

Formation of a Company

Question 1.

The dividend payable to _____ shareholders is payable on fixed figure or percent

- (a) Equity
- (b) Non-preference
- (c) Preference
- (d) All of the above

▼ [Answer](#)

Answer: (c) Preference

Question 2.

A company is known as the _____ company of another company if it has control over that other company.

- (a) Subsidiary
- (b) Holding
- (c) Controlling
- (d) Statutory

▼ [Answer](#)

Answer: (b) Holding

Question 3.

A private company means a company which has a minimum paid up capital of Rs. _____

- (a) 1,00,000
- (b) 5,00,000
- (c) 50,00,000
- (d) None of the above

▼ [Answer](#)

Answer: (a) 1,00,000

Question 4.

The Prospectus must be issued to the public within _____ days of its date.

- (a) 30
- (b) 60
- (c) 90
- (d) 100

▼ [Answer](#)

Answer: (c) 90

Question 5.

_____ means the total amount of called up capital on the shares issued and subscribed by the shareholders on the capital account.

- (a) Called-up capital
- (b) subscribed capital
- (c) nominal capital
- (d) Paid-up capital

▼ [Answer](#)

Answer: (a) Called-up capital

Question 6.

Par value of shares means the _____ value of the shares

- (a) Actual
- (b) face
- (c) Market
- (d) dividend

▼ [Answer](#)

Answer: (b) face

Question 7.

Among the following which documents are not mandatory to be submitted to the registrar along with an incorporation application by a private company.

- (a) Address of Registered office & undertaking
- (b) Undertaking and statement of capital
- (c) Statement of capital & list of directors
- (d) List of directors and statement of capital

▼ [Answer](#)

Answer: (a) Address of Registered office & undertaking

Question 8.

The articles of association need to be signed by

- (a) All proposed directors
- (b) Registrar
- (c) Subscribers of memorandum
- (d) None of the above

▼ [Answer](#)

Answer: (c) subscribers of the memorandum

Question 9.

“Men may come and men may go but the company exists”- this explains which characteristics of the company as per companies Act 1956.

- (a) Separate legal entity

- (b) Perpetual Succession
- (c) Capacity to sue
- (d) None of the above

▼ [Answer](#)

Answer: (b) Perpetual Succession

Question 10.

_____ cannot give an invitation to the public to subscribe for any shares in or debentures of the company

- (a) Subsidiary company
- (b) Statutory Company
- (c) Private company
- (d) Registered company

▼ [Answer](#)

Answer: (c) Private company

Question 11.

A proposed name of a Company is considered undesirable if

- (a) It is identical to the name of an existing company
- (b) It resembles closely the name of an existing company
- (c) It is an emblem of the Government of India, the United Nations, etc.
- (d) In case of any of the above

▼ [Answer](#)

Answer: (d) In case of any of the above

Question 12.

Application for approval of name of a company is to be made to

- (a) SEBI
- (b) Registrar of Companies
- (c) Government of India
- (d) Government of the State in which Company is to be registered

▼ [Answer](#)

Answer: (b) Registrar of Companies

Question 13.

The application for registration of a company should be presented to the _____ of the state appointed under Companies Act 1956

- (a) Controller
- (b) Registrar
- (c) Governor
- (d) Registration officer

▼ [Answer](#)

Answer: (b) Registrar

Question 14.

Powers, rights, remuneration, qualification, and duties of directors are discussed clearly in

- (a) Memorandum of Association
- (b) Articles of Association
- (c) Prospectus
- (d) None of the above

▼ [Answer](#)

Answer: (b) Articles of Association

Question 15.

Private company prohibits any invitation or acceptance of deposits from persons other than its

- (a) Members
- (b) directors
- (c) Partners
- (d) Banks

▼ [Answer](#)

Answer: (a) Members

Question 16.

Section 12 of Companies Act 1956, deals with

- (a) Incorporation
- (b) Share capital
- (c) Number of Directors
- (d) Shareholders

▼ [Answer](#)

Answer: (a) Incorporation

Question 17.

The shares of a _____ company can be freely transferable

- (a) Private Ltd
- (b) Public Ltd
- (c) Partnership
- (d) All of the above

▼ [Answer](#)

Answer: (b) Public Ltd

Question 18.

Which of the following is not a clause of memorandum of association

- (a) situation



- (b) capital
- (c) subscription
- (d) directors

▼ [Answer](#)

Answer: (d) directors

Question 19.

A private company means a company which has a minimum paid up capital of Rs. _____

- (a) 1,00,000
- (b) 5,00,000
- (c) 50,00,000
- (d) None of the above

▼ [Answer](#)

Answer: (b) 5,00,000

Question 20.

The certificate of capital will be issued by

- (a) Registrar of Companies Act
- (b) Controller of companies Act
- (c) Registrar of capital issues
- (d) Controller of capital issues

▼ [Answer](#)

Answer: (d) Controller of capital issues

Question 21.

Which of the following clause of the Memorandum of Association cannot be altered?

- (a) Name
- (b) Object
- (c) Situation
- (d) Liability

▼ [Answer](#)

Answer: (d) Liability

Question 22.

The company will be considered as a separate person and different from its members from the date of _____

- (a) Start of business
- (b) Apply for registration
- (c) Receive incorporation certificate
- (d) Mentioned in the certificate

▼ [Answer](#)



Answer: (d) Mentioned in the certificate

Question 23.

A prospectus is issued by

- (a) A private company
- (b) A public company seeking investment from public
- (c) A public enterprise
- (d) A public company

▼ [Answer](#)

Answer: (b) A public company seeking investment from public

