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Corporate Laws and Compliance MCQ – In this Article you will find Corporate Laws and Compliance MCQ for your CMA Finals.

1. The shall recommend to the Board, the name of an individual auditor or of an audit firm who may replace the incumbent auditor on expiry of the term of such incumbent.

(A) Audit Committee

(B) Managing Director

(C) Nomination Committee

(D) Whole time Director

2. Under Companies Act 2013, the Company may be wound up by and Voluntary winding up.

(A) Debt Recovery Tribunal

(B) National Company Law Tribunal

(C) Court

(D) Corporate creditor

3. Inspectors report under section 223 of Companies Act, 2013 shall be authenticated by

(A) the seal, if any, of the company whose affairs have been investigated

(B) a certificate of a public officer having the custody of the report

(C) Option (A) or (B)

(D) Option (A) and (B)

4. “Temporary loans” means loans repayable on

(A) demand or within six months

(B) demand or within three months

(C) within one year

(D) none of the above

5. The books containing the minutes of the proceedings of any general meeting of a company shall be kept at

(A) Head Office

(B)Central Office

(C)Registered office

(D)Where the meeting was held

6. Sub section (2) of section 173 allows directors to attend Board meetings:

(A)in person

(B)through video conferencing

(C)other audio visual

(D)any of the above

7. A company may make payment to a managing or whole-time director or manager, but not to , by way of compensation for loss of office, or as consideration for retirement from office or in connection with such loss or retirement.

(A)Any other Director

(B)Independent Director

(C)Interested Director

(D)Employees

8. means a person to whom an operational debt is owed and includes any person to whom such debt has been legally assigned or transferred.

(A)Operational Debtor

(B)Operational Creditor

(C)Debtor

(D)Creditor

9. Dispute includes a suit or arbitration proceedings relating to

(A)the existence of the amount of debt

(B)the quality of goods or service

(C)the breach of a representation or warranty

(D)All of the above

10. Moratorium shall not apply to such transactions as may be notified by the Central Government in consultation with

(A)any financial sector regulator

- (B)Operational Debtor
- (C)Operational Creditor
- (D)Board of Directors

11. Which of the following are not a types of listing of securities

- (A)Initial Listing
- (B)Listing for Public Issue
- (C)Listing for Sweat equity shares**
- (D)Listing for Merger and amalgamation

12. The Chairperson and other Members shall not, for a period of from the date on which they cease to hold office, accept any employment in, or be connected with the management or administration of, any enterprise which has been a party to a proceeding before the Commission.

- (A)three years
- (B)two years**
- (C)one year
- (D)six months

13. Means a transaction which alters the assets or liabilities, including contingent liabilities, outside India of persons resident in India or assets or liabilities in India.

- (A)capital account transaction**
- (B)current account transaction
- (C)balance of trade transaction
- (D)none of the above

14. Functions of Insurance Regulatory and Development Authority does not include

- (A)Nomination by Policyholders
- (B)Practical training for Insurance agents and other intermediaries
- (C)Promoting insurance business**
- (D)Surrender value of Policyholders

15. Key themes relating to business and society emerge out of the Initiatives concerning

- (A) obligations relating to Corporate Social Responsibility (CSR)
- (B) recognition of stakeholders interests in corporate governance
- (C) either (A) or (B)
- (D) Both (A) and (B)**

16. High Power Committee does not consist of which of the following members

- (A) Cabinet Secretary
- (B) Finance Secretary
- (C) Vice-President, Government of India**
- (D) Chief Economic Adviser

17. Every Company shall hold the first Board meeting within

- (A) 3 months of its incorporation
- (B) 30 days of its incorporation**
- (C) 15 days of its incorporation
- (D) 4 months of its incorporation

18. Every Nidhi shall maintain members not less than

- (A) 500
- (B) 200**
- (C) 100
- (D) 50

19. Unless the Articles require a larger number of members, Quorum of a General Meeting of a Producer Company shall be

- (A) 5 members
- (B) one-third of total membership
- (C) one-fourth of total membership**
- (D) half of total membership

20. Original Books and paper which were seized during Search & Seizure u/s 209 of the Companies Act, 2013 shall be returned by the Registrar or Inspector to the Company from whom such documents are seized as soon as possible but not later than

- (A) 180 days after such seizure**

- (B)90 days after such seizure
- (C)360 days after such seizure
- (D)30 days after such seizure

21. Sec 233 of the Companies Act, 2013 prescribed simplified procedures for merger or amalgamation of two or more small company & small company means a company whose paid up capital does not exceed

- (A) ₹10,00,000
- (B) ₹25,00,000
- (C) ₹50,00,000**
- (D) ₹100,00,000

22. On the determination of sickness of a company by the Tribunal, the applicant shall make an application accompanied with Audited Financial Statements etc. for revival or rehabilitation within

- (A)30 days of determination of sickness
- (B)60 days of determination of sickness**
- (C)120 days of determination of sickness
- (D)180 days of determination of sickness

23. Companies Act, 2013 contemplated Penalties which are of

- (A)10 types
- (B)5 types**
- (C)7 types
- (D)3 types

24. Any person aggrieved by any order of Appellate Tribunal, may file an appeal to the Hon'ble Supreme Court within days, from the date of receipt of the order of Appellate Tribunal.

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



Corporate Laws and Compliance MCQ with Answers

25. Unfair competition under the Competition Act, 2002 means adoption of practices viz.
- (A) collusive price fixing
 - (B) allocation of markets
 - (C) discriminatory pricing

(D)All of the above

26. The power of appointing additional director can be exercised by the

(A)Annual General Meeting

(B)Board Meeting

(C)Statutory Meeting

(D)None of the above

27. A company has 9 Directors, on 01-01-2016. The office of 2 Directors have fallen vacant on 02-01-2016. The quorum required for conducting a Board meeting is

(A)4

(B)3

(C)2

(D)5

28. Power to recognize Stock Exchange vests with

(A)Central Government

(B)State Government

(C)SEBI

(D)Supreme Court

29. A Government department supplying water for irrigation to the agriculturists after levying charges for water supplied can be considered as

(A)Firms

(B)Enterprise

(C)Joint venture

(D)Joint sector

30. The Apples producers of Shimla have formed an association to control the production of apples. This association is called as

(A)Pool

(B)Cartel

(C)Merger

(D)Combination

31. Every Banking Company incorporated in India shall prepare a balance sheet and profit and loss account as on the last working day of the
- (A) Calendar Year
 - (B) Accounting Year**
 - (C) Month
 - (D) None of the above
32. A memorandum containing such salient features of a prospectus as may be specified by the Securities and Exchange Board by making regulation in this behalf is known as
- (A) Red Herring Prospectus
 - (B) Abridged Prospectus**
 - (C) Shelf Prospectus
 - (D) Deemed Prospectus
33. The Chairman of the Insurance Regulatory and Development Authority shall hold office for a term of from the date on which he enters upon his office and should be eligible for reappointment.
- (A) 3 years
 - (B) 4 years
 - (C) 5 years**
 - (D) 6 years
34. Corporate Governance is a blend of the Internal and External Corporate Governance
- (A) Techniques
 - (B) Mechanisms**
 - (C) Systems
 - (D) Methods
35. Which of the following is the advantage of the family business over non-family business?
- (A) Staff recruitment
 - (B) Raising funds for growth
 - (C) Ownership vs. Management
 - (D) Deep industry insight**

36. Matters not to be dealt with in a meeting through video conferencing or other audio-visual means:

- (A) The approval of annual financial statements
- (B) The approval of the Board's report
- (C) The approval of the prospectus
- (D) All the above**

37. Cost Records are to be maintained as per Companies Act, 2013:

- (A) U/s 146(1)
- (B) U/s 147(1)
- (C) U/s 148(1)**
- (D) None of the above

38. Types of penalties have been contemplated under the Companies Act, 2013 are of:

- (A) Three types
- (B) Four types
- (C) Five types**
- (D) Six types

39. Minimum Paid-up equity capital for any Health Insurance company to register in India is:

- (A) ₹100 Crore**
- (B) ₹200 Crore
- (C) ₹300 Crore
- (D) ₹500 Crore

40. Strategy to tackle black money under The Prevention of Money Laundering Act, 2002:

- (A) Preventing generation of black money
- (B) Effective detection, investigation & adjudication of black money
- (C) Both the above**
- (D) None of the above

41. SEBI specified Listing pursuant to public issue as:

- (A) Minimum application size ₹1 million
- (B) Number of allottees shall be more than 200

(C)Both the above

(D)None of the above

42. Filing a copy of winding up petition made with the registrar is to be made mandatorily within

(A)15 day's

(B)30 day's

(C)45 day's

(D)60 day's

43. The Central Govt. may remove from office of the President, Chairperson or any other Member of the National Company Law Tribunal (NCLT) who:

(A)Has been adjudged an insolvent

(B)Has been convicted as an offence and which involves moral turpitude

(C)Has become physically or mentally incapable to act on the same position

(D)All the above

44. Export under Foreign Exchange Management Act, 1999 means:

(A)the taking out of India to a place outside India any goods

(B)provision of services from India to any person outside India

(C)both the above

(D)none of the above

45. Every listed Public Company shall have 'Independent Directors' of at least

(A)1/3 rd of the total number of Directors

(B)2/3 rd of the total number of Directors

(C)1/4 th of the total number of Directors

(D)2/4 th of the total number of Directors

46. Export under Foreign Exchange Management Act, 1999 means:

(A)the taking out of India to a place outside India any goods

(B)provision of services from India to any person outside India

(C)both the above

(D)none of the above

47. The Insolvency and Bankruptcy Code, 2016, does not cover

- (A) Financial Institutions
- (B) Insurance Company
- (C) Mutual Funds & Pension Funds
- (D) None of the above**
- (E) All the above

48. The Companies Act, 2013 specified 'Small Shareholder' as a shareholder holding shares of nominal value of not more than:

- (A) ₹15,000
- (B) ₹20,000**
- (C) ₹25,000
- (D) ₹30,000

49. 'Small Company' means a Company of which:

- (A) Paid -up-share capital is ₹50 Lakhs to ₹5 Crores
- (B) Turnover is ₹2 Crores to ₹20 Crores
- (C) None of the above
- (D) Both the above**

50. Any allotment of securities made on the basis of Prospectus should be void if permission of listing is not granted by the Stock Exchange before expiry of

- (A) 12 weeks from the closure of the issue
- (B) 10 weeks from the closure of the issue**
- (C) 8 weeks from the closure of the issue
- (D) 30 days from the closure of the issue

51. According to The Insolvency and Bankruptcy Code, 2016, corporate insolvency resolution process shall be completed within a period of:

- (A) 365 days from the date of admission of the application to initiate such process
- (B) 270 days from the date of admission of the application to initiate such process
- (C) 180 days from the date of admission of the application to initiate such process**
- (D) 90 days from the date of admission of the application to initiate such process

52. As per SEBI (ICDR) Regulations, 2009 in case of Initial Public Offer /IPO, the minimum Promoters' contribution should not be:

(A) less than 15% of the post issue capital

(B) less than 20% of the post issue capital

(C) less than 25% of the post issue capital

(D) less than 30% of the post issue capital

53. Every Nidhi shall maintain Net Owned Funds (excluding the proceeds of any preference share capital) of not less than

(A) ₹10,00,000

(B) ₹15,00,000

(C) ₹20,00,000

(D) ₹25,00,000

54. Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 provides that companies shall appoint at least one woman director:

(A) Where paid-up share capital is at least ₹100 crore

(B) Turnover of the company is at least ₹300 crore

(C) Both the above

(D) None of the above

55. As per The Securities Exchange Board of India Act, 1992 Revised Clause 49 (VI) is applicable to:

(A) Top 100 companies by market capitalisation

(B) Top 200 companies by market capitalisation

(C) Only (A) above

(D) Only (B) above

56. No banking company shall create any charge upon its

(A) Paid up Capital

(B) Unpaid Capital

(C) Paid up and unpaid capital

(D) None of these



57. Authorised person under the Foreign Exchange management Act means

(A) An authorized dealer

(B) Money Changer

(C) Both of (A) and (B)

(D) None of these

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