Business Law

Semester IV (Term II)

Objective Question Bank

2020-21

1. 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

1. 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.

1. When a company exercises beyond power to its called the company

no vires.

b) intra vires.

c) ultra vires.

d) pro vires

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.

1. If the company is with limited liability, the last word of its name should be

limited

b) partly limited

c) unlimited

d) None of the above

1. An ultra vires contract of a company is

a) valid at law.

b) voidable.

c) void ab initio.

d) invalid

1. 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.

1. The doctrine of indoor management seeks to protect the interests

a) the company against outsiders.

b) outsiders against the company.

c) the directors against the company.

d) creditors of company

1. The principle of constructive notice seeks to protect

a) the company against outsiders.

b) outsiders against the company.

c) members against directors.

d) creditors against the company.

1. A means a company, formed and registered under

a) the Companies Act, 2013.

b) the Contract Act, 1872

c) the Indian Partnership Act, 1932.

d) Companies, Act 1932

1. 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

1. A company is a distinct person.

a) artificial legal

b) natural, born.

c) natural legal

d) not person at all.

1. A company has an independent personality

a) business.

b) social

c) corporate.

d) mixed

1. A company is
2. an artificial legal person.
3. a natural citizen of a State.
4. an alien body.

d) artificial citizen

1. A company

a) has temporary life

b) has a fixed life.

c) may die.

d) never dies.

1. A company’s property is

a) its own

b) members

c) directors'

d) creditors

1. Shares in a company are
2. Easily transferable
3. Difficult to be transferred
4. Non transferable
5. None of the above
6. A company being a body corporate

a) is above suit.

b) cannot sue and cannot be sued.

c) can sue and be sued.

d) None of the above

1. Articles embodies

a) rules regarding constitution and scope of permitted activities.

b) rules, regulations and bye-laws for internal management.

c) none of the above.

d) both a and b

1. Articles are subordinate to

a) Memorandum

b) members

c) directors

d) creditors

1. 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

1. Articles can be altered simply by

a) an ordinary resolution,

b) directors' resolution.

c) a special resolution

d) permission of government

1. 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

1. 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

1. A subscriber, who purchases shares on the basis of mis-statement in the prospectus:

a) Can rescind the contract.

b) Can claim for compensation.

c) Can seek punishment of the directors.

d) All above remedies are available.

1. 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) all of the above

1. 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

1. The legal position of a Director is that of:

(a) Managing partner

(b) Agent

(c)Trustee

(d) All of them

1. Additional Director is appointed:

(a) by Shareholders

(b) By the Board

(c) By the Central Government.

(d) by the third parties

1. 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

1. The minimum number of directors required for a public company:

(a)2

(b) 3

(c) 5

(d) 7

1. A person cannot hold office of a director simultaneously in more than:

a)10 companies

(b) 12 companies

(c) 15 companies

(d) 20 companies

1. 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.

1. Minimum number of director for OPC:

(a) 1

(b) 2

(c) 3

(d) Any

1. 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.

1. Number of Independent Director for a listed company:

(a) 1

(b) 2

(c) At least 1/3rd the total number of directors

(d) Any.

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

(a)Private

(b) Public

(c) Listed company

(d) All companies

1. DIN is granted by:

(a) Central Government.

(b) State Government

(c) Company of which he is a director

(d) Tribunal

(Ans : a)

1. 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) None of the above

1. Class meeting is a meeting of :

(a) Only directors.

(b) Particular class of members.

(c) Of all shareholders.

(d) Of all debenture holders.

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

(a) 5

(b) 10

(c) 15

(d) 30

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

(a) 5

(b) 10

(c) 15

(d) 30

1. Quorum for a private company is:

(a) 2

(b) 5

(c) 10

(d) 15

1. Extraordinary general meeting may be called by:

(a) BOD

(b) By board at the instance of members

(c) By requisionists themselves

(d) All

1. The gap between 2 AGM cannot exceed:

(a) 6 months

(b) 12 months

(c) 15 months

(d) 24 months.

(Ans : c)

1. A member of a company means

(a) a subscriber to MOA.

(b) a person who has agreed to become a member.

(c) a person holding equity shares.

(d) All of the above

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

transfer

(b) transmission

(c) allotment

(d) estoppel

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

(a) 25

(b) 50

(c) 75

(d) 100

1. Documentary rights are conferred upon the members by:

(a) Constitution of India

(b) Companies act

(c) MOA & AOA

(d) None of the above.

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

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

(a) 10

(b) 20

(c) 15

(d) 05

1. 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

1. Firm has

(a) no legal existence

(b) legal existence

(c) illegal existence.

(d) partial legal existence

1. What is the true test of the existence of partnership ?

(a) Profit sharing

(b) Co-ownership

(c) Mutual agency

(d) Joint liability

1. Liability of the partners in partnership is

(a) Joint

(b) Joint and Several

(c) Joint or Several

(d) several

1. Registration of partnership in the state of Maharashtra is

(a) Compulsory

(b) Voluntary

(c) Optional

(d) not necessary

1. 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) none of the above

1. Property of the firm deemed to include

(a) personal property and assets of the partner

(b) goodwill of a firm

(c) property in the name of firm

(d) all of the above

1. Karta of a Joint Hindu Family firm has

(a) Unlimited liability

(b) Limited liability

(c) No liability.

(d) Partial Liability

1. A nominal partner is liable

(a) for the nominal sum of money

(b) not liable for firms debt

(c) liable for the debts of the firm

(d) fully liable

1. If a minor chooses to become a partner on attaining the age of majority, he will be liabl 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) if he exits the firm

1. 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) None of the above

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

(a) minor attaining majority

(b) retirement of a partner

(c) death of a partner

(d) none of the above

1. Goodwill of a business is

(a) a partnership property

(b) not a partnership property

(c) an individual partners property

(d) liability of firm

1. 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

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

(a) 2002

(b) 2004

(c) 2005

(d) 2008

1. LLP is a

(a) body corporate

(b) Not a body Corporate

(c) fim

(d) none of these

1. Liability of partners in LLP is

(a) Joint

(b) Joint and Several

(c) Joint or Several

(d) Limited to their agreed contribution in LLP

1. Minimum number of members required to start LLP

(a) Two

(b) Four

(c) Six

(d) Eight

1. Every LLP has to have at least

(a) Two designated partners

(b) one designated partner

(c) Four designated partner

(d) Five designated partner

1. 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.

1. 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

1. IPR protects the use of information and ideas that are of

        a. Ethical value

        b. Moral value

        c. Social value

        d. Commercial value

1. The term ‘IPR’ covers

       a. Copyrights

       b. patent

       c. Trade mark

       d. All of the above

1. The following can not be exploited by assigning or by licensing the rights to others.

      a.  Patents

      b.  copyright

      c.  Trademark

      d.  All of the above

1. The following can be patented

     a.  Machine

     b.  Process

     c.  Composition of matter

     d.  All of the above

1. Infringement of trademark attracts
2. Civil remedy
3. Criminal remedy
4. Both of the above
5. None of the above
6. 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.  All of the above

1. Symbol of Maharaja of Air India is

      a.  Copyright

      B.  Patent

      c.  Trademark

      d.  All of the above

1. . - 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

1. - IPR stands for
2. Industrial property right
3. Industrial proprietary right
4. Intellectual property right
5. Intellectual proprietary right

1. Tenure of patent is

10 years

 20 years

30 years

40 years

1. Following is not a type of trademark

Service mark

Certification mark

Collective mark

Industry mark

1. Patent is a form of

         a. Tangible Property

         b. Intellectual Property

         c. Industrial property

         d. Both (b) and (c)

1. Patent protects

         a. Discovery

         b. Invention

         c. New invention

         d. Both (a) and (b)

1. 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.

1. Patent right is

         a.  Exclusive right

         b.  Natural right

         c.  Property right

         d.  Both (a) and (c)

1. Patent right is

         a.  Limited period right

         b.  Territorial right

         c.  Absolute right

         d.  Both (a) and (b)

1. Patentability criteria includes

         a.  Novelty

         b.  Inventive step

         c.  Capable of Industrial application

         d.  All the above

1. Following is not a characteristic of IPR
2. Permanent
3. Intangible
4. Commercial
5. Different in every country
6. Patent cannot be granted for
7. Invention
8. Discovery
9. Industrial applicability
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