

## 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

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- 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

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- 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

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- 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