



**LEGAL VIDHIYA PRESENTS:  
COMPANY LAW AND CORPORATE  
SOCIAL RESPONSIBILITY QUESTIONS  
FROM PREVIOUS AIBE EXAMS**



**LEGAL VIDHIYA**

### AIBE XVIII

1. In which of the following situations a one- person company (OPC) will mandatorily get converted into either private or public company?

- (A) In case the paid-up share capital of an OPC exceeds twenty-five lakh rupees.
- (B) **In case the paid-up share capital of an OPC exceeds fifty lakh rupees.**
- (C) In case the paid-up share capital of an OPC exceeds seventy-five lakh rupees.
- (D) In case the paid-up share capital of an OPC exceeds one crore rupees.

2. What is the minimum number of directors required for a public company as per the Companies Act, 2013?

- (A) 2
- (B) **3**
- (C) 5
- (D) 7

### AIBE XVII

1. "Doctrine of lifting of or piercing the corporate veil" is associated with

- (A) Labour Law
- (B) **Company Law**
- (C) Banking Law
- (D) Service Law

2. ABC Private Limited Company chooses to convert itself into a Public Company. It can do so by altering its Memorandum of Association and Articles of Association and by passing

- (A) Ordinary Resolution
- (B) **Special Resolution**
- (C) Board Resolution
- (D) None of these

### AIBE XVI

1. Section 8 of the companies act, 2013 contains provision relating to:

- (A) incorporation of company
- (B) **formation of companies with charitable objects, etc**
- (C) effect of registration
- (D) Effect of memorandum and articles.

2. The verification of the registered office shall be furnished to the registrar within a period of incorporation

- (A) **30 days**
- (B) 60 days
- (C) 90 days
- (D) 120 days

### AIBE XV

1. Minimum number of Directors in a Public company

- (A) 3
- (B) 10
- (C) 12
- (D) 5

2. An associate company, in relation to another company, means

(A) a company in which that other company has a significant influence, but which is a subsidiary company of the company having such influence and includes a joint venture company

**(B) a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company**

(C) a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and does not include a joint venture company

(D) a company in which that other company has full shares, and is a subsidiary company of the company having such influence and includes a joint venture company

#### AIBE XIV

1. Which Court or Authority has the power to punish any person for contempt of the National Company Law Tribunal?

- (A) Supreme Court
- (B) High Court
- (C) National Company Law Appellate Tribunal
- (D) National Company Law Tribunal**

2. It deals with the Internal Management and Affairs of Company.

- (A) Prospectus
- (B) Article of Association**
- (C) Memorandum of Association
- (D) Debenture

#### AIBE XIII

1. A Prospectus which does not include complete particulars of the quantum or price of the securities included therein is known as:

- (A) Shelf Prospectus
- (B) Memorandum
- (C) Red Herring Prospectus**
- (D) Issuing house

2. When there is no profit in one year or the profit of a company is not enough to pay the fixed dividend on preference shares, the arrears of dividend are to be carried forward and paid before a dividend is paid on the ordinary shares. This is called:

- (A) Participating preference shares
- (B) Cumulative preference shares**
- (C) Non-cumulative preference shares
- (D) Non-Participating preference shares

#### AIBE XII

1. Under the Companies Act every person subscribing to the Memorandum of the

company must take at least

- (A) 100 Shares
- (B) 20 Shares
- (C) 10 Shares
- (D) **1 Share**

2. Articles of a company can be altered by

- (A) The directors of the company
- (B) The official of the company
- (C) Shareholders by passing an ordinary resolution
- (D) **Shareholders by passing a special resolution**

#### **AIBE XI**

1. The Minimum number of persons required to incorporate a Public Company is

- (A) 5
- (B) 10
- (C) **7**
- (D) 2

2. A Private Company can commence business as soon as it receives

- (A) **Certificate of Incorporation**
- (B) Letter of Intent
- (C) Occupation Certificate
- (D) None of the above

#### **AIBE X**

1. Minimum number of members required to apply for incorporation certificate in a Public Ltd Company is

- (A) **7**
- (B) 3
- (C) 2
- (D) 50

2. 'A' does not fall under the clause of Memorandum of Association. 'A' here is

- (A) Subscription
- (B) **Director**
- (C) Capital
- (D) Situation

#### **AIBE IX**

1. The Serious Fraud Investigation office

- (A) Takes cases suo motto
- (B) Takes up cases for investigation on the basis of application made by the people concerned
- (C) **Takes up cases for investigations referred to it by Central Government**
- (D) All of the above

2. Which of the following actions can be taken by a Registrar under Section 4(5) of the Companies Act 2013.

- (A) He can direct the company to change its nature within a period of 6 months after passing an ordinary resolution
- (B) **Take action for striking off the name of the Company from the register**

## of Companies

(C) Order winding up of the Company on his own accord

(D) All of these

3. Who among the following is authorised to issue regulations regarding shelf prospectus

(A) **SEBI**

(B) Central Government

(C) Company Law Board

(D) National Company Law Tribunal

4. Which of the following services cannot be provided by the Company by an auditor appointed under the provisions of the Companies Act, 2013

(A) Internal Audit

(B) Actuarial services

(C) Managerial Services

(D) **All of these**

## AIBE VIII

1. The Companies Act of 1956 accords recognition only to accounting standards whereas under Section 2(7) of the Companies Act of 2013 the recognition is accorded to both accounting & \_\_\_\_\_ standards

(A) Financing

(B) **Auditing**

(C) Business

(D) Responsibility

2. \_\_\_\_\_ of the Companies Act 2013 requires disclosure in the prospectus of names and addresses of CFO about sources of promoters, contribution among other things

(A) Section 36

(B) Section 37

(C) **Section 26**

(D) Section 38

3. Section 253 of the Companies Act 2013 deals with

(A) **Determination of sickness**

(B) Liability of Directors

(C) Promoters

(D) Memorandum

4. Companies Act 2013 allows the formation of

(A) Two persons company only

(B) Seven Persons company only

(C) Two or more persons company only

(D) **One person company also**

## AIBE VII

1. The 2013 Companies Act has increased the limit of the number of members in Private Company from 50 to

(A) 100

(B) **200**

(C) 300

(D) 150

2. The Standards of Auditing have been accorded legal sanctity in the 2013 act and would be subject to notification by the

- (A) **NFRA**
- (B) NRFA
- (C) NARF
- (D) SEBI

3. SFIO Stands for

- (A) **Serious Fraud Investigation office**
- (B) Serious Force Institution office
- (C) Serious Form Investigation Office
- (D) Serious File Investigation office

4. Which provision of the Companies Act 2013 discuss about the issue of bonus share out of its free reserves or the securities premium account or the capital redemption reserve account, subject to the compliance with certain conditions such as authorization by the articles, approval in the general meeting

- (A) Section 36
- (B) Section 43
- (C) **Section 63**
- (D) Section 33

#### **AIBE VI**

1. Which of following is a ground recognized under the Companies Act for automatic adjournment of the General

Meeting?

- (A) Absence of Chairman of the meeting
- (B) **Quorum of the meeting is not present**
- (C) Meeting is held at a place different from what was prescribed in the notice
- (D) Death of any of the directors prior to the meeting

2. Which of the following meetings can be called by members

- (A) **Extra-ordinary General Meeting**
- (B) Annual General Meeting
- (C) Statutory Meeting
- (D) Special Meeting

3. Which of the following powers can be exercised by the Board of Directors without holding a meeting

- (A) Power to issue debentures
- (B) Power to invest funds of the company
- (C) Power to make loans
- (D) **Power to appoint of additional director**

4. Which of following is not a ground for compulsory winding up of a company

- (A) Oppression of minority
- (B) Loss of substratum
- (C) **Non-holding of annual general meeting**

(D) Losses to the Company

### AIBE V

1. Trading activities of a company were stopped temporarily in view of the trade depression with an intention to continue the same when the conditions improve. A petition was preferred into the tribunal for winding up of the Company. The petition

(A) **Is liable to be dismissed**

(B) Will succeed

(C) Will be kept pending till the conditions improve

(D) Will not be admitted

2. Amalgamation of Companies in National Interest is dealt under:

(A) Section 388 of the Companies Act

(B) Section 378 of the Companies Act

(C) **Section 396 of the Companies Act**

(D) Section 390 of the Companies Act

3. Under Section 171 of the Companies Act, a general meeting of a company may be called by giving a notice in writing for not less than

(A) **21 days**

(B) 30 days

(C) 40 days

(D) 14 days

4. A private limited company limits the number of members to

(A) 30

(B) **50**

(C) 40

(D) 150

### AIBE IV

1. Upon failure to hold Statutory Meeting, the penalty for the defaulting Company shall be

(A) Rs.500 per day of default

(B) Wound Up

(C) Rs.1000 per day of default

(D) **None of these**

2. Free Transferability of Share is mandatory in a

(A) Listed Company

(B) Company Ltd by Shares

(C) **Public Ltd. Company**

(D) Foreign Company

3. The Memorandum of Association of a listed company shall be as per

(A) Table A

(B) **Table B**

(C) Table C

(D) Table D



4. Which of the following clause from Memorandum of Association cannot be amended?

- (A) Objects clause
- (B) Liability Clause**
- (C) Association Clause
- (D) Registered office clause

## CORPORATE SOCIAL RESPONSIBILITY

### AIBE IX

1. Which of the following companies will have to constitute corporate social responsibility committee under the companies Act 2013.

- (A) A company having a net profit of 2.5 crores in a financial year, a net worth of 300 crores and a turnover of rupees 800 crore.
- (B) A company having a net profit of 3 crores in a financial year, a net worth of 300 crores and a turnover of rupees 600 crore.
- (C) A company having a net profit of 5 crores in a financial year, a net worth of 500 crores and a turnover of rupees 1000 crore or more**
- (D) A company having a net profit of 5 crores in a financial year, a net worth of 500 crores and a turnover of rupees 5000 crore or more

2. How is the net worth of a foreign company

calculated for the purpose of corporate social responsibility?

- (A) The net worth will be calculated as per section 198 of Companies Act 2013
- (B) It shall be calculated as per section 197 of the Companies Act 2013
- (C) It shall be calculated as per Section 197 and section 381 of the Companies Act 2013
- (D) It shall be calculated as per Section 198 and Section 381 of Companies Act 2013**

### AIBE VIII

1. Provisions regarding Corporate Social Responsibility are incorporated in the Companies Act 2013 under:

- (A)Section 101
- (B)Section 111
- (C)Section 135**
- (D)Section 235

2. What is Corporate Social Responsibility among the following?

- (A)Employee benefits
- (B)Project based protection of national heritage**
- (C)Programs undertaken outside India
- (D)Mere donations

### AIBE VII



1. Under the Companies Act 2013, any company having a net worth of rupees 500 crores or more or a turnover of rupees 1000 crore or more or a net profit of rupees 5 crore or more should mandatorily spend \_\_\_ of their net profits per fiscal on Corporate Social Responsibility activities

- (A) 3%
- (B) 5%
- (C) 10%
- (D) **2%**

2. The \_\_\_\_\_ Guidelines constitute one of the most comprehensive CSR tools available to companies

- (A) **OECD**
- (B) OACF
- (C) OECG
- (D) ASEAN

