

Examrace

Competitive Exams: Commerce MCQs (Practice_Test 70 of 99)

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1. The criterion for deeming a private company as a public company on the basis of average annual turnover is
 - a. ₹ 25 crores
 - b. ₹ 20 crores
 - c. ₹ 10 crores
 - d. ₹ 5 crores

2. Match List I with List II and select the correct answer

List-I	List-II
<p>A. Registrar of Companies</p> <p>B. Memorandum of Association</p> <p>C. Buy back of shares</p> <p>D. Articles of Association</p>	<p>1. Specified Securities</p> <p>2. Rules and Regulations of the Company</p> <p>3. Certificate of Incorporation</p> <p>4. Objects of the Company</p> <p>5. Minimum Subscription</p>

A B C D

- a. 3 4 5 1
 - b. 4 3 1 2
 - c. 3 4 1 2
 - d. 1 2 5 4
3. All those who are dealing with the company are expected to know the contents of the Memorandum and Articles of Association. This is called
 - a. Doctrine of indoor management

- b. Doctrine of ultra virus
- c. Constructive notice
- d. Doctrine of merger
4. An act of a director which is intra vires the Memorandum and ultra vires the Articles of Association
- a. cannot be ratified by the company
- b. must necessarily be ratified by the company
- c. may be ratified by the company
- d. is void ab initio
5. Match List I with List II and select the correct answer

List-I	List-II
A. Doctrine of ultra vires	1. Articles of Association
B. Doctrine of indoor management	2. Prospectus
C. Doctrine of golden rule	3. Memorandum of Association

A B C

- a. 1 3 2
- b. 3 1 2
- c. 2 1 3
- d. 3 2 1
6. Which one of the following statements correctly explain the term 'Doctrine of Indoor Management'
- a. The doctrine seeks to protect the outsiders against the company
- b. Every person dealing with the company is presumed to have read and understood the contents of company's Memorandum and Articles of Association
- c. If a person enters into a contract with the company which is contrary to the provisions of Memorandum and Articles of Association, he will not get any right under such contract
- d. It protects the company against the outsiders.

7. Match List I with List II and select the correct answer

List-I	List-II
A. A long-term debt instrument on which	1. Mutual Fund interest is accumulated and paid on maturity
B. A debt instrument on which rebate is	2. Deep Discount Bond available under the Income Tax Act
C. Pooling together the money of different	3. Infrastructure Bond investors and investing it in diversified securities
D. Buying the right but not the obligation	4. Put option to sell a security for a specific price

A B C D

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

8. The comprehensive meaning of an efficient stock market is that it is a market which

- a. allocates resources efficiently
- b. reflects the effective use of information in the price of the shares traded therein
- c. signals the changes in the listed company's performance
- d. safeguards the investors money

9. Global depository receipts (GDRs) are issued by successful corporations with a view to attracting

- a. overseas loan funds
- b. remittances from NRIs
- c. foreign equity capital
- d. foreign direct investment

10. Stock Holding Corporation of India Ltd. Is expected to achieve, in the long run, the objective of

- a. sale of all kinds of securities in all stock exchanges
- b. purchasing all shares issued in the country
- c. paperless trading in respect of all stock market transactions
- d. holding shares of all new companies and selling them later

11. Which one of the following documents attests the fact that goods of specified quantity, value and description are entering the bounds of the country?

- a. Bill of lading
- b. Consular invoice
- c. Documentary bill
- d. Bill of entry

12. Match List I (Name of the Authority) with List II (Function/Activity) and select the correct answer

List-I	List-II
A. Port Authority B. Insurance Company C. ECGC D. Advising Bank	1. Claim for damage 2. Demurrage for goods unloaded 3. Export finance guarantee 4. Bank in the exporters country 5. Bank issuing L/C on the request of controller

A B C D

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

13. Which one of the following is an example of a trading block (regional integration in trade) ?

- a. North American Free Trade Agreement
- b. Madras Export Trade Processing Zone

- c. Free Trade Zone at Kandla
 - d. Indo-American Chamber of Commerce
14. To guard against the dangers of excess payment arising out of double insurance or over-insurance made by the insured, insurance companies provide in their agreement
- a. Average clause
 - b. Subrogation clause
 - c. Risk clause
 - d. Indemnity clause
15. A person insured his property worth ₹ 10,000 against fire for ₹ 8,000. His actual loss by fire is ₹ 5,000 and there is an average clause in the policy. His claim will be
- a. ₹ 10,000
 - b. ₹ 8,000
 - c. ₹ 5,000
 - d. ₹ 4,000

Frequently Asked Questions (FAQs)

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1 Answer

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