

S.Y.B.Com
Business Law -Semester IV
Objective questions

Module I

- 1) Memorandum of Association embodies
 - a) list of members of the company
 - b) list of managing director and other directors
 - c) fundamental rules regarding constitution
 - d) the company and permitted scope of activities of the company

- 2) If the company is with limited liability, the last word of its name should be
 - a) limited
 - b) partly limited
 - c) unlimited
 - d) partly unlimited

- 3) If a company had been in existence before 1965, its object clause must embody
 - a) main objects and other objects.
 - b) only main objects.
 - c) subsidiary objects.
 - d) Only other objects

- 4) If a company is registered with limited liability, the liability of its members shall be
 - a) unlimited
 - b) limited by unpaid amount on their shares.
 - c) limited by the amount as agreed by all its members.
 - d) limited by the amount as determined by the company.

- 5) When a company exercises beyond power to its called _____ the company
 - a) no vires
 - b) intra vires
 - c) ultra vires
 - d) pro vires

- 6) An ultra vires contract of a company is
- a) valid at law.
 - b) voidable.
 - c) void ab initio.
 - d) invalid
- 7) The registered address of a company may be altered from one state to another state by
- a) a resolution at its annual general meeting.
 - b) a resolution at its board of directors' meeting,
 - c) alternation of the Memorandum of Association.
 - d) alternation of the Articles of Association.
- 8) The doctrine of indoor management seeks to protect the interests
- a) the company against outsiders.
 - a) outsiders against the company.
 - b) the directors against the company.
 - c) creditors of company
- 9) The principle of constructive notice seeks to protect
- the company against outsiders.
 - outsiders against the company.
 - members against directors.
 - creditors against the company.
- 10) A means a company, formed and registered under
- the Companies Act, 2013.
 - the Contract Act, 1872
 - the Indian Partnership Act, 1932.
 - Companies, Act 1932

11) An existing company, formed and registered under _____ is also a company.
a) any of the former Companies Acts.
b) the Companies Act, 2013.
c) the Indian Partnership Act, 1932.
d) LLP Act 2008

12) A company is a distinct _____ person.
a) artificial legal
b) natural, born.
c) natural legal
d) not person at all.

13) A company has an independent _____ personality
a) business.
b) social
c) legal.
d) mixed

14) A company is
an artificial legal person.
a natural citizen of a State.
an alien body.
artificial citizen

15) A company
a) has temporary life
b) has a fixed life.
c) may die.
d) never dies.

16) A company's property is

- a. its own
- b. Members
- c. directors'
- d. creditors

17) Shares in a public company are

- a) Easily transferable
- b) Difficult to be transferred
- c) Non transferable
- d) Transferable with permission of directors

18i) A company being a body corporate

- a) is above suit.
- b) cannot sue and cannot be sued.
- c) can sue and be sued.
- d) can be sued with permission of central government

19) Articles embodies

- a) rules regarding constitution and scope of permitted activities.
- b) rules, regulations and bye-laws for internal management.
- c) name clause
- d) object clause

20) Articles are subordinate to

- a) Memorandum
- b) members
- c) directors
- d) creditors

21) Articles can

- a) violate Memorandum and the Act.
- b) not violate Memorandum and the Companies Act,
- c) violate directors' resolutions.
- d) violate the Companies Act

22) Articles can be altered simply by

- a) an ordinary resolution,
- b) directors' resolution.
- c) a special resolution
- d) permission of government

23) If a company does something in contravention of the Articles, it is

- a) void ab initio
- b) null and void
- c) only irregular, which can be confirmed by shareholders and ratified.
- d) none of the above

24) A public company should issue a prospectus within:

- a) Within 30 days after registration with the Registrar.
- b) Within 45 days after registration with the Registrar.
- c) Within 60 days after registration with the Registrar.
- sd) Within 90 days after registration with the Registrar

25) A director on coming to know of the mis-statements in the Prospectus withdraws his consent before the prospectus was issued. He:

- a) Will still be held liable.
- b) Will not be held liable.
- c) Will be partially liable.
- d) cannot claim exemption from liability.

- 26) Who is not liable for mis-statement in the prospectus:
- a) Directors.
 - b) Any person whose name appears in the prospectus.
 - c) Expert
 - d) Employee

Module II

1. Additional Director is appointed:
 - (a) by Shareholders
 - (b) By the Board
 - (c) By the Central Government.
 - (d) by the third parties

2. Where a Director absents himself from three consecutive meetings of the Board without valid reason, he:
 - (a) Is removed
 - (b) Vacates the office
 - (c) Is disqualified
 - (d) Continues in the office

3. The minimum number of directors required for a public company:
 - (a) 2
 - (b) 3
 - (c) 5
 - (d) 7

5. A person cannot hold office of a director simultaneously in more than:
 - (a) 10 companies
 - (b) 12 companies
 - (c) 15 companies
 - (d) 20 companies

6. Additional directors appointed by the BOD can hold office:

- a. Till the next AGM
- b. For 1 year For 2 years
- c. As long as he wants
- d. At the discretion of the BOD.

7. Minimum number of directors for OPC:

- (a) 1
- (b) 2
- (c) 3
- (d) 5

8. Resident director is required to be in India for:

- (a) Permanently
- (b) At least for 182 days in the previous calendar year
- (c) At least for 182 days in his lifetime
- (d) At least for 240 days in the previous calendar year.

9. Number of Independent Director for a listed company:

- (a) 1
- (b) 2
- (c) At least 1/3rd the total number of directors
- (d) At least 2/3rd the total number of directors

10. Which company to have a director for small shareholders?

- (a) Private
- (b) Public
- (c) Listed company
- (d) All companies

11. DIN is granted by:

- (a) Central Government.
- (b) State Government
- (c) Company of which he is a director

(d) Tribunal

12. Extraordinary meeting is held to transact:

- a. Any matter
- b. Urgent matter that cannot wait till the next AGM.
- c. Matter decided by the Managing Director.
- d. Routine matters of business

13. Class meeting is a meeting of :

- (a) Only directors.
- (b) Particular class of members.
- (c) Of all shareholders.
- (d) Of all debenture holders.

14. Quorum for a public company where members upto 1000:

- 5
- 10
- 15
- 30

15. Quorum for a public company where members are above 5000 is:

- (a) 5
- (b) 10
- (c) 15
- (d) 30

16. Quorum for a private company AGM is:

- (a) 2
- (b) 5
- (c) 10
- (d) 15

17. Documentary rights are conferred upon the members by:

- (a) Constitution of India

- (b) Companies act
- (c) MOA & AOA
- (d) Central Government

18. The gap between 2 AGM cannot exceed:

- (a) 6 months
- (b) 12 months
- (c) 15 months
- (d) 24 months.

19. A person who acquires shares on the death of a shareholder is called as

- (a) transfer
- (b) transmission
- (c) allotment
- (d) estoppel

20. Index of register has to be maintained when the number of members is:

- (a) 25
- (b) 50
- (c) 75
- (d) 100

Module III

1. The maximum number of partners allowed in a firm carrying on any other business than banking business is

- (a) 10
- (b) 20
- (c) 30
- (d) 50

2. The maximum number of partners carrying a banking business cannot exceed

- 10
- 20

- 3 Where there is no provision in the partnership deed for the duration of partnership than such a partnership is called as
- (a) Particular partnership
 - (b) Partnership at will
 - (c) Partnership for a fixed period
 - (d) Specific Partnership
4. Firm has
- (a) no legal existence
 - (b) legal existence
 - (c) illegal existence.
 - (d) partial legal existence
5. What is the true test of the existence of partnership ?
- (a) Profit sharing
 - (b) Co-ownership
 - (c) Mutual agency
 - (d) Joint liability
- 6, Liability of the partners in partnership is
- (a) Joint
 - (b) Joint and Several
 - (c) Joint or Several
 - (d) several
7. Registration of partnership in the state of Maharashtra is
- (a) Compulsory
 - (b) Voluntary
 - (c) Optional
 - (d) not necessary

8. If the firm is not registered
- (a) the third party cannot sue the firm
 - (b) the third party cannot sue the partner of a firm
 - (c) partner cannot sue the third party
 - (d) no suit at all can be filed.
9. Property of the firm does not include
- (a) immovable property of the firm
 - (b) goodwill of a firm
 - (c) movable property of the firm
 - (d) property of creditors of the firm
10. Karta of a Joint Hindu Family firm has
- (a) Unlimited liability
 - (b) Limited liability
 - (c) No liability.
 - (d) Partial Liability
11. A nominal partner is liable
- (a) for the nominal sum of money
 - (b) not liable for firms debt
 - (c) partially liable for the debts of the firm
 - (d) fully liable
12. If a minor chooses to become a partner on attaining the age of majority, he will be liable for the debts of the firm
- a. from the date of his attaining majority
 - b. from the date of his admission to the benefits of the partnership
 - c. on his election to become a partner in the firm
 - d. Even if he exits the firm
13. A firm receives money from the third party and any individual partner misapplies that money
- (a) firm is liable to repay that money

- (b) individual partner who misapplies is liable to repay
- (c) all the partners should contribute for the loss
- (d) no partner is laible

14. No Public Notice is to be given in case of

- (a) minor attaining majority
- (b) retirement of a active partner
- (c) death of a partner
- (d) retirement of a nominal partner

15. Goodwill of a business is

- (a) a partnership property
- (b) not a partnership property
- (c) an individual partners property
- (d) liability of firm

16. New partner can be admitted in the firm

- (a) with the consent of existing partners
- (b) without the consent of existing partners
- (c) with the consent of senior partners
- (d) by the will of single partner

17. Limited Liability Partnership Act came into force in the year

- (a) 2002
- (b) 2004
- (c) 2005
- (d) 2008

18. LLP is a

- (a) body corporate
- (b) Not a body Corporate
- (c) firm
- (d) company

19. Liability of partners in LLP is

- (a) Joint

- (b) Joint and Several
- (c) Joint or Several
- (d) Limited to their agreed contribution in LLP

20. Minimum number of members required to start LLP

- (a) Two
- (b) Four
- (c) Six
- (d) Eight

21. Every LLP has to have at least

- (a) Two designated partners
- (b) one designated partner
- (c) Four designated partner
- (d) Five designated partner

22. Every partner of a Limited Liability partnership is for the purposes of the business

- (a) an agent of LLP
- (b) an agent of other partners
- (c) an agent of a third party.
- (d) No agent at all.

23. The liabilities of the LLP shall be paid out of

- (a) Property of an individual partner
- (b) Jointly by all the partners
- (c) Property of the LLP
- (d) Property of the LLP and property of all partners

Module IV

(1) A consumer is a person, who

- (a) hires or avails of any services for a consideration.
- (c) avails of any services free of charge.
- c) gets free services from a private organization
- (d) does not avail services at all

- (2) A retired Government servant, who gets free medical services under the CGH Scheme of the Government of India, is
- (a) not a consumer;
 - (b) a consumer;
 - (c) an ordinary person.
 - (d) special consumer
- (3) Consumer protection does not include
- (a) protection against fair price.
 - (b) protection against pure goods.
 - (c) protection against adulterated goods.
 - (d) buying goods for resale
- 4) The consumer is _____ in India.
- (a) the King.
 - (b) the slave.
 - (c) just a buyer
 - (d) just hirer
- 5) A complaint means
- (a) an allegation in oral words.
 - (b) a recommendation in writing.
 - (c) a request in writing.
 - (d) an allegation in writing.
- 6) The State Government shall establish a Consumer Disputes Redressal each district which is called as
- (a) District Forum
 - (b) State Commission
 - (c) Municipal Forum
 - (d) national commission

7) Every member of a District Forum shall hold office to the age _____ or up to the term of five years whichever is earlier.

- (a) Sixty two years.
- (b) Sixty four years.
- (c) Sixty five years.
- (d) Seventy years

8) If a member of a District Forum resigns his office, in writing under his hand, his office shall

- (a) fall vacant.
- (b) not fall vacant till his resignation is accepted by the State Government.
- (c) continued to be occupied by him till completion of the term.
- (d) not become vacant at all.

9) The monetary jurisdiction of a District Forum is

- (a) not more than rupees twenty-five lakhs.
- (b) not more than rupees thirty lakhs.
- (c) not more than rupees twenty lakhs.
- (d) not more than rupees ten lakhs.

10) The original jurisdiction of the State Commission is

- a. between twenty lakhs and one crore.
- b. between twenty-five lakhs and one crore.
- c. between thirty lakhs and one crore.
- d. Above 1 crores

11) The original monetary jurisdiction of the National Commission

- (a) between one crore and ten crores
- (b) More than one crore
- (c) between one crore and eight crores.
- (d) below 1 crore

12) The territorial jurisdiction of a District Forum

- (a) runs through the whole state.
- (b) through the whole country.
- (c) None of the above
- (d) both of the above

13) Any person, aggrieved of an order, made by a District forum may file appeal to

- (a) National Commission.
- (b) State Commission.
- (c) high court
- (d) supreme court

14) Any person, aggrieved by an order, passed by a State Commission, file appeal against such an order to

- (a) the High Court.
- (b) the President of India.
- (c) the National Commission,
- (d) none of the above

15) Every member of the National Commission shall hold office for a term of five years or upto the age of whichever is earlier.

- (a) seventy five years.
- (b) seventy years,
- (c) sixty seven year.
- (d) seventy two years

16) The territorial jurisdiction of the National Commission extends

- (a) the whole of India.
- (b) to whole of India except the State of Jammu and Kashmir.
- (c) certain parts of India.
- (d) outside India

(17) Competition Act, 2002, replaced:

Indian Contract Act, 1872

The Companies Act, 1956

Partnership Act, 1932

Monopolies Trade Practices Act, 1969

(18) Which is an advantage of competition:

- (a) Offers same of products
- (b) Improves in quality of services
- (c) There is increase of prices
- (d) Less foreign investment

(19) Which does not amount to abuse of dominant position:

- (a) imposes unfair or discriminatory conditions in purchase
- (b) affects the price in purchase or sale of goods or services.
- (c) grants free access to market.
- (d) restricts production of goods or affects services or markets.

(20) Any combination that exceeds the threshold limits of either the assets or turnover specified

by the Act is:

- (a) permitted by law
- (b) is void
- (c) None of the above
- (d) both of the above

Module V

- 1 - IPR protects the use of information and ideas that are of
 - a. Ethical value
 - b. Moral value
 - c. Social value
 - d. Commercial value

- 2 - The term 'IPR' covers
 - a. Copyrights
 - b. patent
 - c. Trade mark
 - d. All of the above

- 3 - The following can not be exploited by assigning or by licensing the rights to others.
 - a. Patents
 - b. copyright
 - c. Trademark
 - d. Design

- 4 - The following can not be patented
 - Machine
 - Process
 - Composition of matter
 - Agricultural product

- 5 - Infringement of trademark attracts
 - a. Civil remedy
 - b. Criminal remedy
 - c. Para-legal remedy
 - d. No remedy

- 6 - Following is not a characteristic of Trade mark.

- a. is represented graphically
- b. is capable of distinguishing the goods or services of one person from those of others
- c. may include shapes of goods or combination of colours
- d. It is similar to some other Trade Mark in the market.

7 - Symbol of Maharaja of Air India is

- Copyright
- Patent
- Trademark
- Design mark

8 - In India, the literary work is protected until

- a. Lifetime of author
- b. 25 years after the death of author
- c. 40 years after the death of author
- d. 60 years after the death of author

9 - IPR stands for

- a. Industrial property right
- b. Industrial proprietary right
- c. Intellectual property right
- d. Intellectual proprietary right

10 - Tenure of patent is

- a. 10 years
- b. 20 years
- c. 30 years
- d. 40 years

11 - Following is not a type of trademark

- a. Industry mark
- b. Service mark
- c. Certification mark
- d. Collective mark

12 - Patent is a form of

- a. Tangible Property
- b. Intellectual Property
- c. Industrial property
- d. Both (b) and (c)

13 - Patent protects

- a. Discovery
- b. Invention
- c. New invention
- d. Both (a) and (b)

14 - Invention means

- a. New product having inventive step and capable industrial application
- b. New process
- c. New product or process having inventive step and capable industrial application
- D. None of the above.

15 - Patent right is

- a. Exclusive right
- b. Natural right
- c. Property right
- d. Both (a) and (c)

16 - Patent right is

- a. Limited period right
- b. Territorial right
- c. Absolute right
- d. Both (a) and (b)

17 - Patentability criteria includes

- a. Novelty

- b. Inventive step
- c. Capable of Industrial application
- d. All the above

18 - Following is not a characteristic of IPR

- a. Permanent
- b. Intangible
- c. Commercial
- d. Different in every country

19. Patent cannot be granted for

- a. Invention
- b. Discovery
- a. Industrial applicability
- b. None of the above

20. Copyright can be claimed for

- Literary work
- Artistic work
- Copy work
- Dramatic work