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## NET, IAS, State-SET (KSET, WBSET, MPSET, etc.), GATE, CUET, Olympiads etc.: 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
<ul style="list-style-type: none"><li>a. Mutual fund</li><li>b. Public issue of capital</li><li>c. Forward trading</li></ul>	<ul style="list-style-type: none"><li>a. Stock exchange</li><li>b. Assets management company</li><li>c. Merchant banking</li></ul>

d. Option pricing

d. Forex market

Table Supporting: NET, IAS, State-SET (KSET, WBSET, MPSET, Etc.) , GATE, CUET, Olympiads Etc. : Commerce MCQs  
(Practice\_Test 80 of 99)

**D**

**3241 2314**

**ABC 3214 2341**

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
  - non-banking non-financial company
  - scheduled bank
13. Match List I (Document) with List II (where used) and select the correct answer:

List-I	List-II
<ol style="list-style-type: none"> <li>Shipping bill</li> <li>Bill of lading</li> <li>Consular invoice</li> <li>Packing slip</li> </ol>	<ol style="list-style-type: none"> <li>To certify the country of origin of goods</li> <li>For having loaded the cargo in the ship</li> <li>To transport cargo by ship</li> <li>to identify the cargo in transit</li> </ol>

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**D****2341    3214****ABC        2314    3241**

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