

**CORPORATE LAWS (MCQ TEST)**  
**CHAPTER V – ACCEPTANCE OF DEPOSITS BY COMPANIES**

**Total Marks: 25 Marks**  
**(25 Questions of 1 mark each)**

**Maximum Time: 30 Minutes**

1. Section \_\_\_\_\_ of the Companies Act, 2013 regulates the acceptance of deposits by a company from its members.
2. Chapter V of the Companies Act, 2013 regulates the acceptance of deposits by:
  - (a) Housing Finance Companies
  - (b) Non-Banking Financial Companies
  - (c) Non-Banking Non-Financial Companies
  - (d) Banking Companies
3. An Eligible Company may accept the deposits from:
  - (a) Members
  - (b) Public
  - (c) Either (a) or (b)
  - (d) Both (a) and (b)
4. 'Eligible Company' means a \_\_\_\_\_ company, having a net worth of not less than one hundred crore rupees OR a turnover of not less than five hundred crore rupees.
5. The power of the Board of Directors of a company to raise borrowing, in the form of deposits, is an absolute power. The statement is -
  - (a) True
  - (b) False
  - (c) Partly True
  - (d) Partly False
6. Any amount received towards subscription to any securities, including share application money or advance towards allotment of securities pending allotment, is an exempt deposit, provided that securities are allotted within \_\_\_\_\_ days from the date of receipt of money.
7. Any amount raised by issue of \_\_\_\_\_ non-convertible debentures, not constituting a charge on the assets of the company, shall not be treated as deposits.
8. Any amount received in the course of, or for the purposes of, the business of the company, such as an advance for the supply of goods shall not be treated as deposits, provided that goods are supplied within \_\_\_\_\_ days from the date of acceptance of such advance.

9. A company may, for meeting short-term requirements of funds, accept or renew short-term deposits for repayment earlier than 6 months from the date of deposit or renewal; provided that such deposits do not exceed \_\_\_\_\_ of the aggregate of the paid-up share capital, free reserves and securities premium account of the company and such deposits are not repayable earlier than 3 months from the date of acceptance or renewal, as the case may be.
10. Where depositors so desire, deposits may be accepted in joint names, but not exceeding three, with or without any of the clauses, namely, "Jointly", "Either or Survivor", "First named or Survivor", "Anyone or Survivor". The statement is -
- (a) True
  - (b) False
  - (c) Partly True
  - (d) Partly False
11. A Government Eligible Company can accept or renew deposits, together with existing deposits, up to \_\_\_\_\_ of aggregate of its paid-up share capital, free reserves and securities premium account.
12. A company shall not accept/renew deposits at a rate of interest exceeding the maximum rate of interest prescribed by RBI that the \_\_\_\_\_ can pay on their public deposits.
13. The format of Circular/ Circular in the form of advertisement is \_\_\_\_\_.
14. A company shall issue circular or circular in the form of an advertisement inviting deposits only after the expiry of \_\_\_\_\_ days from the date, a copy of the same has been delivered to the Registrar of Companies for registration.
15. As per Companies (Acceptance of Deposits) Rules, 2014, the circular/advertisement shall be valid till expiry of \_\_\_\_\_ months from date of closure of the date of closure of financial year or till financial statement of company is laid before AGM of the company, whichever is earlier.
- (a) Three
  - (b) Six
  - (c) Nine
  - (d) Twelve
16. Every company inviting secured deposits shall, within 30 days from the date of acceptance, provide for security by way of a charge on its assets, by way of either mortgage or \_\_\_\_\_ only.
17. The company shall execute a deposit trust deed in Form **DPT-2** at least \_\_\_\_\_ days before issuing the circular or circular in the form of advertisement.
- (a) Seven
  - (b) Fifteen
  - (c) Thirty
  - (d) Sixty

18. Every depositor may, at any time, nominate any person to whom his deposits shall vest in the event of his death and the provisions of Section \_\_\_\_\_ of Companies Act, 2013 shall, as far as possible, apply to the nomination made by the depositor.
19. Every company shall, on the acceptance or renewal of a deposit, furnish to the depositor or his \_\_\_\_\_ a receipt for the amount received by the company, within a period of twenty one (21) days from the date of receipt of money or realisation of cheque or date of renewal, as the case may be.
20. A company is required to deposit at least 20% of the amount of its deposits maturing during a financial year (i.e., 1<sup>st</sup> April to 31<sup>st</sup> March), and kept in a scheduled bank in a separate bank account to be called as deposit repayment reserve account. This amount is required to be deposited by the \_\_\_\_\_ each year.
- (a) 30<sup>th</sup> of April
  - (b) 31<sup>st</sup> of May
  - (c) 30<sup>th</sup> of June
  - (d) 30<sup>th</sup> of September
21. The Register of Deposits must be preserved in good order for a period of not less than \_\_\_\_\_ calendar years from the financial year in which the latest entry is made in the register.
22. Where the period for which the deposit had run contains any part of year, then if such part is \_\_\_\_\_, it should be reckoned as one year for the purpose of Rule 15.
23. Every company shall file a return of deposits, in Form DPT-3, with the Registrar of Companies on or before \_\_\_\_\_ of every year.
24. A penal rate of interest of \_\_\_\_\_ per annum shall be paid for the overdue period, in case of public deposits, whether secured or unsecured, matured and claimed but remaining unpaid.
25. As per Section 76A of the Companies Act, 2013, in case of contravention of the provisions relating to deposits, every officer of the company who is in default shall be punishable with -
- (a) Imprisonment which may extend to 7 Years
  - (b) Fine which shall not be less than Rs. 25 lacs but which may extend to Rs. 2 crores
  - (c) Both of the above
  - (d) Either (a) or (b)