

CORPORATE LAWS (MCQ TEST)
CHAPTER I – PRELIMINARY

Total Marks: 40 Marks
(40 Questions of 1 mark each)

Maximum Time: 1 hour

1. The Companies Act, 2013 has _____ Sections.
2. There are _____ Regional Directors, one for each region i.e. north, east, west, south, north-east, north-west and south-east.
3. The term ‘Company’ has been defined under Section _____ of the Companies Act, 2013.
4. The case of _____ has clearly established the principle of separate legal entity.
 - (a) Salomon v. Salomon & Co. Ltd.
 - (b) Tulika v. Pary & Co.
 - (c) Badri Prasad v. Nagarmal
 - (d) Board of Trustees v. State of Delhi
5. “Members may come and members may go but the company can go forever”. This characteristic of the company is called as _____.
6. Every company shall have a common seal. This statement is -----
 - (a) True
 - (b) False
 - (c) Partly True
 - (d) Partly False
7. “Right to Freedom” under Article 19 of Constitution of India cannot be claimed by a company. This statement is -----
 - (a) True
 - (b) False
 - (c) Partly True
 - (d) Partly False
8. ‘Body Corporate’ or ‘Corporation’, includes a company incorporated outside India, but does not include the following :
 - (a) A co-operative society registered under any law relating to co-operative societies
 - (b) Any other body corporate, not being a company, which the Central Government may, by notification in the Official Gazette, specify in this behalf
 - (c) Both of the above
 - (d) None of the above

9. Section 464 of the Companies Act provides that not more than _____ persons can combine together for carrying on any business, the object of which is acquisition of gain, unless the association is registered under the Companies Act or is formed under any other Indian Law.
10. When the law disregards the corporate entity and instead pays regard to the individual members behind the legal facade, it is known as _____.
11. A private company, through its Articles, _____ the number of members to 200.
12. An OPC is basically a _____ with some unique features.
13. In the context of "OPC", the term "resident in India" means a person who has stayed in India for a period of not less than _____ during the immediately preceding financial year.
14. A _____ cannot become a member or nominee of the One Person Company.
15. 'Small Company' means a company, other than a public company,—
 - (a) paid-up share capital of which does not exceed two crore rupees
 - (b) turnover of which, as per profit and loss account for the immediately preceding financial year, does not exceed twenty crore rupees
 - (c) Both of the above
 - (d) None of the above.
16. The name of every public company must end with the word 'Limited'. This statement is _____.
17. The provisions of Table F of Schedule I to Companies Act, 2013 applies to 'Private Company Limited by Shares'. This statement is -----
 - (a) True
 - (b) False
 - (c) Partly True
 - (d) Partly False
18. A private company, which is a subsidiary of a public company, shall be deemed to be a _____ for the purposes of Companies Act, 2013
19. An OPC can have five directors. This statement is _____.
20. Non-profit Companies are called as Section _____ Companies.
21. A Section 8 company cannot alter any of the provisions of its memorandum as well as the articles of association except with the previous approval of the _____.
22. Section _____ of the Companies Act, 2013 states the circumstances, any of which must exist to constitute the relationship of holding and subsidiary companies.

23. For the purpose of Section 2(46) of Companies Act, the term 'company' includes any _____.
24. A Non-Banking Financial Company (NBFC) can have three layer subsidiary. This statement is _____.
25. A holding company exercises or controls more than _____ of its subsidiary company.
26. Companies Act, 2013 applies on _____.
27. In the context of Associate Company, the expression "significant influence" means control of at least _____ of the company.
28. A Government Company means a company in which _____ paid-up share capital is held by the Central Government; or by one or more State Government(s); or partly by the Central Government and partly by one or more State Governments.
29. Only companies have 'Separate Legal Entity'. This statement is _____.
30. Every company has Nationality, Domicile or _____.
31. Angel Infrastructure Pvt. Ltd. with a paid up capital of Rs. 45 Lacs and annual turnover of Rs. 175 Lacs, is a wholly-owned subsidiary of Almighty Infrastructure Development Ltd. a listed company. Can Angel Infrastructures be called a small company?
- Yes. The paid up capital and annual turnover of Angel Infrastructure Pvt. Ltd. is not exceeding the limit as specified under the definition of Small company.
 - No. Because Angel Infrastructure Pvt. Ltd. is a wholly owned subsidiary company.
 - No. Because Angel Infrastructure Pvt. Ltd. is not a subsidiary of a listed company.
 - No. Because the paid up capital is Rs. 45 lacs less than prescribed limit of Rs. 50 Lacs but its turnover is exceeding Rs. 100 Lacs.
32. Which of the following statement(s) is/are correct in reference to section 8 company?
- No requirement to use word 'Pvt. Ltd.' or 'Limited' in the name of company.
 - No stamp duty is payable at the time of registration of company.
 - Firm can be member of section 8 Company.
 - All of the above.
33. As per Companies Act, 2013, institution should not be notified as public financial institution unless _____.
- It shall be established by Special Act
 - Not less than 51% is held by State or Central Government
 - Both of the above
 - None of the above

34. One person company shall be formed only as a company limited by shares. This statement is _____.
35. A private company may have one lac debenture-holders. This statement is _____.
36. "Nidhi" means a company which has been incorporated as a Nidhi with the object of cultivating the habit of _____ amongst its members.
37. For the purposes of Section 2(42) of the Companies Act, the term 'electronic mode' means carrying out electronically based, whether main server is installed in India or not, including, but not limited to –
- (a) Business to business and business to computer transactions, data inter-change and other digital supply transactions
 - (b) Online service such as telemarketing, telecommuting, telemedicine, education and information research
 - (c) Both (a) and (b)
 - (d) Neither of (a) or (b)
38. Corporate veil can be lifted _____.
- (a) As per Companies Act
 - (b) As per judgment of Court
 - (c) Both of the above
 - (d) None of the above
39. Company which is created by Special Act of Parliament is known as _____.
- (a) Chartered company
 - (b) Statutory company
 - (c) Special company
 - (d) Government company
40. Section 455 of the Companies Act, 2013 defines the term _____.