

University of Mumbai

Thane Sub Campus

COMPANY LAW

SEM X

SAMPLE MCQS

1. Share premium received by issuing shares can be used for _____.
 - [A] payment of dividend
 - [B] issue of bonus share
 - [C] remuneration to management
 - [D] any business purpose

2. Under the companies act, which of the following powers can be exercised by the board of directors?
 - [A] Power to sell any of the companies undertaking
 - [B] Power to make call.
 - [C] Power to borrow money in excess of the paid up capital.
 - [D] Power to reappoint on auditor

3. The name of a company can be changed by_____
 - [A] an ordinary resolution
 - [B] a special resolution
 - [C] the approval of the union government
 - [D] a special resolution and with the approval of the central government

4. The _____defines a companys relations with the outside world.
 - [A] prospectus
 - [B] memorandum of association
 - [C] articles of association .
 - [D] statement in lieu of prospectus .

5. The most important document of a company is its_____.

- [A] prospectus
- [B] annual report.
- [C] memorandum of association
- [D] articles of association

6. Mark out the type of alteration that is permitted in the articles of association_____.

- [A] that may not be in the companys interest .
- [B] that is contrary to the provisions of the companies act.
- [C] that increases a members liability without his written consent .
- [D] that is consistent with the memorandum of association .

7. Mark out the document that need not be prepared and registered with the registrar of companies in public limited companies.

- [A] statutory declaration
- [B] memorandum of association .
- [C] articles of association .
- [D] directors undertakings to take up and pay for qualification shares

8. The share capital of a company may be reduced by _____.

- [A] an ordinary resolution
- [B] a special resolution
- [C] a resolution of the board of directors
- [D] obtaining permission from the company law board

9. The _____ on equity shares is not cumulative.

- [A] dividend
- [B] profit
- [C] loss
- [D] reserve

10. The _____ constitute the top administrative organ of the company. .

- [A] general manager .
- [B] shareholders.
- [C] board of directors.
- [D] advisory panel.