

Examrace

Competitive Exams: Commerce MCQs (Practice_Test 25 of 99)

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1. Which one of the following is a contract for the purchase or sale of securities for the performance of which no time is specified, and which is to be performed immediately or within a reasonable time?
 - a. Spot delivery contract
 - b. Ready delivery contract
 - c. Forward contract
 - d. Option in securities

2. Match List-I with List-II and select the correct answer using the codes given below the lists

List-I (Types of Mutual Fund)	List-II (Explanation)
A. Open-ended mutual fund	1. They are open for sale or redemption during pre determined intervals at NAV related prices 2. The fund is open for subscription only during a specified period 3. Provides both growth and regular income 4. One that is available for subscription all throughout the year
B. Interval fund	
C. Close ended mutual fund	
D. Balanced fund	

A B C D

- a. 2 1 4 3

- b. 4 3 2 1

- c. 2 3 4 1

- d. 4 1 2 3

3. Following are the information pertaining to X Company Ltd. Right to buy one share@ ₹ . 17 per share for every five shares of ₹ 10 each held in the company. Market value of the shares on the date of such offer is ₹ 35 per share. Which one of the following is the value of the right?
- ₹ 8.67
 - ₹ 3.00
 - ₹ 4.50
 - ₹ 13.00
4. Which one of the following statements regarding forfeiture of shares is not correct?
- Forfeited shares may be re-issued at a discount or at a premium
 - The title of the new purchaser is not affected by any irregularity in the forfeiture or sale of the shares
 - Return of allotment of re-issue of forfeited shares is filed with the Registrar of Companies
 - Board may. Consider the request from the defaulting ex-shareholder for the cancellation of forfeiture before the disposal of forfeited shares
5. For which of the following purposes can the share premium of the company be used in case the company issues share at premium?
- For the cost of underwriting and distributing the share capital.
 - For the issues of fully paid bonus shares to the members of the company.
 - For writing off preliminary expenses of the company. For providing premium payable on the redemption of any redeemable preference shares or debentures of the company.

Select the correct answer using the code given below

- 1,2 and 3
 - 1,2 and 4
 - 1 and 4
 - 2,3 and 4
6. Which one of the following is correct for cooperative organizations?
- There is a cap on the maximum number of members
 - There is a cap on the dividend payment
 - There are restrictions on their business growth

d. There is a ceiling on the salaries paid to employees of cooperative organizations.

7. Which of the following statements regarding a private company are correct?

- a. A private company can proceed to allot shares without having to wait for minimum subscription.
- b. There are restrictions on the powers of Board of Directors of a private company as to the selling of whole or part of the undertaking.
- c. A private company can keep its affairs secret.
- d. Right of pre-emption does not apply to a private company.

Select the correct answer using the code given below:

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

8. Consider the following statement A company can be compared with a river which retains its identity though the parts which compose it are constantly changing. Which one of the following characteristics of a company is implied from the above statement?

- a. Limited liability
- b. Artificial legal person
- c. Perpetual succession
- d. Separate property

9. Which one of the following describes the correct effect when a registered partnership firm is dissolved?

- a. All the partners will be relieved from the debt obligations of the firm
- b. The partners cannot start any other business within one year of dissolution
- c. One or two of the old partners can continue the business of the firm with a new name
- d. The partners will not be entitled to any personal loans from banks

10. When does a retiring partner of a partnership firm continue to be liable for obligations incurred after his retirement?

- a. When he does not give public notice
- b. When unpaid amount is not transferred to him
- c. When he had left the firm within 3 months of joining it

d. All the above

11. Match List-I with List-II and select the correct answer using the codes given below the lists

List-I (Provisions)	List-II (Matters)
<p>A. Interest must be allowed at the rate of 6 % p. a.</p> <p>B. No interest shall be paid</p> <p>C. No interest shall be charged</p> <p>D. Must be shared equally by all the partners unless otherwise agreed</p>	<p>1. Drawings of partners</p> <p>2. Net loss of the firm for an accounting year</p> <p>3. Capital contributed by the partners</p> <p>4. Loan given by a partner to the firm</p>

A B C D

a. 1 3 4 2

b. 4 2 1 3

c. 1 2 4 3

d. 4 3 1 2

12. What is/are the effect (s) of non registration of a partnership firm?

- The partners cannot sue outsiders.
- Outsiders cannot sue the firm.
- A partner cannot sue for the dissolution of the firm.
- A partner cannot sue the firm or any other partner of the firm.

Select the correct answer using the code given below

- 2,3 and 4
- 3 and 4
- 4 only
- 1 and 2

13. Consider the following statements:

- a. Management, auditor makes the audit of planning and policies of the company.
- b. Statutory auditor makes the comments on the financial position statements of the company.
- c. The work of statutory auditor begins with the end of management auditor’s work.
- d. Statutory auditor comments on the operational areas of the concern.

Which of the statements given above are correct?

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

14. Match List-I with List-II and select the correct answer using the codes given below the lists

List-I (Type of Audit)	List-II (Function)
A. Management audit	1. Report to the shareholders
B. Statutory audit	2. A future oriented, independent and systematic evaluation of activities at all levels
C. Audit of non-Corporate enterprise	3. Both accounting and operational controls
D. Internal control and audit	4. Voluntary
	5. Report to Company Law Board

A B C D

- a. 2 3 4 1
- b. 4 1 5 3
- c. 2 1 4 3
- d. 4 3 5 1

15. Which one of the following is correct regarding management audit? It is a method

- a. to evaluate the efficiency of management at all levels throughout the organization from the highest to lower levels

- b. to evaluate the efficiency of accounts departments throughout the organization from the highest to lower levels
- c. to determine the efficiency of Management Information System (MIS)
- d. to determine the compliance with accounting standards by the management

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