



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

CORPORATE AND ECONOMIC LAWS (PAPER - 13)

MCQ BANK

SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
1	How many minimum members are required to form a public limited company?	3	4	6	7
2	In order to be a Govt. Company, 51% shares shall be held by: -	Central Govt.	State Govt.	Both Central and State Govt. jointly	Any or all of the above
3	In case of "limited" companies, what is limited?	Shares	Liability of members	Capital of the company	Powers of the shareholders
4	Restriction in transfer of shares can be there in_____	Private Ltd. company	Public Ltd. Company	Govt. company	Unlimited company
5	Foreign company is a company, registered out of India and _____	Having a place of business in India	Conducts any business in India	Need not have any business in India	Either (1) or (2)
6	Company which do not have any significant accounting transaction is called	Asocial Company	Non-functional company	Dormant company	Sleeping company
7	Life Insurance Corporation is:	A statutory corp. but not PFI	A statutory corp. and PFI	Govt. Company	None of the above
8	Persons who sign the MOA are called:	Promoters	Shareholders	Subscribers to MOA	Members
9	Certificate of incorporation is issued by: -	Regional director	Registrar of companies	Central Govt.	None of the above
10	Declaration by professional at the time of incorporation of a company means declaration by	Practicing CS	Practicing CA	Practicing CMA	Any of the above.
11	Change of registered office within a city, town or village requires	Special Resolution	Board Resolution	Approval of CG	None of the above
12	Section 8 companies cannot:	Generate surplus	Make profit	Distribute dividend	Profit is to given to Govt.
13	ABC Ltd. is registered in India with 100% shares being held by KYZ Ltd., a company registered in UK having no business in India. ABC Ltd. is a:	An Indian Company	Foreign company	Wholly owned subsidiary of a foreign company but Indian Company	Does not come under definition of foreign company
14	ABC Ltd. has 35% shares in XYZ Ltd. The majority of directors of XYZ Ltd. are appointed and removed by ABC Ltd. XYZ Ltd. is:	Subsidiary of ABC Ltd.	Not a subsidiary of ABC Ltd.	Depends on Board of ABC Ltd.	Depends on Board of XYZ Ltd.
15	A guarantee company is similar to:	Unlimited company	LLP	Partnership	Sole proprietorship
16	Once a company is converted into LLP, intimation to ROC has to been made within:	10 days	15days.	20days	25 days
17	Which chapter of the Companies Act, 2013, deals with foreign companies?	XX	XXI	XXII	XXIII
18	In case of secured debentures of public issue, the security is created I favour of:	Public	SEBI	Merchant banker	Debenture trustee
19	Fully convertible debenture is a:	debt instrument	equity instrument	hybrid instrument	None of the above
20	Register of deposit:	is voluntary	is mandatory but particulars may vary	is mandatory with particulars as per Rules	Not to be maintained at all
21	A debenture trustee can be:	Any bank	Any NBFC	any merchant banker	Any entity registered with SEBI as such



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22	“ loan” in parlance to Companies Act, means:	short term loan for revenue purpose	long term loans	cash credit	working capital
23	In case of deposits by the company,	no brokerage can be given	any amount of brokerage can be given	rate of brokerage shall be as per RBI Regulations	rate of brokerage shall be as per SEB Regulations
24	Once declared in AGM, dividend	May be revoked	Cannot be revoked	May be reduced	Payment can be delayed
25	IEPF stands for	Investor Employment and Protection Fund	Investor Education and Publicity Fund	Investor Entrepreneurship and Protection	Investor Education and Protection Fund
26	Once declared, the amount of dividend shall be transferred to special dividend A/c within	3 days	5 days	10 days	15 days
27	A practicing Chartered Accountant may be appointed as Auditor for term of:	3 yrs	5 yrs	8 yrs	10 yrs
28	Directors Responsibility Statement is a part of: -	Annual Accounts	Auditors' Report	Board Report	None of the above
29	NFRA stands for:	National Financial Reporting Authority	National Fiscal Reporting Authority	Non-Financial Reporting Authority	National Financial Reforms Authority
30	A statutory Auditor shall be-	ACS	CMA	Practicing CA	Any of the above
31	In normal course, the Board's Report is signed by –	Chairman without Authority of Board	Chairman with Authority of Board	MD	Any director
32	CAG stands for:	Controller of Audit of Govt.	Comptroller of Auditor General	Company Auditor General	None of the above
33	The Financial statements are to be filed with the Registrar within-	15 days of AGM	31st October of any year	30 days of AGM	60 days of AGM
34	In case of private company, internal auditor has to be appointed if the turnover is:	Rs. 100 Crores or more	Rs. 150 Crores or more	Rs. 200 Crores or more	Rs. 300 Crores or more
35	Auditors Report is addressed to:	Board of directors	Central Govt.	Audit Committee	Shareholders
36	CARO,2020 is effective from: -	1.4.2019	1.4.2020	1.4.2021	1.4.2022
37	First Auditor is appointed by-	CG	CAG	Board of Directors	Shareholders
38	Auditor can render the following additional service to the company where he is auditor:	Internal Audit	Accounting and book keeping	Investment Advisory services	None of the above
39	Additional director's tenure is up to ____	Next Board meeting	Next AGM	5 years from the date of appointment	Date of superannuation
40	Alternate director may be appointed when the additional is out of India for at least ____	1 month	2 months	3 months	4 months
41	A women director has to be there is the company is:	A listed company	With turnover of Rs.300 crore or more	Either of the above	None of the above
42	Section 184 of the Companies Act provides for:	Ordinary	Board	Special	None
43	A whole time director is appointed for a term of:	2 yrs	3 yrs.	5 yrs.	10 yrs.
44	If a person other than retiring director is proposed, a cheque of ____ is to be deposited with the proposal.	Rs.50,000	Rs.75,000	Rs.1 lakh	Rs.2 lakhs



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45	A director may be appointed by small shareholder. Small shareholder means, shareholders who hold shares worth of face value of maximum, _____	Rs.5,000	Rs. 10,000	Rs.15,000	Rs.20,000
46	A company may remove a director with –	Board Resolution	Ordinary resolution of shareholders	Special Resolution of shareholders	Approval of ROC
47	Managing Director's appointment is ratified in AGM through-	Ordinary	Special	No AGM resolution is required	None of the above
48	Section 203 provides for appointment of	KMP	CS	MD	WTD
49	The eligibility and conditions of appointment of MD is mentioned in Schedule	I	II	IV	V
50	Maximum remuneration to all managerial personnel is-	0.05	0.08	0.11	0.15
51	Independent directors are not entitled to get-	Sitting fee	Reimbursement of expenses	Stock option	Commission on profit
52	Board's Report is addressed to-	Central Govt.	Stock exchange	Members	ROC
53	Power of Board of directors may be restricted subject to:	Companies Act	Articles of Association	Resolution of general meeting	Any or all of the above
54	Related party transaction is provided under Schedule:	188	189	190	191
55	Majority of audit committee members shall be:	Executive director	Non-executive	Independent	None of the above
56	Independent directors, separately, shall meet _____ in a calendar year.	Once	Twice	Thrice	Not meet
57	For Board meeting, quorum as per the Act is:	One third of the total no. of directors	Two third of the total no. of directors	One third of the total no. of director or two, whichever is higher	Half of the total no. of directors
58	If _____ of the directors require that a resolution under circulation be placed in the Board meeting for decision, it has to be complied with.	All director	Two-third	One-third	Three-fourth
59	Minutes of the Board meeting are to be signed by-	Chairman of the company	Chairman of the present meeting or next meeting	Chairman of the company, whether he was present in the meeting or not	None of the above
60	Minutes of Board meeting are to be preserved for-	5 yrs	8 yrs	10 yrs	permanently
61	Minutes are supposed to be kept at:	Registered office	Head office	Any office	Any of the above
62	SFIO stands for	Serious Fraud Institution Office	Serious Fraud Investigating Organization	Serious Fraud Investigating Office	None of the above
63	The decision to authorize buy back by Board can be made by-	Resolution by circulation	Only in board meeting	Any of the above	None of the above
64	In case chairman is executive, at least _____ of the Board members shall be independent director.	1/3rd	2/3rd	1/2 half	Majority
65	Majority of members of the audit committee shall be-	Executive directors	Non-executive director	Nominated director	Independent directors
66	Board of directors are supposed to address their report to –	Central Govt.	NCLT	SEBI	None of the above
67	The provisions relating to investigation are provided in which chapter of the Act?	XIIB	XIII	XIV	XV



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68	If a company wants to punish an employee or officer of a company, it has to take permission of:	ROC	CG	NCLT	High Court
69	The investigating officer has the power of inspection, taking evidence etc. as per	Civil Procedure Code	Criminal Procedure Code	Companies Act	None of the above
70	In case of merger, the transferor company is:	Continues to exist	Dissolved	Shall have to go through liquidation process	Goes under the tribunal control
71	The Auditors has to confirm in the scheme that	It is in conformity with the Accounting Standard	It is in compliance with the Companies Act	Both (1) and (2)	None of the above
72	On amalgamation, the following are transferred to the transferee company	Rights	Liabilities	Both above	None of the above
73	When a transferor company is a listed company and transferee company is any unlisted company, the transferee company_____.	Becomes a listed company	Continues to an unlisted company and can never be a listed company	Continues to be an unlisted company unless it is listed by complying with listing requirement	Any of the above
74	Powers of the majority is subject	Companies Act	Common law	Memorandum of association	All of the above
75	Any Act done by directors beyond authority, is considered as;	unauthorized	illegal	ultra vires	None of the above
76	A case of oppression, application may be made on:	fraud on minority	ultra vires act	breach of duty	Any or all of the above
77	Application has to be made for relief of oppression to	Central Govt.	NCLT	ROC	None of the above
78	Powers of the tribunal is listed in section:	240	241	242	243
79	Statutory auditor can also function as:	Internal Auditor	Financial Adviser	Accounting Solutions Advisor	Tax Auditor
80	A CFO of a company has to be a:	Chartered accountant	Cost accountant	MBA	None of the above.
81	Sitting fee of Board meetings and Board Committee meetings:	shall have to be same	may not be same	shall have to be different	None of the above
82	Disclosure of interest by director is:	one time feature at the time of appointment	annual feature	event based, being interested due to some event	all or any of the above
83	Quorum of aboard meeting is_____total strength of the Board:	1/4th	1/3rd	half	1/3rd or two whichever is higher
84	In case of merger of A ltd with B Ltd., A ITd is:	liquidated	dissolved	sold	closed down
85	Dividend Distribution Policy of a company is decided by:	Board of directors	shareholders in general meeting	Stock exchange	SEBI
86	Companies shall not make investment through more than _____layer of investment companies	1	2	3	4
87	Rate of interest in deposit is guided by	SEBI	RBI	MCA	MOF
88	No eligible company shall accept or renew deposit from its members up to:	0.05	0.1	0.15	0.2
89	Interim dividend is decided by:	Board of Directors	AGM	CMD	Audit Committee



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90	Books of accounts can be inspected by:	MD only	any director	any shareholder	any public on payment of fees
91	Accounting Standards are prescribed by:	Central Govt	SEBI	Institute of Chartered Accountants of India	None of the above
92	The Board Report is signed by:	MD	any director	CS	None of the above
93	Zenith Ltd. Is a company registered in USA and doing business in USA. As per Indian law, this is a:	foreign company	not a foreign company	It will be a foreign company once it starts business in India	both (2) and (3) is correct.
94	A sectorial company is supposed to comply with:	Companies act only	Sectorial laws only	Both Companies Act and sector laws	All statements are correct
95	Articles of association can be altered by:	Ordinary resolution	Special resolution	Resolution requiring special notice	None of the above
96	Shifting of register office from one state to another, would require	special resolution only	special resolution and Central Govt.(CG) approval	only CG approval	only Board approval
97	The following members of a company shall have the right to apply under Section 241, for oppression namely:	in the case of a company having a share capital, not less than one hundred members of the company;	or not less than one-tenth of the total number of its members, whichever is less, or any member or members holding not less than one tenth of the issued share capital of the company;	in the case of a company not having a share capital, not less than one-fifth of the total number of its members.	Any of the above.
98	The Insolvency and Bankruptcy Code passed by the Parliament in the year:	2014	2015	2016	2017
99	The Code applies to:	All companies registered under Companies Act;	LLP	Partnership	All of the above
100	The Code applies to:	Bank	Insurance company	Asset reconstruction company	None of the above
101	An entity in favour of whom security interest is created is called:	unsecured creditor	financial creditor	operational creditor	secured creditor
102	In normal course, the corporate insolvency resolution process shall be completed within a period of _____ days from the date of admission of the application.	120	180	210	240
103	The RP has to manage the company as :	Loosing concern	Going concern	Selling concern	Profitable concern
104	As per section 22(1)The first meeting of the COC will be held within _____ days of constitution	5	6	7	8
105	A Resolution Professional may be replaced with of the voting rights of the Committee of Creditors	51	66	75	80
106	The adjudicating authority in case of personal insolvency is:	NCLT	Debt Recovery Tribunal	RBI	SEBI



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107	During bankruptcy proceeding, bankrupt, shall:	not be appointed as trustee, public servant, election of local authority,	not to act as director, taking part in formation of companies	disclose in all transaction about the bankruptcy proceedings,	all or any of the above
108	Under Insolvency Bankruptcy code 2016 where extension of time is requested, the Corporate Resolution process shall be completed within a period of _____ from the date of admission of the application to initiate such process.	60 days	90 days	180 days	240 days
109	Insolvency and Bankruptcy code 2016 is not applicable on:	Financial Service Providers	Partnership Firms and Individuals	Limited Liability Partnership (LLP)	Companies Incorporated under Companies Act
110	With the introduction of IB code, the following laws have been repealed:	Chapter XIX and Chapter XX of Companies Act, 2013	Part VIA, Part VII and Section 391 of Companies Act, 1956	SICA Act, 1985	All the above.
111	The Insolvency and Bankruptcy Board has power of Court in respect of issue of summons, discovery and production of books, inspection of books/registers and issue of commissions for examination of witnesses:	Session Court	High Court	Supreme Court	Civil Court
112	The following institutions are insolvency professional agency	Institute of Cost Accountants of India	Institute of Chartered Accountants of India	Institute of Company Secretaries	All of them
113	The authority provided under the IBBI to administer and regulate the Law is:	IBBI	Insolvency professional	Insolvency professional agency	None of the above.
114	Related party, in relation to a corporate debtor, means:	a director or partner or a relative of a director or partner of the corporate debtor	a key managerial personnel or a relative of a key managerial personnel of the corporate debtor;	a limited liability partnership or a partnership firm in which a director, partner, or manager of the corporate debtor or his relative is a partner;	all of the above
115	A person under IBC is:	a Hindu Undivided Family	a company	a trust	All of the above
116	A person shall not be eligible to submit a resolution plan, if such person, or any other person acting jointly or in concert with such person -	is an undischarged insolvent;	is a willful defaulter of the time of submission of resolution plan,	At the time of submission of plan, has an account, or an account of a corporate debtor under the management or control of such person or of whom such person is a promoter, classified as non-performing asset.	All of the above
117	Three Ps of triple bottom line are:	planet, people and purpose	planet, people and profit	planet, profit and purpose	planet, profit and period



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118	At which level corporate governance is more relevant in a company?	top level	middle level	lower level	all levels
119	which among the following would amount to undesirable practice by a senior executive of a company	using published information of the competitor for his company's benefit	using unpublished information of the competitor for his company's benefit	using unpublished and secret information of the competitor obtained from undisclosed and unfair source for his company's benefit	lure the executives of the competitor to join his company.
120	Which, out of the following would not amount to Sustainable Development activity.	rain water harvesting	paddy cultivation	solar energy	plantation of sapling for forestation
121	corporate governance practices are almost _____ by companies in India.	formalised	regulated	accepted	rejected
122	The latest committee on Corporate governance was:	Narayan Murthy committee	Kotak committee	Kumar Mangalam Birla committee	Rahul Bajaj Committee
123	The ideal implementing agency of CSR projects, should be:	section 8 company	trust	society	one of the above
124	Economic approach to sustainability relates to:	planet	profit	people	none of the above
125	Corporate governance is more about:	achieving results	managing things	method of managing a company	fair method of managing a company
126	The items under Schedule VII of the Act, should be:	strictly interpreted	liberally interpreted	depends on the company	only a guideline
127	CG practises should target to keep balance amongst:	all shareholders	all employees	employees and shareholders	All stakeholders
128	When a company evaluates an implementing agency, first step is to:	local feedback	interviewing the officials	inspection of site	examining documents
129	Every CSR activity is ultimately for the:	company	govt.	implementing agency	beneficiary
130	The CSR fund earmarked for on going project, needs to be spent within:	one year	two years	three years	Four years
131	Clause 49A which was the first major compliance of corporate governance by listed companies was on the basis of recommendation of:	Narayan Murthy committee	Kotak committee	Kumar Mangalam Birla committee	Rahul Bajaj Committee
132	Corporate governance is close to:	ethical conduct of business	managerial conduct of business	target oriented business	none of the above
133	A foreign entity cannot be:	implementing agency of CSR project in India	advisor	trainer	consultant
134	Some of the reasons for which companies cannot practice good governance may be:	narrow mind-set of the promoters	financial problem in the company	unhealthy competition in the market	or any of the above.
135	A company sponsors the expenditure of a primary school of physically disabled students having 200 students. Three employees' children, being physical disabled, have also been admitted in that school:	the school will qualify as CSR project as admission of the employees' children is incidental	not qualify as CSR project as there are students who are employees' children	depends on how the company represents the same to the auditors	depends on Board of Directors



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136	Which will not qualify as CSR expenditure	direct donation to a unrecognised charitable organisation	contribution to fund under schedule VII of the Act	any activity under schedule VII	Direct implementation of a CSR project by the company
137	Advantages of direct implementation of CSR activity by the company are:	Flexible, since, even small decisions also are taken by the company	Better supervision, since it is being directly implemented	Quick decision making	All of the above
138	Advantages of third party implementation of CSR projects, are:	expertise	Better supervision at site	unbiased	all of the above
139	CG ratings are done by :	commercial banks	RBI	Credit Rating Agencies	SEBI
140	Audit committee can:	interact with statutory auditors only	interact with internal auditors only	interact with both statutory and internal auditors	none if the above
141	The recommendation of the Audit Committee:	may not be accepted by Board of Directors	has to be accepted by Board	In case not accepted, Board has to records the reasons	Recommendation need not go to Board meetings
142	Which of the following is the advantage of the family business over non-family business?	Staff recruitment	Raising funds for growth	Ownership vs. Management	Deep industry insight
143	Maximum days for keeping an issue open is;	7	8	9	10
144	At the time of IPO, the issuer has to have a:	CFO	MD	designated Compliance officer	at least one independent director
145	Which of the following do not require prospects	Rights issue	Bonus issue	IPO	FPO
146	Minimum face value of shares, can be:	Rs.10	Rs. 5	Rs. 1	Rs. 15
147	Takeover means	buying few shares	acquiring 10%	acquiring shares which will give control over the management	none of the above
148	The purpose of the SEBI Act is to provide for the establishment of a Board called Securities and Exchange Board of India (SEBI). The Preamble to the Act provides for the establishment of a Board to:	Protect the interests of investors in securities	Promote the development of the securities market	To regulate the securities market	All of the above
149	SEBI has three functions rolled into one body. Which of the following is not the function of SEBI?	Quasi-legislative	Quasi-judicial	Quasi-executive	Quasi-official
150	For the appointment, reappointment, remuneration and removal of the director of a banking company, prior approval of should be obtained.	Chairman	RBI	Managing Director	Finance Secretary
151	The Competition Act has replaced-	Companies Act, 1956	Consumer Protection Act	MRTTP Act, 1969	None
152	The turnover threshold for individual company, operating in India, in combination is ____ crores.	Rs. 4,000	Rs. 6,000	Rs. 8,000	Rs.10,000
153	Which is not the objective of CCI.	To promote start-up company	promote and sustain competition,	protect the interests of the consumers	prevent anti-competitive practices,
154	Selling products/services below the cost is called _____.	Undercut pricing	Under invoicing	Predatory pricing	Introductory pricing



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155	The asset bases up to US \$_____ in case of a group having presence out of India shall not be required to take CCI approval in case of merger.	2 billion	3 billion	4 billion	10 billion
156	Which of the following is not the type of unfair competition?	Collusive price fixing	Creation of barriers to entry	Tie in purchase A	Predatory pricing
157	Which of the following is not the objective of Competition Act, 2002?	To prevent practices having adverse effect on competition	To prevent competition in market	To protect the interest of the consumers	To ensure freedom of trade carried on by the other participant in marketing India and for matter connected there with or incidental thereto.
158	Unfair competition under the Competition Act, 2002 means adoption of practices viz. -	collusive price fixing	allocation of markets.	discriminatory pricing etc.	All of the above
159	An association of producers, sellers or distributors, traders or service providers who, by agreement amongst themselves, limit, control or attempt to control the production, distribution, sale or price of or trade in goods or provision of services is known as	Acquisition	Agreement	Cartel	Pool
160	Which of the following is not the benefits of CSR Programme?	Mutual trust	Attracting and retaining employees	Communities as suppliers	Enhancing corporate reputation
161	Any person aggrieved by any order of Competition Appellate Tribunal (COMPAT), may file an appeal to the Hon'ble Supreme Court within..... days, from the date of receipt of the order of Appellate Tribunal.	30 days	45 days	60 days	90 days
162	The Chairperson and every other Member shall hold office for a term of years from the date on which he enters upon his office.	2	3	5	10
163	The Commission also has the power to impose a fine which may extend up to of the total turnover or the assets of the combination, whichever is higher, for failure to give notice to the Commission of the combination	0.02	0.01	0.005	0.03
164	The Commission, may, notwithstanding anything contained in any other law for the time being in force, by order in writing, direct division of an enterprise enjoying dominant position to ensure that such enterprise does not abuse its dominant position. The order may provide for the following matters, namely:	the transfer or vesting of property, rights, liabilities or obligations.	the adjustment of contracts either by discharge or reduction of any liability or obligation or otherwise	the creation, allotment, surrender or cancellation of any shares, stocks or securities	all the above



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165	If the Commission does not, on the expiry of a period of _____days from the date of notice given to the Commission referred to in Section 29(2), pass an order or issue direction in accordance with the provisions of sub-Section (1) or (2) or (7), the combination shall be deemed to have been approved by the Commission	210	180	260	300
166	Automatic route in FDI means.	Prior permission of RBI not required	Prior permission of Central Govt. not required	Prior permission of neither RBI nor Central Govt.is required	None of the above
167	For investment in market securities, FIIs are to be registered with:	Ministry of Corporate Affairs	RBI	SEBI	none of the above
168	DPIIT comes under :	Industry and Commerce	Finance	Corporate affairs	none of the above.
169	Sale of shares from a resident to non resident is:	current account transaction	capital account transaction	any of the above	None of the above.
170	FDI is prohibited in the which of the following sectors:	Lottery Business including Government/ private lottery, online lotteries.	Gambling and betting including casinos.	Chit funds	All of the above
171	Individuals can avail of foreign exchange facility for the following purposes within the LRS limit on financial year basis for the following:	Private visits to any country (except Nepal and Bhutan)	Gift or donation Going abroad for employment	Emigration	all of the above
172	Eligible borrower can raise up to _____ million US\$ through ECB in automatic route	500	750	1000	1250
173	Total maximum remittance during a financial year under LRS scheme is:	US \$ 1,00,000	US \$ 1.25.000	US \$ 1,50,000	US \$ 2,50,000
174	The following remittance is prohibited	Remittance for any purpose specifically prohibited under Schedule-I (like purchase of lottery tickets/sweep stakes, proscribed magazines, etc.) or any item restricted under Schedule II of Foreign Exchange Management (Current Account Transactions) Rules, 2000.	Remittance from India for margins or margin calls to overseas exchanges/overseas counterparty.	Remittances for purchase of FCCBs issued by Indian companies in the overseas secondary market	All of the above
175	Zenith Ltd. is accompany registered in UK, issues shares to citizen of UK. Under the Indian law, the shares are;	foreign security	Indian security	any of the above	none of the above
176	FEMA _____ foreign currency transaction.	encourages	prohibits	restricts	none
177	NPA stands for:	Non Productive asset	Non Performance Asset	National Productivity asset	none of the above
178	Banking Regulation Act was enacted in the year:	1940	1942	1947	1949
179	Cash reserve ratio should be _____percent of the total time and demand liabilities	1	2	3	4



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180	SLR stands for:	Special Liquidity Ratio	Statutory Liquidity Reserve	Special Liquidity Reserve	None of the above
181	Banking companies cannot pay dividend unless following are completely written off.	preliminary expenses	brokerage	commission	all of the above
182	Asset Reconstruction Companies are to be registered with:	SEBI	RBI	MCA	none of the above
183	The judicial authority under SARFESI is:	SEBI	RBI	DRT	MCA
184	Amalgamation of banking companies require _____ % voting of shareholders;	3/4th	One half	two third	One fourth
185	Every banking company shall maintain liquid assets not less than _____ % of the total time and demand liabilities.	5	10	20	25
186	Every Banking Company incorporated in India shall prepare a balance sheet and profit and loss account as on the last working day of the -	Calendar Year	Accounting Year	Month	None of the above
187	According to Banking Regulation Act 1949, no Banking Company shall pay dividend on its shares until all its -	Depreciation is fully written off.	“Capitalized expenses” have been completely written off	Bad debts are provided in full.	Contingent liability is settled.
188	Minimum paid up capital for a life insurance business is _____ Crore	50	75	100	125
189	Banking Regulation Act was enacted in the year:	1940	1942	1947	1949
190	Officer appointed by Central Govt. is called:	IRDA	Controller of Insurance	Insurance Commissioner	None of the above.
191	in case of insurance company _____ % of assets have to be remained invested in Govt. securities	10	15	20	25
192	Actuarial valuation on life insurance business has to be done once in _____	1 years	2 years	3 years	4 years
193	Insurance policy made by an insurer shall not be questioned after _____ years.	1 years	2 years	3 years	4 years
194	Insurance business is regulated by:	SEBI	RBI	MCA	none of the above
195	IRDA was established in the year:	1999	2000	2001	2002
196	No insurer carrying on the business of life insurance and general insurance, shall be registered unless he has minimum paid up capital of _____.	50 crores	200 crores	150 crores	100 crores
197	The Chairman of the Insurance Regulatory and Development Authority shall hold office for a term of from the date on which he enters upon his office and should be eligible for reappointment	3 years	4 years	5 years	6 years



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MCQ BANK

SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
198	The amount credited to The Insurance Regulatory and Development Authority Fund shall consist of:	all Government grants, fees and charges received by the Authority;	all sums received by the Authority from such other source as may be decided upon by the Central Government	the percentage of prescribed premium income received from the insurer;	all of the above
199	IRDA shall, within _____ after the close of each financial year, submit to the Central Government a report giving a true and full account of its activities including the activities for promotion and development of the insurance business during the previous financial year.	nine months	three months	one month	six months
200	The principle of _____ ensures that an insured does not profit by insuring with multiple insurers.	Subrogation	Contribution	Co-insurance	Indemnity
201	An actuary is expected to:	Make an exact forecast of the future liabilities of policies	Make a reasonable forecast of the future liabilities of policies	Calculate the premium required to cover a risk on a long-term basis	Find the probability of an insured event to happen in non-life policies
202	The Insurance Laws (Amendment) Act, was passed in the year	2015	2016	2017	2018
203	“life insurance business” means the business of effecting contracts of insurance upon human life, including any contract whereby the payment of money is assured on death (except death by accident only) or the happening of any contingency dependent on human life, and any contract which is subject to payment of premiums for a term dependent on human life and shall be deemed to include:	the granting of disability and double or triple indemnity accident benefits, if so provided in the contract of insurance	the granting of annuities upon human life, and	the granting of superannuation allowances and benefits payable out of any fund applicable solely to the relief and maintenance of persons engaged or who have been engaged in any particular profession, trade or employment or of the dependents of such persons.	all the above
204	The amount of indemnity may be limited by certain conditions which may be:	Injury or loss sustained by the insured has to be proved.	The indemnity is limited to the amount specified in the policy.	The insured is indemnified only for the proximate causes.	Any or all of the above.
205	In the case of fire and motor accident insurance the insurable interest has to be present	both at the time of taking the policy and at the time of the accident	At the time of taking the policy	At the time of happening of the event	None of the above
206	NSIC stands for:	National Social Institute Corporation	National Small Institute Corporation	National Scheme for Industries and companies	National Small Industries Corporation.
207	IF a unit has investment in plant an equipment of Rs.55 crore and turnover of Rs.300 crore. It will be classified as:	micro	small	medium	none of the above



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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
208	While calculating the value of assets for ascertaining the classification, the value of the following is excluded.	land	furniture and fittings	none of the above	both of the (1) and (2)
209	While calculating the value of assets for ascertaining the classification, the value of the following is excluded.	any sales	domestic sales	exports	none of the above
210	Certifying Authority get licence to operate from:	Ministry of IT	SEBI	Controller of Certifying Authority	none of the above
211	Which among the following is not an offence under IT Act.	tampering with computer source documents.	hacking: destruction, deletion, alteration of nay data in any computer with an intention of damage/injury	misrepresentation to controller or certifying authorities	Controller of Certifying Authority
212	Information Technology (Reasonable Security Practices And Procedures And Sensitive Personal Data Or Information) Rules, was notified in the year:	2011	2012	2013	2014
213	OSBI stands for	Operational source Business Inteeelligence	Open source business Innovation	Open source Business intelligence	none
214	The key benefits that businesses can get from BI applications include the ability to:	speed up and improve decision-making;	optimize internal business processes;	increase operational efficiency and productivity;	all of the above
215	Decision of Cyber appellate Tribunal can be appealed to;	High Court	supreme Court	None of the above	not appealable
216	Information Technology (Reasonable Security Practices And Procedures And Sensitive Personal Data Or Information) Rules, 2011.	only apply to bodies corporate and persons located in India.	only apply to bodies corporate and persons located out of India.	Apply to individuals	All of the above
217	Which among the following is not a Cyber crimes under the IT Act:	Tampering with Computer source documents.	Hacking with Computer systems, Data alteration.	Publishing obscene information	Sending threatening messages by email
218	Which of the following is not an cyber Offence to Public	Terrorism	Warfare:	Piracy	Data alteration
219	Access someone's computer without the right authorization of the owner and does not disturb, alter, misuse, or damage data or system by using wireless internet connection, is called:	Squatting	Vandalism	Hacking	Trespass
220	Every reporting entity shall maintain record of:	all transactions in cash of more than Rs.10 lakhs.	All series of integrated transaction below Rs.10 Lakh per month	All transaction of receipt of Rs.10 lakhs and more on its equivalent foreign currency	All of the above
221	FIU stands for:	Financial Intelligence unit	Financial Issue unit	Featured Intelligence Unit	None of the above
222	In part B of the schedule, offences involved a value of Rs. ____ is mentioned.	15 Lakh	50 lakh	75 lakh	One crore
223	STR stands for:	Suspicious Trade Report	Special Trade Reserve	Suspicious Transaction Reports	Special Trade Reports
224	Reporting authority shall send the KYC data to Central Registry within ____ days	5	10	15	20
225	The Money Launderer introduces the illegal funds into the financial systems. This is called:	Placement	Layering	Integration	None of the above



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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
226	The cases under PMLA can be tried n:	Common courts	High courts only	Special designated courts	none of the above.
227	Who can initiate Corporate Insolvency Resolution Process (CIRP):	Only Corporate Debtor	Financial Creditor and Operational Creditor.	Financial Creditor, Operational Creditor and Corporate Debtor.	Corporate Debtor and Financial Creditor.
228	Which is the highest appellate authority in case of IBC:	High Court	Supreme Court	National Company Law Appellate Tribunal	Insolvency Court
229	In case of IBC, When is the public announcement required to be made	Within 3 days of appointment of interim resolution professional.	Within 3 days of initiating a corporate insolvency case.	Within 3 days of admission order given by the Adjudicating Authority.	Within 3 days of confirmation of interim resolution professional as insolvency professional.
230	Who approves the resolution plan:	Committee of creditors.	Insolvency Professional.	Adjudicating Authority.	Insolvency and Bankruptcy Board of India.
231	The OPC are allowed to file financial Statements within_____	6 Months from the close of the financial year	3 Months from the close of the Calender year	3 Months from the close of the financial year	6 Months from the close of the Calenderyear
232	Which of them will be considered as deposits?	Money raised by issuing commercial papers	Loans from State Bank of India	Loan received from unrelated company	Amount raised from unlisted unsecured NCDs
233	A company must execute a deposit trust deed at least ___ days before issuing the circular or circular in the form of advertisement	7	14	21	28
234	An Eligible company intending to invite deposits is required to issuse a circular in the form of an Advertisement in?	DPT-4	DPT-2	DPT-6	DPT-1
235	The Accounts of the NFRA shall be audited by	CAG of India	Cental government	SEBI	RBI
236	Which of the following is the advantage of the family business over non-family business?	Staff recruitment	Raising funds for growth	Ownership vs. Management	Deep industry insight
237	Corporate Governance is a blend of the Internal and External Corporate Governance	Techniques	Mechanisms	Systems	Methods
238	The Director prepared the annual accounts in Director Responsibility Statement on a/an	Money measurement basis	Going concern basis	Accrual basis	Business Entity basis
239	A minor can be nominated as a nominee in Life Insurance Policy by its	Drawer	Agent	Holder	Corporation
240	Promoters may decide to prepare and sign a Memorandum of Understanding or Memorandum of Agreement, this is also called	Articles of Association	Memorandum of Promoters	Promoters Agreement	None of the above
241	The companies which are created by a special Act of the Legislature	Registered companies	Statutory Companies	One Person Companies	Limited Companies



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MCQ BANK

SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
242	On the Basis of Liability, in which company the liability of each member extends to the whole amount of the company's debts and liabilities but he will be entitled to claim contribution from other members.	Company limited by shares	Company limited by guarantee	Unlimited company	Private Company
243	Under OPC, The Company may have a maximum number of _____ directors.	1	5	10	15
244	Minimum members are required to form the Public company.	5	2	7	10
245	Company which is formed and registered under this Act for a future project or to hold an asset or intellectual property and has no significant accounting transaction during the last two financial years or has not filed financial statements and annual returns during the last two financial years,	Dormant Company	Associate Company	Nidhi Companies	Foreign Company
246	The Company shall furnish to the Registrar verification of its registered office, in which Form ?	INC-22.	INC-16	INC-21	INC-20
247	Under which section of the Companies Act, 2013, a memorandum is a public document ?	Section 326	Section 399	Section 346	Section 389
248	Persons desirous of getting a licence under section 8, shall make an application in form?	INC-9	INC-10	INC-12	INC-11
249	Which Section, states that the transferee company shall file a copy of the scheme so approved in the manner as may be prescribed, with the Central Government, Registrar and the Official Liquidator.	Section 222 (2)	Section 233 (2)	Section 231 (2)	Section 223 (2)
250	The words 'Oppression' and 'mismanagement' are defined in ?	Section 244	Section 241	Section 246	None of the above
251	The _____ may also file application to the Tribunal, if it is satisfied that the affairs of the company are being conducted in a manner prejudicial to the public interest	Central Government	NCLT	Ministry of Corporate Affairs	SEBI
252	What is the correct meaning of the legal term " <i>mutatis mutandis</i> "?	Without any changes	In good faith	With mutual consent	Subject to necessary modifications
253	Unlisted Companies are also called ?	closely held companies	Sectoral Companies	Associate Company	Listed Company
254	The rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it in the ___ years immediately preceding that year	5	4	2	3
255	The amount of the dividend, including interim dividend, shall be deposited in a scheduled bank in a separate account within ----- from the date of declaration of such dividend	15Days	5 Days	1 month	7 Days
256	The amount of dividend which have remained unclaimed and unpaid for a period of seven years from the date they became due for payment shall be credited to ?	Central Govt	SEBI	RBI	IEPF
257	In which Form the company shall send a statement of amount credited to IEPF to the authority which administer the fund.	Form DIV 5	Form DIV 2	Form DIV 4	Form DIV 3



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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
258	The company shall also attach along with its financial statement, a separate statement containing the salient features of the financial statement of its subsidiary or subsidiaries in Form ?	AOC-1.	AOC-3	AOC-5	AOC-2
259	A company shall inform the auditor concerned of his or its appointment, and also file a notice in the Form _____	ADT-4	ADT-1	ADT-6	ADT-3
260	Which of the following is not a type of dividend?	Interim dividend	Final dividend	Special dividend	Mid Term dividend
261	The ultimate order of winding up of a banking company in India, emerges from the	order of the RBI.	order of the Central Government.	order of the RBI on request by the members of banking company.	orders of the jurisdictional High Court.
262	In the course of doing business if a MSME unit goes to next category,	it shall cease to avail all the MEME benefits.	it shall continue to avail all non-tax benefits for next 2 years.	it shall continue to avail all non-tax benefits for next 3 years.	it can avail only for the next one Financial year.
263	An auditor appointed in a casual vacancy shall hold office until the conclusion of the:	Next board meeting	Next annual general meeting	Current fiscal year	Next extraordinary general meeting
264	In the case of a company whose accounts are subject to audit by an auditor appointed by the Comptroller and Auditor General of India, casual vacancy of an auditor be filled by the Comptroller and Auditor General of India within	30 days.	60 days.	15 days.	45 days.
265	If the Auditor has resigned from the company, he shall file within a period of _____ from the date of resignation, a statement in the form _____ with the company and the Registrar.	15days, ADT-1	30days, ADT-3	60days, ADT-6	90days, ADT-4
266	No person shall hold the position of small shareholders' director in more than _____ companies at the same time.	two	three	four	None of the Above
267	What is the maximum time within which pre-cleared trades must be executed under the Code of Conduct?	3 trading days	5 trading days	7 trading days	10 trading days
268	A hostile takeover is defined as:	Takeover supported by the board of directors	Takeover without the consent of the promoters	Acquisition through stock exchange block deals	Acquisition initiated with shareholder approval
269	In the case of connected persons, the burden of proving absence of possession of UPSI lies on:	SEBI	The Connected Person themselves	The Board of Directors	The Compliance Officer
270	What is the minimum public float that must be maintained after acquisition	25%	30%	15%	20%
271	Which of the following does not fall under the definition of "encumbrance" in context of disclosure?	Pledge of shares	Lien on shares	Hypothecation of shares	Dividend declaration
272	All sums realised by way of penalties under the competition Act, 2002 are credited to :	Competition Fund	Consolidated Fund of India	Finance Account of Ministry of commerce	PM Relief Fund
273	Cartel' as defined under the section 2C of the Competition Act, 2002 may take place between:	Producers and Consumers	Indian consumers and Foreign Consumers	Workers of same sector suited in different states	Service providers among themselves



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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
274	False statements or material omissions by a party to a combinationv attract a minimum penalty of:	Rs. 50 lakhs	Rs. 20 lakhs	Rs. 1 crore	Rs. 75 lakhs
275	A person resident in India may acquire foreign property without prior approval of RBI if:	It was inherited from a resident Indian	It was gifted by a friend residing abroad	It was acquired while he was a non-resident	He is a foreign national working in India
276	Schedule II of Current Account Rules relates to:	Prohibited transactions	Transactions requiring RBI prior approval	Transactions requiring RBI prior approval	Transactions with monetary limits
277	A person has been maintaining an account with an Authorized Dealer bank for only 6 months. Can they remit under LRS?	No, the account must be at least 1 year old	Yes, with RBI permission	Only for current account transactions	Yes, for up to USD 50,000
278	Which non-resident entities are eligible to provide credit enhancement to domestic rupee debt instruments?	All foreign banks	Only foreign private equity investors	Any foreign company registered with SEBI	Multilateral financial institutions and equity holders
279	As per Section 19, banking companies require prior approval of RBI to:	Take deposits	Open foreign branches	Form subsidiary companies	Issue shares
280	Under what conditions can RBI apply for the winding up of a bank?	Violation of minimum capital norms	Non-compliance with licensing requirements	Inability to pay debts	All of the above
281	Asset Reconstruction Company must not have incurred losses in any of the _____ preceding financial years for registration.	2	3	4	5
282	Which of the following is a permissible measure under asset reconstruction?	Payment of dividend to shareholders	Takeover of management of borrower	Opening new branches	Merging with the borrower
283	The burden of proving proximate cause of loss lies on the:	Insurance agent	Insurer	Policyholder	IRDAI
284	The MSME Emergency Credit Line Guarantee Scheme (ECLGS) was launched primarily to:	Support startups	Address COVID-19-related liquidity needs	Fund international ventures	Promote rural tourism
285	The Prevention of Money Laundering Act, 2002 consists of ten chapters containing _____	75 sections	60 sections	45 sections	25 sections
286	In which Stage, the Money Launderer typically engages in a series of continuous conversions or movements of funds, within the financial or banking system by way of numerous accounts, so as to hide their true origin and to distance them from their criminal source.	Placement	Layering	Integration	None of the Above
287	In the The Prevention of Money Laundering Act, 2002, Every Scheduled Offence is a _____.	Money Laundering Offence	Pre-requisite Offence	punishable offence	Predicate Offence
288	FIU-IND is an independent body reporting directly to the _____ headed by the Finance Minister.	Economy Intelligence Court (EIC)	Economic Intelligence Council (EIC)	Finance Intelligence Council (FIC)	Finance Intelligence Court (FIC)



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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
289	Which section of the Information Technology Act explicitly provides that whenever a corporate body possesses or deals with any sensitive personal data or information, and is negligent in maintaining a reasonable security to protect such data or information, which thereby causes wrongful loss or wrongful gain to any person, then such body corporate shall be liable to pay damages to the person(s) so affected	Section 75 A	Section 43A	Section 72A	Section 42A
290	As per Information Technology Act, CCA stands for?	Central Cybersecurity Agency	Cyber Crime Authority	Controller of Certifying Authority	Central Communications Authority
291	Rule 3 of the 2011 Rules provides a list of items that are to be treated as _____	sensitive personal data	Confidential company information	Classified government records	General user metadata
292	False ATM cards i.e. Debit and Credit cards used by criminals for their monetary benefits through withdrawing money from the bank account mala-fidely.	Cyber-Stalking	Obscenity	Spoofing:	Carding
293	where two persons claim for the same Domain Name either by claiming that they had registered the name first on by right of using it before the other or using something similar to that previously. Which type of Cyber crime it is?	Squatting	Vandalism	Trespass	None of the above
294	In which year was the Central KYC Registry constituted?	2012	2015	2017	2020
295	According to the definition, a suspicious transaction:	Must always be made in cash	Can be identified only by law enforcement agencies	Can be identified by anyone acting in good faith	Must involve amounts above ₹50,000
296	Under the Insurance Regulatory and Development Authority Act, 1999, who has the right to remove difficulties or impediments by making notification in the Official Gazette?	The Insurance Regulatory and Development Authority (IRDA)	The Supreme Court of India	The Central Government	The Finance Ministry
297	When was the Ministry of Small Scale Industries and Agro and Rural Industries originally created?	1997	1999	2001	2003
298	PMEGP Scheme stands for?	Prime Minister Employment Guarantee Programme	Prime Minister Employment Generation Programme	Public Management and Employment Growth Programme	Prime Minister Economic Growth Plan
299	_____ business intelligence tools put BI and data visualization functionality directly into business applications. That enables business users to analyze data within the applications they use to do their job.	Operational intelligence	Embedded BI	Open source	Collaborative
300	When a joint venture is formed without registering a company, it is called a:	Limited joint venture	Sole joint venture	Merged joint venture	Non-corporate joint venture or contractual joint venture
301	Which of the following is NOT allowed for a Section 8 company?	Applying profits for its objectives	Promoting education or research	Paying dividends to its members	Promoting environmental protection



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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
302	As per Rule 38 of the Companies (Incorporation) Rules, 2014, What is SPICe+?	Simplified Proforma for Incorporating Company Electronically Plus: INC-32	Single Portal for Incorporating Companies Electronically Plus	Special Procedure for Incorporation and Compliance electronically	Standard Process for Incorporating Corporate Entities Plus
303	If the financial statements of a company do not comply with the accounting standards, what must the company disclose?	Only the name of the auditor	The deviation from the accounting standards, reasons for deviation, and financial effects of the deviation	deviation from the accounting standards	Only the reasons for deviation
304	In which section, The Directors' Responsibility Statement referred ?	134 (3) (c)	136(5) (a)	140(3) (d)	133 (b)
305	As per Section 134(6), The Board's report and any annexures thereto shall be signed by ?	Any shareholder of the company	The Chief Financial Officer (CFO) only	The Chief Financial Officer (CFO) only	The chairperson
306	What happened to the Ministry of Small Scale Industries and Agro and Rural Industries in September 2001?	It was renamed	It was split into two separate ministries	It was merged with the Ministry of Commerce	It was dissolved



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ANSWERS TO MCQ BANK

SL NO	QUESTIONS	CORRECT ANSWER
1	How many minimum members are required to form a public limited company?	7
2	In order to be a Govt. Company, 51% shares shall be held by: -	Any or all of the above
3	In case of "limited" companies, what is limited?	Liability of members
4	Restriction in transfer of shares can be there in_____	Private Ltd. company
5	Foreign company is a company, registered out of India and_____	Either (a) or (b)
6	Company which do not have any significant accounting transaction is called	Dormant company
7	Life Insurance Corporation is:	A statutory corp. and PFI
8	Persons who sign the MOA are called:	Subscribers to MOA
9	Certificate of incorporation is issued by: -	Registrar of companies
10	Declaration by professional at the time of incorporation of a company means declaration by	Any of the above.
11	Change of registered office within a city, town or village requires	Board Resolution
12	Section 8 companies cannot:	Distribute dividend
13	ABC Ltd. is registered in India with 100% shares being held by KYZ Ltd., a company registered in UK having no business in India. ABC Ltd. is a:	An Indian Company
14	ABC Ltd. has 35% shares in XYZ Ltd. The majority of directors of XYZ Ltd. are appointed and removed by ABC Ltd. XYZ Ltd. is:	Subsidiary of ABC Ltd.
15	A guarantee company is similar to:	LLP
16	Once a company is converted into LLP, intimation to ROC has to been made within:	15days.
17	Which chapter of the Companies Act, 2013, deals with foreign companies?	XXII
18	In case of secured debentures of public issue, the security is created I favour of:	Debenture trustee
19	Fully convertible debenture is a:	debt instrument
20	Register of deposit:	is mandatory with particulars as per Rules
21	A debenture trustee can be:	Any entity registered with SEBI as such
22	"loan" in parlance to Companies Act, means:	cash credit
23	In case of deposits by the company,	rate of brokerage shall be as per RBI Regulations
24	Once declared in AGM, dividend	Cannot be revoked
25	IEPF stands for	Investor Education and Protection Fund
26	Once declared, the amount of dividend shall be transferred to special dividend A/c within	5 days
27	A practicing Chartered Accountant may be appointed as Auditor for term of:	5 yrs
28	Directors Responsibility Statement is a part of: -	Board Report
29	NFRA stands for:	National Financial Reporting Authority
30	A statutory Auditor shall be-	Practicing CA
31	In normal course, the Board's Report is signed by –	Chairman with Authority of Board
32	CAG stands for:	Comptroller of Auditor General
33	The Financial statements are to be filed with the Registrar within-	30 days of AGM
34	In case of private company, internal auditor has to be appointed if the turnover is:	Rs. 200 Crores or more
35	Auditors Report is addressed to:	Shareholders
36	CARO,2020 is effective from: -	1.4.2021
37	First Auditor is appointed by-	Board of Directors
38	Auditor can render the following additional service to the company where he is auditor:	None of the above
39	Additional director's tenure is up to_____	Next AGM



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ANSWERS TO MCQ BANK

SL NO	QUESTIONS	CORRECT ANSWER
40	Alternate director may be appointed when the additional is out of India for at least_____	3 months
41	A women director has to be there is the company is:	Either of the above
42	Section 184 of the Companies Act provides for:	None
43	A whole time director is appointed for a term of:	5 yrs.
44	If a person other than retiring director is proposed, a cheque of _____ is to be deposited with the proposal.	Rs. 1 lakh
45	A director may be appointed by small shareholder. Small shareholder means, shareholders who hold shares worth of face value of maximum, _____	Rs.20,000
46	A company may remove a director with –	Ordinary resolution of shareholders
47	Managing Director's appointment is ratified in AGM through-	Ordinary
48	Section 203 provides for appointment of	KMP
49	The eligibility and conditions of appointment of MD is mentioned in Schedule	V
50	Maximum remuneration to all managerial personnel is-	11%
51	Independent directors are not entitled to get-	Stock option
52	Board's Report is addressed to-	Members
53	Power of Board of directors may be restricted subject to:	Any or all of the above
54	Related party transaction is provided under Schedule:	188
55	Majority of audit committee members shall be:	Independent
56	Independent directors, separately, shall meet _____ in a calendar year.	Once
57	For Board meeting, quorum as per the Act is:	One third of the total no. of director or two, whichever is higher
58	If _____ of the directors require that a resolution under circulation be placed in the Board meeting for decision, it has to be complied with.	One-third
59	Minutes of the Board meeting are to be signed by-	Chairman of the present meeting or next meeting
60	Minutes of Board meeting are to be preserved for-	permanently
61	Minutes are supposed to be kept at:	Registered office
62	SFIO stands for	Serious Fraud Investigating Office
63	The decision to authorize buy back by Board can be made by-	Only in board meeting
64	In case chairman is executive, at least_____ of the Board members shall be independent director.	1/2 half
65	Majority of members of the audit committee shall be-	Independent directors
66	Board of directors are supposed to address their report to –	SEBI
67	The provisions relating to investigation are provided in which chapter of the Act?	XIV
68	If a company wants to punish an employee or officer of a company, it has to take permission of:	NCLT
69	The investigating officer has the power of inspection, taking evidence etc. as per	Civil Procedure Code
70	In case of merger, the transferor company is:	Dissolved
71	The Auditors has to confirm in the scheme that	It is in conformity with the Accounting Standard
72	On amalgamation, the following are transferred to the transferee company	Both above
73	When a transferor company is a listed company and transferee company is any unlisted company, the transferee company_____.	Continues to be an unlisted company unless it is listed by complying with listing requirement
74	Powers of the majority is subject	All of the above
75	Any Act done by directors beyond authority, is considered as;	ultra vires
76	A case of oppression, application may be made on:	Any or all of the above
77	Application has to be made for relief of oppression to	ROC
78	Powers of the tribunal is listed in section:	242
79	Statutory auditor can also function as:	Tax Auditor



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ANSWERS TO MCQ BANK

SL NO	QUESTIONS	CORRECT ANSWER
80	A CFO of a company has to be a:	None of the above.
81	Sitting fee of Board meetings and Board Committee meetings:	may not be same
82	Disclosure of interest by director is:	all or any of the above
83	Quorum of aboard meeting is _____ total strength of the Board:	1/3rd or two whichever is higher
84	In case of merger of A ltd with B Ltd., A ITd is:	dissolved
85	Dividend Distribution Policy of a company is decided by:	Board of directors
86	Companies shall not make investment through more than _____ layer of investment companies	1
87	Rate of interest in deposit is guided by	RBI
88	No eligible company shall accept or renew deposit from its members up to:	10%
89	Interim dividend is decided by:	Board of Directors
90	Books of accounts can be inspected by:	any director
91	Accounting Standards are prescribed by:	Central Govt
92	The Board Report is signed by:	None of the above
93	Zenith Ltd. Is a company registered in USA and doing business in USA. As per Indian law, this is a:	both (2) and (3) is correct.
94	A sectorial company is supposed to comply with:	Both Companies Act and sector laws
95	Articles of association can be altered by:	Special resolution
96	Shifting of register office from one state to another, would require	special resolution and Central Govt.(CG) approval
97	The following members of a company shall have the right to apply under Section 241, for oppression namely:	Any of the above.
98	The Insolvency and Bankruptcy Code passed by the Parliament in the year:	2016
99	The Code applies to:	All of the above
100	The Code applies to:	None of the above
101	An entity in favour of whom security interest is created is called:	secured creditor
102	In normal course, the corporate insolvency resolution process shall be completed within a period of _____ days from the date of admission of the application.	180
103	The RP has to manage the company as :	Going concern
104	As per section 22(1)The first meeting of the COC will be held within _____ days of constitution	7
105	A Resolution Professional may be replaced with of the voting rights of the Committee of Creditors	66
106	The adjudicating authority in case of personal insolvency is:	Debt Recovery Tribunal
107	During bankruptcy proceeding, bankrupt, shall:	not be appointed as trustee, public servant , election of local authority,
108	Under Insolvency Bankruptcy code 2016 where extension of time is requested, the Corporate Resolution process shall be completed within a period of _____ from the date of admission of the application to initiate such process.	180 days
109	Insolvency and Bankruptcy code 2016 is not applicable on:	Financial Service Providers
110	With the introduction of IB code, the following laws have been repealed:	All the above.
111	The Insolvency and Bankruptcy Board has power of Court in respect of issue of summons, discovery and production of books, inspection of books/registers and issue of commissions for examination of witnesses:	Civil Court
112	The following institutions are insolvency professional agency	Institute of Cost Accountants of India
113	The authority provided under the IBBI to administer and regulate the Law is:	IBBI
114	Related party, in relation to a corporate debtor, means:	all of the above
115	A person under IBC is:	All of the above



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CORPORATE AND ECONOMIC LAWS (PAPER - 13)

ANSWERS TO MCQ BANK

SL NO	QUESTIONS	CORRECT ANSWER
116	A person shall not be eligible to submit a resolution plan, if such person, or any other person acting jointly or in concert with such person -	All of the above
117	Three Ps of triple bottom line are:	planet, people and profit
118	At which level corporate governance is more relevant in a company?	top level
119	which among the following would amount to undesirable practice by a senior executive of a company	using un published and secret information of the competitor obtained from undisclosed and unfair source for his company's benefit
120	Which , out of the following would not amount to Sustainable Development activity.	paddy cultivation
121	corporate governance practices are almost_____ by companies in India.	regulated
122	The latest committee on Corporate governance was:	Kotak committee
123	The ideal implementing agency of CSR projects, should be:	one of the above
124	Economic approach to sustainability relates to:	profit
125	Corporate governance is more about:	fair method of managing a company
126	The items under Schedule VII of the Act, should be:	liberally interpreted
127	CG practises should target to keep balance amongst:	All stakeholders
128	When a company evaluates an implementing agency, first step is to :	examining documents
129	Every CSR activity is ultimately for the:	beneficiary
130	The CSR fund earmarked for on going project, needs to be spent within:	three years
131	Clause 49A which was the first major compliance of corporate governance by listed companies was on the basis of recommendation of:	Kumar Mangalam Birla committee
132	Corpoarate governance is close to:	ethical conduct of business
133	A foreign entity cannot be:	implementing agency of CSR project in India
134	Some of the reasons for which companies cannot practice good governance may be:	or any of the above.
135	A company sponsors the expenditure of a primary school of physically disabled students having 200 students. Three employees' children, being physical disabled, have also been admitted in that school:	the school will qualify as CSR project as admission of the employees' children is incidental
136	Which will not qualify as CSR expenditure	direct donation to a unrecognised charitable organisation
137	Advantages of direct implementation of CSR activity by the company are:	All of the above
138	Advantages of third party implementation of CSR prjects, are:	all of the above
139	CG ratings are done by :	Credit Rating Agencies
140	Audit committee can:	interact with both statutory and internal auditors
141	The recommendation of the Audit Committee:	In case not accepted, Board has to records the reasons
142	Which of the following is the advantage of the family business over non-family business?	Deep industry insight
143	Maximum days for keeping an issue open is;	10
144	At the time of IPO, the issuer has to have a:	designated Compliance officer
145	Which of the flowing do not require prospects	Bonus issue
146	Minimum face value of shares, can be:	Rs. 1
147	Takeover means	acquiring shares which will give control over the management
148	The purpose of the SEBI Act is to provide for the establishment of a Board called Securities and Exchange Board of India (SEBI). The Preamble to the Act provides for the establishment of a Board to:	All of the above



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SL NO	QUESTIONS	CORRECT ANSWER
149	SEBI has three functions rolled into one body. Which of the following is not the function of SEBI?	Quasi-official
150	For the appointment, reappointment, remuneration and removal of the director of a banking company, prior approval of should be obtained.	RBI
151	The Competition Act has replaced-	MRTP Act, 1969
152	The turnover threshold for individual company, operating in India, in combination is _____ crores.	Rs. 8,000
153	Which is not the objective of CCI.	protect the interests of the consumers
154	Selling products/services below the cost is called _____.	Predatory pricing
155	The asset bases up to US \$ _____ in case of a group having presence out of India shall not be required to take CCI approval in case of merger.	4 billion
156	Which of the following is not the type of unfair competition?	Tie in purchase A
157	Which of the following is not the objective of Competition Act, 2002?	To prevent competition in market
158	Unfair competition under the Competition Act, 2002 means adoption of practices viz. -	All of the above
159	An association of producers, sellers or distributors, traders or service providers who, by agreement amongst themselves, limit, control or attempt to control the production, distribution, sale or price of or trade in goods or provision of services is known as	Cartel
160	Which of the following is not the benefits of CSR Programme?	Mutual trust
161	Any person aggrieved by any order of Competition Appellate Tribunal (COMPAT), may file an appeal to the Hon'ble Supreme Court within..... days, from the date of receipt of the order of Appellate Tribunal.	60 days
162	The Chairperson and every other Member shall hold office for a term of years from the date on which he enters upon his office.	5
163	The Commission also has the power to impose a fine which may extend up to of the total turnover or the assets of the combination, whichever is higher, for failure to give notice to the Commission of the combination	1%
164	The Commission, may, notwithstanding anything contained in any other law for the time being in force, by order in writing, direct division of an enterprise enjoying dominant position to ensure that such enterprise does not abuse its dominant position. The order may provide for the following matters, namely:	all the above
165	If the Commission does not, on the expiry of a period of _____ days from the date of notice given to the Commission referred to in Section 29(2), pass an order or issue direction in accordance with the provisions of sub-Section (1) or (2) or (7), the combination shall be deemed to have been approved by the Commission	210
166	Automatic route in FDI means.	Prior permission of neither RBI nor Central Govt.is required
167	For investment in market securities, FIIs are to be registered with:	SEBI
168	DPIIT comes under :	Industry and Commerce
169	Sale of shares from a resident to non resident is:	capital account transaction
170	FDI is prohibited in the which of the following sectors:	All of the above
171	Individuals can avail of foreign exchange facility for the following purposes within the LRS limit on financial year basis for the following:	all of the above
172	Eligible borrower can raise up to _____ million US\$ through ECB in automatic route	750
173	Total maximum remittance during a financial year under LRS scheme is:	US \$ 2,50,000
174	The following remittance is prohibited	All of the above



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ANSWERS TO MCQ BANK

SL NO	QUESTIONS	CORRECT ANSWER
175	Zenith Ltd. is a company registered in UK, issues shares to citizens of UK. Under the Indian law, the shares are;	none of the above
176	FEMA _____ foreign currency transaction.	restricts
177	NPA stands for:	Non Performance Asset
178	Banking Regulation Act was enacted in the year:	1949
179	Cash reserve ratio should be _____ percent of the total time and demand liabilities	4
180	SLR stands for:	Statutory Liquidity Reserve
181	Banking companies cannot pay dividend unless following are completely written off.	all of the above
182	Asset Reconstruction Companies are to be registered with:	RBI
183	The judicial authority under SARFESI is:	DRT
184	Amalgamation of banking companies require _____ % voting of shareholders;	two third
185	Every banking company shall maintain liquid assets not less than _____ % of the total time and demand liabilities.	25
186	Every Banking Company incorporated in India shall prepare a balance sheet and profit and loss account as on the last working day of the -	Accounting Year
187	According to Banking Regulation Act 1949, no Banking Company shall pay dividend on its shares until all its -	“Capitalized expenses” have been completely written off
188	Minimum paid up capital for a life insurance business is _____ Crore	100
189	Banking Regulation Act was enacted in the year:	1949
190	Officer appointed by Central Govt. is called:	Controller of Insurance
191	In case of insurance company _____ % of assets have to be remained invested in Govt. securities	25
192	Actuarial valuation on life insurance business has to be done once in _____	1 years
193	Insurance policy made by an insurer shall not be questioned after _____ years.	3 years
194	Insurance business is regulated by:	none of the above
195	IRDA was established in the year:	1999
196	No insurer carrying on the business of life insurance and general insurance, shall be registered unless he has minimum paid up capital of _____.	100 crores
197	The Chairman of the Insurance Regulatory and Development Authority shall hold office for a term of from the date on which he enters upon his office and should be eligible for reappointment	5 years
198	The amount credited to The Insurance Regulatory and Development Authority Fund shall consist of:	all of the above
199	IRDA shall, within _____ after the close of each financial year, submit to the Central Government a report giving a true and full account of its activities including the activities for promotion and development of the insurance business during the previous financial year.	nine months
200	The principle of _____ ensures that an insured does not profit by insuring with multiple insurers.	Indemnity
201	An actuary is expected to:	Make an exact forecast of the future liabilities of policies
202	The Insurance Laws (Amendment) Act, was passed in the year	2015



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ANSWERS TO MCQ BANK

SL NO	QUESTIONS	CORRECT ANSWER
203	“life insurance business” means the business of effecting contracts of insurance upon human life, including any contract whereby the payment of money is assured on death (except death by accident only) or the happening of any contingency dependent on human life, and any contract which is subject to payment of premiums for a term dependent on human life and shall be deemed to include:	all the above
204	The amount of indemnity may be limited by certain conditions which may be:	Any or all of the above.
205	In the case of fire and motor accident insurance the insurable interest has to be present	both at the time of taking the policy and at the time of the accident
206	NSIC stands for:	National Small Industries Corporation.
207	IF a unit has investment in plant an equipment of Rs.55 crore and turnover of Rs.300 crore. It will be classified as:	none of the above
208	While calculating the value of assets for ascertaining the classification, the value of the following is excluded.	both of the (a) and (b)
209	While calculating the value of assets for ascertaining the classification, the value of the following is excluded.	exports
210	Certifying Authority get licence to operate from:	Controller of Certifying Authority
211	Which among the following is not an offence under IT Act.	Controller of Certifying Authority
212	Information Technology (Reasonable Security Practices And Procedures And Sensitive Personal Data Or Information) Rules, was notified in the year:	2011
213	OSBI stands for	Open source Business intelligence
214	The key benefits that businesses can get from BI applications include the ability to:	all of the above
215	Decision of Cyber appellate Tribunal can be appealed to;	High Court
216	Information Technology (Reasonable Security Practices And Procedures And Sensitive Personal Data Or Information) Rules, 2011.	only apply to bodies corporate and persons located in India.
217	Which among the following is not a Cyber crimes under the IT Act:	Sending threatening messages by email
218	Which of the following is not an cyber Offence to Public	Data alteration
219	Access someone’s computer without the right authorization of the owner and does not disturb, alter, misuse, or damage data or system by using wireless internet connection, is called:	Trespass
220	Every reporting entity shall maintain record of:	All of the above
221	FIU stands for:	Financial Intelligence unit
222	In part B of the schedule, offences involved a value of Rs. _____ is mentioned.	One crore
223	STR stands for:	Suspicious Transaction Reports
224	Reporting authority shall send the KYC data to Central Registry within _____ days	10
225	he Money Launderer introduces the illegal funds into the financial systems. This is called:	Placement
226	The cases under PMLA can be tried n:	Special designated courts
227	Who can initiate Corporate Insolvency Resolution Process (CIRP):	Financial Creditor, Operational Creditor and Corporate Debtor.
228	Which is the highest appellate authority in case of IBC:	Supreme Court
229	In case of IBC, When is the public announcement required to be made	Within 3 days of appointment of interim resolution professional.
230	Who approves the resolution plan:	Committee of creditors.
231	The OPC are allowed to file financial Statements within _____	6 Months from the close of the financial year
232	Which of them will be considered as deposits?	Amount raised from unlisted unsecured NCDs
233	A company must execute a deposit trust deed at least ___ days before issuing the circular or circular in the form of advertisement	7



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ANSWERS TO MCQ BANK

SL NO	QUESTIONS	CORRECT ANSWER
234	An Eligible company intending to invite deposits is required to issue a circular in the form of an Advertisement in?	DPT-1
235	The Accounts of the NFRA shall be audited by	CAG of India
236	Which of the following is the advantage of the family business over non-family business?	Deep industry insight
237	Corporate Governance is a blend of the Internal and External Corporate Governance	Mechanisms
238	The Director prepared the annual accounts in Director Responsibility Statement on a/an	Going concern basis
239	A minor can be nominated as a nominee in Life Insurance Policy by its	Holder
240	Promoters may decide to prepare and sign a Memorandum of Understanding or Memorandum of Agreement, this is also called	Promoters Agreement
241	The companies which are created by a special Act of the Legislature	Statutory Companies
242	On the Basis of Liability, in which company the liability of each member extends to the whole amount of the company's debts and liabilities but he will be entitled to claim contribution from other members.	Unlimited company
243	Under OPC, The Company may have a maximum number of _____ directors.	15
244	Minimum members are required to form the Public company.	7
245	Company which is formed and registered under this Act for a future project or to hold an asset or intellectual property and has no significant accounting transaction during the last two financial years or has not filed financial statements and annual returns during the last two financial years,	Dormant Company
246	The Company shall furnish to the Registrar verification of its registered office, in which Form ?	INC-22.
247	Under which section of the Companies Act, 2013, a memorandum is a public document ?	Section 399
248	Persons desirous of getting a licence under section 8, shall make an application in form?	INC-12
249	Which Section, states that the transferee company shall file a copy of the scheme so approved in the manner as may be prescribed, with the Central Government, Registrar and the Official Liquidator.	Section 233 (2)
250	The words 'Oppression' and 'mismanagement' are defined in ?	None of the above
251	The _____ may also file application to the Tribunal, if it is satisfied that the affairs of the company are being conducted in a manner prejudicial to the public interest	Central Government
252	What is the correct meaning of the legal term " <i>mutatis mutandis</i> "?	Subject to necessary modifications
253	Unlisted Companies are also called ?	closely held companies
254	The rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it in the ___ years immediately preceding that year	3
255	The amount of the dividend, including interim dividend, shall be deposited in a scheduled bank in a separate account within _____ from the date of declaration of such dividend	5 Days
256	The amount of dividend which have remained unclaimed and unpaid for a period of seven years from the date they became due for payment shall be credited to ?	IEPF
257	In which Form the company shall send a statement of amount credited to IEPF to the authority which administer the fund.	Form DIV 5
258	The company shall also attach along with its financial statement, a separate statement containing the salient features of the financial statement of its subsidiary or subsidiaries in Form ?	AOC-1.



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ANSWERS TO MCQ BANK

SL NO	QUESTIONS	CORRECT ANSWER
259	A company shall inform the auditor concerned of his or its appointment, and also file a notice in the Form _____	ADT-1
260	Which of the following is not a type of dividend?	Mid Term dividend
261	The ultimate order of winding up of a banking company in India, emerges from the	orders of the jurisdictional High Court.
262	In the course of doing business if a MSME unit goes to next category,	it shall continue to avail all non-tax benefits for next 3 years.
263	An auditor appointed in a casual vacancy shall hold office until the conclusion of the:	Next annual general meeting
264	In the case of a company whose accounts are subject to audit by an auditor appointed by the Comptroller and Auditor General of India, casual vacancy of an auditor be filled by the Comptroller and Auditor General of India within	30 days.
265	If the Auditor has resigned from the company, he shall file within a period of _____ from the date of resignation, a statement in the form _____ with the company and the Registrar.	30days, ADT-3
266	No person shall hold the position of small shareholders' director in more than _____ companies at the same time.	two
267	What is the maximum time within which pre-cleared trades must be executed under the Code of Conduct?	7 trading days
268	A hostile takeover is defined as:	Takeover without the consent of the promoters
269	In the case of connected persons, the burden of proving absence of possession of UPSI lies on:	The Connected Person themselves
270	What is the minimum public float that must be maintained after acquisition	25%
271	Which of the following does not fall under the definition of "encumbrance" in context of disclosure?	Dividend declaration
272	All sums realised by way of penalties under the competition Act, 2002 are credited to :	Consolidated Fund of India
273	Cartel' as defined under the section 2C of the Competition Act, 2002 may take place between:	Service providers among themselves
274	False statements or material omissions by a party to a combinationv attract a minimum penalty of:	Rs.50 lakhs
275	A person resident in India may acquire foreign property without prior approval of RBI if:	It was acquired while he was a non-resident
276	Schedule II of Current Account Rules relates to:	Transactions requiring RBI prior approval
277	A person has been maintaining an account with an Authorized Dealer bank for only 6 months. Can they remit under LRS?	No, the account must be at least 1 year old
278	Which non-resident entities are eligible to provide credit enhancement to domestic rupee debt instruments?	Multilateral financial institutions and equity holders
279	As per Section 19, banking companies require prior approval of RBI to:	Form subsidiary companies
280	Under what conditions can RBI apply for the winding up of a bank?	All of the above
281	Asset Reconstruction Company must not have incurred losses in any of the _____ preceding financial years for registration.	2
282	Which of the following is a permissible measure under asset reconstruction?	Takeover of management of borrower
283	The burden of proving proximate cause of loss lies on the:	Policyholder
284	The MSME Emergency Credit Line Guarantee Scheme (ECLGS) was launched primarily to:	Address COVID-19-related liquidity needs
285	The Prevention of Money Laundering Act, 2002 consists of ten chapters containing _____	75 sections
286	In which Stage, the Money Launderer typically engages in a series of continuous conversions or movements of funds, within the financial or banking system by way of numerous accounts, so as to hide their true origin and to distance them from their criminal source.	Layering



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SL NO	QUESTIONS	CORRECT ANSWER
287	In the The Prevention of Money Laundering Act, 2002, Every Scheduled Offence is a _____.	Predicate Offence
288	FIU-IND is an independent body reporting directly to the _____ headed by the Finance Minister.	Economic Intelligence Council (EIC)
289	Which section of the Information Technology Act explicitly provides that whenever a corporate body possesses or deals with any sensitive personal data or information, and is negligent in maintaining a reasonable security to protect such data or information, which thereby causes wrongful loss or wrongful gain to any person, then such body corporate shall be liable to pay damages to the person(s) so affected	Section 43A
290	As per Information Technology Act, CCA stands for?	Controller of Certifying Authority
291	Rule 3 of the 2011 Rules provides a list of items that are to be treated as _____	sensitive personal data
292	False ATM cards i.e. Debit and Credit cards used by criminals for their monetary benefits through withdrawing money from the bank account mala-fidely. Which type of Cyber crime it is?	Carding
293	where two persons claim for the same Domain Name either by claiming that they had registered the name first on by right of using it before the other or using something similar to that previously. Which type of Cyber crime it is?	Squatting
294	In which year was the Central KYC Registry constituted?	2015
295	According to the definition, a suspicious transaction:	Can be identified by anyone acting in good faith
296	Under the Insurance Regulatory and Development Authority Act, 1999, who has the right to remove difficulties or impediments by making notification in the Official Gazette?	The Central Government
297	When was the Ministry of Small Scale Industries and Agro and Rural Industries originally created?	1999
298	PMEGP Scheme stands for?	Prime Minister Employment Generation Programme
299	_____ business intelligence tools put BI and data visualization functionality directly into business applications. That enables business users to analyze data within the applications they use to do their job.	Embedded BI
300	When a joint venture is formed without registering a company, it is called a:	Non-corporate joint venture or contractual joint venture
301	Which of the following is NOT allowed for a Section 8 company?	Paying dividends to its members
302	As per Rule 38 of the Companies (Incorporation) Rules, 2014, What is SPICE+?	Simplified Proforma for Incorporating Company Electronically Plus: INC-32
303	If the financial statements of a company do not comply with the accounting standards, what must the company disclose?	The deviation from the accounting standards, reasons for deviation, and financial effects of the deviation
304	In which section, The Directors' Responsibility Statement referred ?	134 (3) (c)
305	As per Section 134(6), The Board's report and any annexures thereto shall be signed by ?	The chairperson
306	What happened to the Ministry of Small Scale Industries and Agro and Rural Industries in September 2001?	It was split into two separate ministries