paid up Capital  b) Free reserves  c) \textbf{Paid up capital and Free reserves}  d) None of the above
12. Can the company accept public deposits which are payable on demand.
 a)Yes  
b)No
13. Rate of brokerage for the deposits which have term up to 1 year
 a)\textbf{1\%}  b) 1.5\%  c) 2\%  d) None of these
14. Rate of brokerage for the deposits which have term between 12 years
 a)\textbf{1.5\%}  b) 2\%  c) 1\%  d) None of these
15. Rate of brokerage for the deposits which have term for more than two years
 a) 1.5\%  b)\textbf{ 2\%}  c) 2.5\%  d) None of these
16. If the company failed to comply with the order of NCLT they will be punishable with fine and imprisonment up to
   a) 2 years  b) 3 years  c) 4 Years  d) None of these

17. Public deposit matures and claimed but remains unpaid, penal interest will be
   a) 17%  b) 16%  c) 18%  d) None of these

18. Public deposit matures and claimed but remains unpaid, penal interest will be in case of small deposits
   a) 16%  b) 18%  c) 20%  d) None of these

19. Small deposits means a depositor who had deposits a sum not exceeding _____ in a financial year
   a) 15,000  b) 20,000  c) 18,000  d) None of these

20. _________ includes any amount borrowed by a company.
    a) Deposits  b) Funds  c) Both a) & b)  d) None of the above

21. What is the ceiling imposed by the government on company on any deposits
   a) 10  b) 25  c) 35  d) 5

22. Advertisement given for deposits is valid for _______ months
    a) 3  b) 6  c) 9  d) 12

23. Deposits should issued within _______ weeks from the date of receipt of money.
    a) 2  b) 4  c) 6  d) 8

24. Register of deposits should be maintained for _______ years.
    a) 2  b) 4  c) 8  d) 16

25. Return of deposits is to be filed on or before _______ with ROC
    a) 30th day of June  b) 30th day of July  c) 30th day of January  d) 30th day of May

26. Failure to comply with the order of NCLT is punishable with an imprisonment upto _______ years.
    a) 1  b) 2  c) 3  d) 4

27. Deposit holder can file winding up petition under which sec.
    a) 433 (a)  b) 433 (c)  c) 433 (e)  d) 433 (f)

28. _________ declares a company as a sick company.
    a) B.I.F.R  b) M.R.T.P  c) FERA  d) None of the above
29. U/s 274 (f) (g) directors are disqualified for how many ________ years.
   a) 1    b) 3    c) 5    d) 7

30. In case of default with regards to deposits intimation to NCLT should be made with how many days.
   a) 10    b) 20    c) 30    d) 40

31. A Notice inviting deposits from the public is ___________
   a) Deposit    b) Fund    c) Share    d) None of the above