

Competitive Exams: Commerce MCQs (Practice-Test 80 of 99)

1. Which of the following statements are correct?
 - a. A minor is not competent to become a member of a company.
 - b. A firm cannot be treated as a member of a company.
 - c. A foreigner may become a member of a company.
 - d. A partnership firm cannot hold shares in a company in the individual names of partners as joint holders.
 - i. 1 and 2
 - ii. 2, 3 and 4
 - iii. 1, 3 and 4
 - iv. 1, 2 and 3

2. In the case of a company making a public issue, 'Minimum Subscription' must provide for which of the following?
 - a. Investments to be made
 - b. Preliminary expenses
 - c. Repayment of money borrowed for preliminary expenses
 - d. Working capital
 - e. Any other expenditure if it is specifically stated
 - i. 1, 2, 3, 4 and 5
 - ii. 1, 3 and 5
 - iii. 1, 2 and 4
 - iv. 2, 3, 4 and 5

3. Those preference shares which do not enjoy the right to share additional profits come under the category of
 - a. irredeemable preference shares

- b. participating preference shares
 - c. non-cumulative preference shares
 - d. non-participating preference shares
4. Clauses in the Articles of Association can be altered by
- a. a special resolution of the board of Directors
 - b. an ordinary resolution in the general meeting
 - c. a special resolution in the general meeting
 - d. obtaining permission from the Central Government
5. Under the Companies Act, 1956, the 'financial year' of a company
- a. must be exactly 12 months
 - b. must not be less than 12 months
 - c. may be more or less than a calendar year, but it shall not exceed 15 months
 - d. may be more or less than a calendar year, but it shall not exceed 20 months
6. 'Doctrine of Constructive Notice' is the notice
- a. of alteration of 'Objects' clause to the Registrar of Companies
 - b. of change of name to the members of the company
 - c. to the public as to the issue of prospectus
 - d. to outsiders dealing with the company as to the contents of the Memorandum and Articles of Association
7. A 'blue chip' security is one which
- a. given assured high returns
 - b. almost every investor is willing to buy
 - c. offers the highest liquidity and sells always much above par
 - d. is issued by the reputed and profit making companies
8. Under the guidelines of SEBI, pricing of first capital issues should be on par value only in the case of
- a. an existing company with no past reserves

- b. a private company converting into a public company
- c. a new company promoted by an existing company
- d. a new company with no connections with other companies

9. Match List I (Activity) with List II (Associated organisation) and select the correct answer:

List-I

List-II

- | | |
|----------------------------|------------------------------|
| a. Mutual fund | a. Stock exchange |
| b. Public issue of capital | b. Assets management company |
| c. Forward trading | c. Merchant banking |
| d. Option pricing | d. Forex market |

A B C D

- a. 3 2 4 1
- b. 3 2 1 4
- c. 2 3 1 4
- d. 2 3 4 1

10. Integration of various units of similar character producing similar products or engaged in the same sphere of business activity under a single form of management and control is called

- a. vertical combination
- b. horizontal combination
- c. circular or mixed combination
- d. lateral or allied combination

11. The scope of MRTP Act, since 1992, has been confined only to the regulation of

- a. consumer monopolies

- b. monopolistic trade practices
- c. restrictive and unfair trade practices
- d. restrictive trade practices

12. EXIM bank can be described as a

- a. non-banking financial company
- b. commercial bank
- c. non-banking non-financial company
- d. scheduled bank

13. Match List I (Document) with List II (where used) and select the correct answer:

List-I

List-II

- | | |
|---------------------|--|
| a. Shipping bill | a. To certify the country of origin of goods |
| b. Bill of lading | b. For having loaded the cargo in the ship |
| c. Consular invoice | c. To transport cargo by ship |
| d. Packing slip | d. to identify the cargo in transit |

A B C D

- a. 2 3 4 1
- b. 2 3 1 4
- c. 3 2 1 4
- d. 3 2 4 1

14. In the context of foreign trade, the CIF cost may be obtained by

- a. adding freight and marine insurance premium to the FOB price
- b. deducting freight and marine insurance premium from the FOB price

- c. adding customs duties, freight and marine insurance premium to the cost
- d. deducting customs duties, freight and marine insurance premium from the price

15. 'Paid up value' is payable on a life insurance policy

- a. on the maturity of the policy
- b. when the policy lapses
- c. when the policy is surrendered
- d. on maturity or expiry whichever is earlier