

Examrace

Competitive Exams: Commerce MCQs (Practice_Test 80 of 99)

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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
 - 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	1. Stock exchange
B. Public issue of capital	2. Assets management company
C. Forward trading	3. Merchant banking
D. Option pricing	4. 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

- vertical combination
- horizontal combination
- circular or mixed combination
- lateral or allied combination

11. The scope of MRTP Act, since 1992, has been confined only to the regulation of

- consumer monopolies
- monopolistic trade practices
- restrictive and unfair trade practices
- restrictive trade practices

12. EXIM bank can be described as a

- non-banking financial company
- 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	1. To certify the country of origin of goods
B. Bill of lading	2. For having loaded the cargo in the ship
C. Consular invoice	3. To transport cargo by ship
D. Packing slip	4. 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

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