

1. A company has

- (A) Separate Legal Entity
- (B) Perpetual Existence
- (C) Limited Liability
- (D) All of the Above

2. Shareholders are :

- (A) Customers of the Company
- (B) Owners of the Company
- (C) Creditors of the Company
- (D) None of these

3. Who are the real owners of a company?

- (A) Government
- (B) Board of Directors
- (C) Equity shareholders
- (D) Debenture holders

4. A Company is created by :

- (A) Special act of the Parliament
- (B) Companies Act
- (C) Investors
- (D) Members

5. An artificial person created by Law is called :

- (A) Sole Trader ship
- (B) Partnership Firm
- (C) Company
- (D) All of the Above

6. The liability of members in a Company is :

- (A) Limited

- (B) Unlimited
- (C) Stable
- (D) Fluctuating

7. Liability of a shareholder is limited to of the shares allotted to him :

- (A) Paid up Value
- (B) Called up value
- (C) Face value
- (D) Reserve Price

8. Maximum number of members in a private company is :

- (A) 7
- (B) 200
- (C) 20
- (D) No Limit

9. Capital of a Company is divided in units which is called :

- (A) Debenture
- (B) Share
- (C) Stock
- (D) Bond

10. Shareholders receive from the company :

- (A) Interest
- (B) Commission
- (C) Profit
- (D) Dividend

11. Equity shares cannot be issued for the purpose of:

- (A) Cash Receipts
- (B) Purchase of assets
- (C) Redemption of debentures
- (D) Distribution of dividend

12. A Company may issue

- (A) Equity Shares
- (B) Preference Shares
- (C) Equity and Preference both shares
- (D) None of the Above

13. A company cannot issue :

- (A) Redeemable Equity Shares
- (B) Redeemable Preference Shares
- (C) Redeemable Debentures
- (D) Fully Convertible Debentures

14. To whom dividend is given at a fixed rate in a company?

- (A) To equity shareholders
- (B) To preference shareholders
- (C) To debenture holders
- (D) To promoters

15. Preference shareholders have

- (A) Preferential right as to dividend only
- (B) Preferential right in the management
- (C) Preferential right as to repayment of capital at the time of liquidation of the company

(D) Preferential right as to dividend and repayment of capital at the time of liquidation of the Company

16. The shares on which there is no any pre-fixed rate of dividend is decided, but the rate of dividend is fluctuating every year according to the availability of profits, such share are called :

- (A) Equity Share
- (B) Non-cumulative preference share
- (C) Non-convertible preference share
- (D) Non-guaranteed preference share

17. Preference shares, in case the holders of these have a right to convert their preference shares into equity shares at their option according to the terms of issue, such shares are called :

- (A) Cumulative Preference Share
- (B) Non-cumulative Preference Share
- (C) Convertible Preference Share
- (D) Non-convertible Preference Share

18. A preference share which does not carry the right of sharing in surplus profits is called

- (A) Non-Cumulative Preference Share
- (B) Non-participating Preference Share
- (C) Irredeemable Preference Share
- (D) Non-convertible Preference Share

19. Which shareholders have a right to receive the arrears of dividend from future profits :

- (A) Redeemable Preference Shares
- (B) Participating Preference Shares
- (C) Cumulative Preference Shares
- (D) Non-Cumulative Preference Shares

20. Which shareholders are returned their capital after some specified time :

- (A) Redeemable Preference Shares
- (B) Irredeemable Preference Shares
- (C) Cumulative Preference Shares
- (D) Participating Preference Shares

1. Share Application Account is in the nature of:

- (A) Real Account
- (B) Personal Account
- (C) Nominal Account
- (D) None of the above

2. As per SEBI Guidelines, Application money should not be less than of the issue price of each share.

- (A) 10%
- (B) 15%
- (C) 25%
- (D) 50%

3. If vendors are issued fully paid shares of ₹1,25,000 in consideration of net assets of ₹1,50,000, the balance of ₹25,000 will be credited to :

- (A) Statement of Profit & Loss
- (B) Goodwill Account
- (C) Security Premium Reserve Account
- (D) Capital Reserve Account

4. Issue of shares at a price higher than its face value is called :

- (A) Issue at a Profit
- (B) Issue at a Premium
- (C) Issue at a Discount
- (D) Issue at a Loss

5. On issue of shares Premium is :

- (A) Profit
- (B) Income
- (C) Revenue Receipt
- (D) Capital Profit

6. Which of the following is not a capital profit?

- (A) Profit prior to incorporation of the company
- (B) Profit from the sale of fixed assets
- (C) Premium on issue of shares
- (D) Compensation received on the termination of a contract

7. Maximum limit of Premium on shares is:

- (A) 5%
- (B) 10%
- (C) No Limit
- (D) 100%

8. When a company issues shares at a premium, the amount of premium should be received by the company :

- (A) Along with application money
- (B) Along with allotment money
- (C) Along with calls
- (D) Along with any of the above

9. Premium on the issue of shares should be shown :

- (A) On the Assets side of balance sheet
- (B) On the Equity & Liabilities side of balance sheet
- (C) In profit & loss Statement
- (D) None of the Above

10. For what purpose securities premium reserve account cannot be utilized?

- (A) Amortization of preliminary expenses
- (B) Distribution of dividend
- (C) Issue of fully paid bonus shares
- (D) Buy Back of own shares

11. Amount of Calls in Arrears is shown in the Balance Sheet

- (A) as deduction from issued capital
- (B) as deduction from subscribed capital
- (C) as addition to subscribed capital
- (D) on the assets side