

CORPORATE LAWS (MCQ TEST)
CHAPTER II – INCORPORATION OF COMPANY

Total Marks: 50 Marks
(50 Questions of 1 mark each)

Maximum Time: 1 hour

1. The term 'Promoter' has been defined under Section _____ of Companies Act, 2013.
2. A person, who has control over the affairs of a company, whether as a shareholder, director or otherwise, is called as the _____ of the company.
3. A promoter occupies a _____ position in relation to the company he promotes.
4. It is not the profit made by promoters which the law forbids, but the _____ of it.
5. The legal position of promoter with the company is:
 - (a) Agent
 - (b) Trustee
 - (c) Both of the above
 - (d) None of the above
6. An application for reservation of name of a company is made to:
 - (a) Registrar, Central Registration Centre
 - (b) Registrar of Companies
 - (c) Regional Director
 - (d) Central Government
7. The reservation of name, in the case of change of name, is valid for a period of _____ days from the date of approval.
8. It is mandatory to file Form INC-22 at the time of incorporation of a company. This statement is -----
 - (a) True
 - (b) False
 - (c) Partly True
 - (d) Partly False
9. The particulars of First Directors of a proposed company are filed in Form _____.
10. For incorporation of a company, an application shall be filed with the concerned Registrar of Companies in Form _____.
11. The date of registration of a company is the date _____ and not that date on which the signature of the Registrar was written.

12. The validity of the registration of a company cannot be challenged after the issue of certificate of incorporation. This was so decided in the case of:
- (a) Jubilee Cotton Mills v. Lewis
 - (b) Re. English & Colonial Produce Company
 - (c) Moosa v. Ebrahim
 - (d) None of the above.
13. A company having a share capital shall not commence any business or exercise any borrowing powers, unless a declaration is filed by a director, within a period of _____ days of the date of incorporation of the company, in Form No. INC-20A, with the ROC.
14. Every company incorporated on or before the _____ shall file the particulars of the company and its registered office, in e-Form ACTIVE (INC-22A), with the ROC:
- (a) 31st December, 2017
 - (b) 31st December, 2018
 - (c) 31st December, 2019
 - (d) 31st December, 2020
15. Where a company has been incorporated by furnishing any false or incorrect information or by suppressing any material fact or information or by any fraudulent action, the NCLT may pass any one or more of the following orders:
- (a) Pass orders for the regulation of management of the company
 - (b) Direct that the liability of the members shall be unlimited
 - (c) Direct removal of the name of the company from the Register of Companies
 - (d) All of the above.
16. The memorandum of association is a document, which contains the fundamental provisions of the company's _____.
17. Section 4 of the Companies Act, 2013 provides that the memorandum of association of a company should be in respective Forms specified in Tables _____ of Schedule I to the Act, as may be applicable to such company.
18. Only a person _____ i.e., capable of entering into contract on his own can subscribe to the memorandum.
19. As per Section 12, a company shall, _____, have its registered office.
20. The authorised share capital of a company is also known as nominal share capital or _____.
21. A company may alter its 'Subscription & Association Clause' of its Memorandum of Association. The statement is –
- (a) True
 - (b) False

- (c) Partly True
 - (d) Partly False
22. Section 5 of the Companies Act, 2013 provides that the articles of association of a company should be in respective Forms specified in Tables _____ of Schedule I to the Act, as may be applicable to such company.
23. According to Section _____ of the Companies Act, 2013, ‘articles’ means the articles of association of a company as originally framed or as altered from time to time in pursuance of any previous companies law or of this Act.
24. According to Section 5 of the Companies Act, 2013, articles may contain provision for- _____ to the effect that the specified provisions of articles can be altered only if the more restrictive conditions or procedures as compared to those applicable in case of special resolution are met or complied with.
25. Any provision, contained in the memorandum or articles, which is contrary to the provisions of the Act, shall be:
- (a) Valid
 - (b) Void
 - (c) Voidable
 - (d) None of the above
26. The name of the company can be changed by a special resolution and with the written approval of the _____.
27. The application for reservation of name, in the context of change of name, shall be made in the form _____, to the Registrar, Central Registration Centre.
28. A registered trade mark owner has to file an application to the Central Government for rectification of name which is similar to name of its trade mark within _____ of incorporation of company or change of name, as the case may be.
29. Whenever there is a change in the name of accompany because of any reason whatsoever, the new name becomes effective, only after the issue of _____ by the ROC.
30. Notice of every change of the situation of the registered office shall be given, by the company, to the ROC, within 30 days of the change in Form _____.
31. For shifting of registered office of a company form Mumbai to Pune, a company requires shareholders’ approval by way of special resolution and confirmation of Central Government. The statement is -
- (a) True
 - (b) Partly True
 - (c) False
 - (d) Partly False

32. In the case of *Minerva Mills Ltd. v. Government of Maharashtra*, it was decided that a State Government cannot oppose shifting of the registered office of a company from one state to another on the ground that by this change the State would be deprived of its revenue. The statement is -
- (a) True
 - (b) Partly True
 - (c) False
 - (d) Partly False
33. A company may, by passing a _____ in the general meeting, alter the objects of the Company:
- (a) Special Resolution
 - (b) Ordinary Resolution
 - (c) Board Resolution
 - (d) None of the above
34. Section _____ permits a company of any class registered under this Act to convert itself in some other class of company by altering its memorandum and articles of association.
35. Section 61 of the Companies Act, 2013 provides that a limited company having a share capital may, by passing an _____ in a general meeting, alter the capital clause of its memorandum; provided authority to alter is given to it by its articles of association.
36. A company cancelling its shares, which have not been taken up or agreed to be taken up, and diminishing the amount of its share capital by the amount of the shares cancelled, is known as _____.
37. Section 66 of the Companies Act, 2013 provides that a company can reduce its share capital only when the following conditions are fulfilled:
- (a) The company passes a special resolution for reducing share capital.
 - (b) The company also obtains confirmation of the resolution by the NCLT.
 - (c) The company is not in arrears in the repayment of any deposits or the interest payable thereon.
 - (d) All of the above
38. Where articles of a company are altered in such a way that it has the effect of converting a _____, then approval of the Central Government is also required, in addition to special resolution.
- (a) Private Company into a Public Company
 - (b) Private Company into a OPC
 - (c) OPC into a Public Company
 - (d) Public Company into a Private Company
39. The articles of a company cannot be altered in a way providing for _____ of a member.

40. AN OPC shall file application in e-Form No. _____ to the ROC, for its conversion into Private or Public Company, other than under section 8 of the Companies Act, 2013.
41. Section _____ of the Companies Act, 2013 provides that the memorandum and articles shall, when registered, bind the company and the members.
42. A public company may be directly converted into an OPC. This statement is -
 (a) True
 (b) False
 (c) Partly True
 (d) Partly False
43. The articles do not constitute a contract between a company and an outsider. The landmark case in this regard is -
 (a) Rayfield v. Hands
 (b) Wood v. Odessa Waterworks Co.
 (c) Eley v. Positive Life Insurance Co.
 (d) Boreland's Trustee v. Steel Brother and Co. Ltd.
44. The doctrine of _____ was first enunciated by the House of Lords in a classic case, Ashbury Railway Carriage and Iron Co. Ltd. v. Riche.
45. If a company takes an 'ultra vires' loan and uses it to discharge 'intra vires' debts, then the lender on the ultra vires contract is substituted in the position of _____ and can recover the money.
46. Doctrine of Indoor Management is the improvised version of -
 _____.
47. The case of, Royal British Bank v. Turquand, is the landmark case pertaining to -
 _____.
48. Every person holding shares of a company and whose name is entered as _____ in the records of the depository shall be deemed to be member of the concerned company.
49. Section 19 provides that a subsidiary company, in general, cannot become a member of its holding company. The statement is –
 (a) True
 (b) Partly True
 (c) False
 (d) Partly False
50. A partnership firm is not a legal person and so much it cannot, in its own name, become member of a company. However, it can become a member of _____ Company.