

(3)
DHB1
PART - I

1

The interim dividend in a public company is declared by the :-

- (A) Board of Directors .
- (B) Shareholders in the AGM
- (C) Company Secretary [Telegram - CA_Law_Harsh Gupta](https://t.me/CA_Law_Harsh_Gupta)
- (D) Chief Financial Officer

PQR Limited is small company as defined in the Companies Act 2013. Mr. X was appointed as the statutory auditor of PQR Limited for the financial year 2019-20. What is the maximum tenure allowed to Mr. X to continue to hold the appointment of statutory auditor of PQR Limited as per the Section 139 of the Companies Act, 2013 ?

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- (A) One term of 5 years .
- (B) Two terms of 5 years each
- (C) Three terms of 5 years each
- (D) Any term without limit

Which one of the following person/authority cannot make an application to Court/ NCLT to re-open the books of accounts and financial statements of the Company ?

- (A) Central Government
- (B) Shareholder .
- (C) Income- tax authorities
- (D) Securities and Exchange Board of India

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L. Fine → Office in default
Max. → default

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4. The Registrar of Companies granted three months extension of time to hold the Annual General Meeting of R.S. Limited upto 31st December 2019. Calculate from 30th September 2019, the copy of Annual Return shall be filed with the Registrar of Companies within _____ days from _____ along with the reasons for not holding the Annual General Meeting.

- (A) 30 days; 31st March 2019
- (B) 60 days; 31st December 2019
- (C) 60 days; 30th September 2019
- (D) 45 days; 30th September 2019

5. Mr. Unfortunate is a Statutory Auditor of OKS Limited, a listed company. Mr. Unfortunate died in an road accident. The vacancy in the office of the auditor within _____ days shall be filled in by board.

- (A) 45 days
- (B) 60 days
- (C) 90 days
- (D) 30 days

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6. A & B have adjacent shops in the market. Both are doing business of electronic toys. On account of emergency situation the shop of A was closed for a day. The same day the delivery-man came to the A's shop to deliver some goods. A's shop was closed thereby the delivery-man requested to B to take delivery of A's goods. On his request B accepted the delivery of A's goods without consent of A. B has sold the same goods to C.

On the next day when A has opened his shop, B has made full payment of goods to A which sold to C.

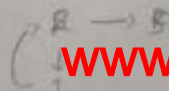
In the above case, clear the position of B with reference to the Indian Contract Act, 1872.

- (A) The delivery-man has delivered the goods as a 'Bailment', therefore B has no authority to sell the goods.
- (B) There is no oral and written contract between A and B to sell the goods.
- (C) A has not authorised to B to take delivery his goods so B is not authorised to sell the goods.
- (D) As A has accepted the payment from B which goods was sold to C. Hence, A has ratified B's contract.

7. R has obtained a Bill of Exchange in his favour from S through fraudulent means. Then R has endorsed the bill to T as a consideration for a business transaction. Now T becomes the holder in due course. After some days T has endorsed the bill to R for value as consideration for another transaction. The bill was dishonoured on maturity. R has sued S for recovery of payment as he is a holder for value. Decide who is liable to make payment of the bill as per the Negotiable Instruments Act, 1881.

- (A) S will be liable to pay to R only.
- (B) S will be liable to pay to R & T both.
- (C) S will be liable to pay to R and R will be liable to pay to T.
- (D) S will not be liable to pay to anyone.

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can Right issue or Bonus Share
in pending Reg?
10% to Distribute Dividend
(Section-127)
shipment

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Part Allotment

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8. A Chartered Accountant is not eligible for appointment as an auditor of a company when his relative holds securities in the Company of

- (A) Market Value not exceeding ₹ One Lakh
- (B) Book Value not exceeding ₹ One Lakh
- (C) Face Value not exceeding ₹ One Lakh ✓
- (D) Face Value not exceeding ₹ Five Lakh

9. If the bailee does any act with regard to the goods bailed inconsistent with the conditions of the bailment, the contract of bailment is

- (A) void
- (B) voidable at the option of the bailee
- (C) voidable at the option of the bailor ✓
- (D) Illegal

10. The Government shall include which of the following as per the General Clauses Act, 1897 :

- (A) State Government only
- (B) Central Government Only
- (C) Central Government and State Government ✓
- (D) Union Territory only

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11. Which of the following will override if there is conflict in interpretation of any point in Preamble and plain provision given in any statutory Act as per the General Clauses Act, 1897 ? 1
- (A) Preamble will override the plain provision of the Act
 - (B) The plain provision of the Act will override the Preamble ✓
 - (C) The court will decide which of the above two will override
 - (D) Provide summary of the entire Act.
12. Lawrence contracts to save Rosi against the consequences of any proceeding which Peter may take against Rosi in respect of One lakh rupees. This is a
- (A) Contract of guarantee
 - (B) Quasi Contract
 - (C) Contract of indemnity ✓
 - (D) Void Contract
13. In various rules of interpretation, what is the meaning of "Ejusdem Generis" :
- (A) Of the same kind or species ✓
 - (B) To do purposive construction
 - (C) Known by its associates
 - (D) Of the different kind or spices

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the holder of payment of di-
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Right Issue or Bonus Share
King Ahegi.

to Distribute Dividend with
(Section - 197)

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14. Who can be called as 'holder' under the Negotiable Instruments Act, 1881, in the following circumstances?

- (A) Mr. A who steals a blank cheque from his employer and forges his employer signature
- (B) Mr. B who obtains a cheque drawn by his father by way of gift ✓
- (C) Mr. C who holds a bearer cheque found in the public place
- (D) Mr. D, the payee of the cheque, who is prohibited by a court order from receiving the amount of the cheque. ✗

15. V is a holder of Bill of Exchange for ₹ 20,000. V indorses it thus: "Pay W or order ₹ 8,000". This is

- (A) Indorsement in Full
- (B) Partial indorsement ✓
- (C) Restrictive indorsement
- (D) Conditional indorsement

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16. The word 'or' is normally disjunctive and 'and' is normally conjunctive. However at times they are read as vice versa to give effect the manifest intention of the legislature as disclosed from the context. This is as per

- (A) *Nosatur A sociis*
- (B) Rule of Exceptional Construction ✓
- (C) Rule of Literal Construction
- (D) *Ejusdem Generis*

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Case Scenario - 1 :

XYZ Limited (Trading Company) a listed Company, having sound financial track records decided to invite the public to subscribe its equity share capital and to make deposits with the Company. As an innovative methods of raising funds, the company issued a prospectus on 6th January 2020 which did not include complete particulars of the quantum or price of the equity shares and which did enable the merchant bankers handling the public offer to test the demand for the equity shares. The Company being eligible Company for acceptance of public deposit obtained the prior consent by means of a special resolution in general meeting and filed the said resolution with the Registrar of Companies (ROC). Thereafter the Company invited the public to make deposits by way of Advertisement in the newspaper. The prospectus issued on 6th January, 2020 was filed with ROC. It was proposed to open the offer of equity shares on 7th February, 2020. Again a prospectus was issued indicating the size, price, terms & conditions, highlights of the variations with the prospectus issued on 6th January, 2020. Upon closing of the offer of equity shares, the due diligence was complied by the Company.

Keeping in mind the provisions of the Companies Act, 2013 choose the correct answer for the Questions 17 to 19 :

17. The Prospectus issued on 6th January, 2020 shall be filed with _____.
- (A) Registrar of Companies on or before 4th February, 2020
 - (B) Registrar of Companies on or before 3rd February, 2020
 - (C) Securities and Exchange Board of India (SEBI) on or before 4th February, 2020
 - (D) Registrar of Companies and SEBI on or before 3rd February, 2020

at Issue or Bonus Share
19 Reg? -
to Distribute Dividend within
(Section 127)

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18. In order to eligible to accept the public deposit XYZ Limited shall have _____
- (A) Net worth of not less than one hundred crore rupees or turnover of not less than five hundred crore rupees.
 - (B) Net worth of not less than ten crore rupees and turnover of not less than one hundred crore rupees.
 - (C) Turnover of not less than two hundred crore rupees.
 - (D) Net profit of not less than one hundred crore rupees.
19. The Prospectus issued on 6th January, 2020 is called _____
- (A) Shelf Prospectus
 - (B) Red Herring Prospectus ✓
 - (C) Information Memorandum
 - (D) Abridged Prospectus
20. The financial statements of an One Person Company (OPC) includes all of the following documents, except :-
- (A) Balance Sheet
 - (B) Profit and Loss statement
 - (C) Cash flow statement
 - (D) Statement of changes in equity

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21. MN Limited failed to repay the Public Deposits on maturity after they are claimed. The Company is required to pay penal interest at the rate of _____ for the overdue period. 1
- (A) 15%
 - (B) 18% ✓
 - (C) 12%
 - (D) 20%
22. OPR Limited incorporated on 10th January, 2019 and closed its Financial Statement on 31st March, 2020. The First Annual General Meeting of the Members shall be held on or before 1
- (A) 31st October, 2020
 - (B) 30th September, 2020
 - (C) 31st December, 2020
 - (D) 30th November, 2020
23. Which of the following is not considered as Key Managerial Person (KMP) in relation to a company as per Companies Act 2013 ?
- (A) Chief Executive Officer
 - (B) Company Secretary
 - (C) Whole Time Director
 - (D) Statutory Auditor

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