

SWAPNIL PATNI'S CLASSES

CA INTERMEDIATE – CORPORATE and OTHER LAWS

1. Section 2 (20) provides for the definition of _____
(a) Company (b) CA
(c)CS (d) Cost Accountant
2. Private company is defined under which section?
(a) Section 2 (71) (b) Section 2 (68)
(c) Section 2 (70) (d) Section 2 (69)
3. In case of Company Limited by Guarantee, the liability of subscriber to MOA arises in the event of _____
(a) Merger (b) Demerger
(c) Reconstruction (d) Winding Up
4. Member may come & member may go but company continues forever. This Principal is called _____
(a) Separate Legal Entity (b) Body Corporate
(c) Corporation Soul (d) Perpetual Succession
5. The official signatures of the company are called _____
(a) Company Seal (b) Official Seal
(c) Corporate Seal (d) Common Seal
6. An association will be considered illegal if it has more than _____ persons.
(a) 50 (b) 100
(c) 200 (d) None of the above
7. Subsidiary company means a company in which holding company controls more than one half of the total _____
(a) Equity share capital (b) Total share capital
(c) Voting power (d) None of the above
8. The limit of 50 persons u/s 464 read with rule is not applicable to _____
(i)HUF
(ii)Association of CA
(iii)Association of CS
(iv)Association of Cost Accountants
(a) I (b) I+II
(c) I+II+III (d) I+II+III+IV

9. The maximum number of members in Private Company not to exceed____
- (a) 10 (b) 50
(c) 100 (d) 200
10. OPC is a company with
- (a) One Member (b) One Director
(c) One Officer (d) One Business
11. Consent of nominee under OPC shall be taken in form_____
- (a) INC-1 (b) INC-2
(c) INC-3 (d) INC-4
12. Section 2 (85) states about
- (a) Private company (b) Small company
(c) Public company (d) Subsidiary company
13. The paid up share capital of a small company shall not exceed ₹ _____
- (a) 10 lakh (b) 25 lakh
(c) 50 lakh (d) 5 crore
14. The term promoter is defined under Section_____ of Companies Act, 2013.
- (a) Section 2(69) (b) Section 2(70) (c) Section 2(88) (d) Section 2(89)
15. Which of the following statement is true about Promoter of the Company?
- (a) The term promoter is defined under section 2(68)
(b) Promoter is the agent of company
(c) Promoter is the agent of company
(d) Promoter stands in fiduciary relationship with the company.
16. Angel Infrastructures 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?
- (a) 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.
(b) No. Because Angel Infrastructure Pvt. Ltd. is a wholly owned subsidiary company.
(c) No. Because Angel Infrastructure Pvt. Ltd. is not a subsidiary of a listed company.
(d) 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.
17. Rukmani, a fresh science graduate, wants to make available the farmers good quality seeds and manure. For her business she is contemplating to form a company and is weighing various options. Sometimes before, she came to know that a 'one person company' has minimum one

member and one director whereas a private company has minimum two members and two directors. As regards a public company, she has vague idea that there should be minimum three directors but she does not know about the minimum members required in this case. Advise.

- (a) When there is requirement of minimum three directors, the public company can be formed by minimum three persons.
- (b) There should be minimum five persons for formation of a public company though requirement of minimum directors shall remain three.
- (c) There should be minimum seven persons for formation of a public company though requirement of minimum directors shall remain three.
- (d) There should be minimum nine persons for formation of a public company though requirement of minimum directors shall remain three.

18. Ruchir Marcons Ltd. which provides marketing and consultancy services is keen to have a 'significant influence' in Ruchika Marketing Ltd. so that it becomes its 'associate company'. For having 'significant influence' Ruchir Marcons Ltd. needs to control certain percentage of total voting power of Ruchika Marketing Ltd. What is that?

- (a) For creating 'significant influence' Ruchir Marcons Ltd. must control at least five per cent of total voting power of Ruchika Marketing Ltd.
- (b) For creating 'significant influence' Ruchir Marcons Ltd. must control at least ten per cent of total voting power of Ruchika Marketing Ltd.
- (c) For creating 'significant influence' Ruchir Marcons Ltd. must control at least fifteen per cent of total voting power of Ruchika Marketing Ltd.
- (d) For creating 'significant influence' Ruchir Marcons Ltd. must control at least twenty per cent of total voting power of Ruchika Marketing Ltd.

19. Ravi is the owner of a grocery store. In March 2018, he got the idea of forming a 'One Person Company' and convinced his sister Ruchika, an Indian citizen who resides in London but visits India from time to time, to become nominee in his OPC. In the year 2018-19, Ruchika first came to India on 10th April and left for London on 26th May. Thereafter, she again visited India on 7th Sept and remained here till 10th January 19 and boarded an evening flight for London on the same day. But on 2nd April 2019 she came to India for a short duration and left for London on 14th May, 2019. Is it possible for Ravi to appoint Ruchika as nominee?

- a. Ruchika can be appointed as nominee by Ravi because she is a natural person, an Indian citizen and resided in India for more than 90 days during the year 2018-19.
- b. Ruchika can be appointed as nominee by Ravi because she is a natural person, an Indian citizen and resided in India for more than 182 days during the years 2018-19.
- c. Ravi cannot appoint Ruchika as nominee in his OPC because she did not reside in India for 182 days or more during the year 2018-19 though she is a natural person and also an Indian citizen.
- d. Since Ravi is the sole member of his OPC who will look after all its affairs and the appointment of nominee is just a formality, a visit to India during 2018-19 for any number of days would make Ruchika eligible to be appointed as nominee.

20. State whether ABC Private Ltd has fulfilled all the conditions relating to a Private Company -
- i) Its AOA stipulate that in case of transfer of Shares by any existing Member, it shall first be offered to another existing Member.
 - ii) Total Number of Members is 209, including 6 present employees & 5 past employees who continue to hold Shares in the Company.
 - iii) Its Articles of Association prohibit invitation to the public to subscribe for any Shares in or Debentures of, the Company
- (a) Yes, ABC Private Limited is a private company as it has fulfilled all the conditions
 - (b) No, ABC Private Company will be deemed to be a public Company as it has exceed the maximum limit on the number of members.
 - (c) Yes, ABC Private Limited is a Private company as we require to fulfil any one condition.
 - (d) None of the above