



INDIAN SCHOOL AL WADI AL KABIR

Class: XI	Department: Commerce
Subject: BST	NATURE & PURPOSE OF BUSINESS
Worksheet: 4	MCQ's

1. The application for registration of a company should be presented to the registrar of the state in which the _____ of the company is to be situated.
 - (a) Manufacturing plant
 - (b) The first branch
 - (c) Business office
 - (d) Any of the above
2. 'Men may come and men may go, but the company exists.' – This explains the characteristics of the company as per the Companies Act 1956.
 - (a) Separate legal entity
 - (b) Perpetual Succession
 - (c) Capacity to sue
 - (d) None of the above
3.is the most important document as it defines the objectives of the company.
 - (a) Articles of Association
 - (b) Partnership deed
 - (c) Memorandum of Association
 - (d) Incorporation certificate
4. clause contains the name of the company with which the company will be known, which has already been approved by the Registrar of Companies.
 - (a) Name Clause
 - (b) Registered Office Clause
 - (c) Objects Clause
 - (d) Liability Clause
5.clause specifies the maximum capital which the company will be authorised to raise through the issue of shares.
 - (a) Name Clause
 - (b) Capital Clause
 - (c) Objects Clause
 - (d) Liability Clause
6.defines the rules regarding internal management of a company.
 - (a) Articles of Association
 - (b) Partnership deed
 - (c) Memorandum of Association
 - (d) Certificate of Incorporation

7. The is conclusive evidence of the regularity of the incorporation of a company.
- (a) Articles of Association
 - (b) Partnership deed
 - (c) Memorandum of Association
 - (d) Certificate of Incorporation
8. SEBI stands for
- (a) Securities and Exchange Board of India
 - (b) Shares and Exchange Board of India
 - (c) Securities and Export Board of India
 - (d) Services Exchange Board of India
9. The shareholders do not have the right to be involved in the day-to-day running of the business.
- (a) Risk bearing
 - (b) Common seal
 - (c) Liability
 - (d) Control
10. The members can be asked to contribute to the loss only to the extent of the unpaid amount of share held by them.
- (a) Risk bearing
 - (b) Common seal
 - (c) Liability
 - (d) Control
11. What is the size of the minimum subscription as per SEBI?
- a) 90%
 - b) 92%
 - c) 85%
 - d) 80%
12. Capital clause specifies—
- a) authorised capital
 - b) subscribed capital
 - c) paid-up capital
 - d) issued capital
13. Which document is a subsidiary of the MOA?
- a) prospectus
 - b) articles of association
 - c) consent of directors
 - d) table
14. Stages in the formation of a public company are in the following order:
- (a) Promotion, Commencement of Business, Incorporation, Capital Subscription
 - (b) Incorporation, Capital Subscription, Commencement of Business, Promotion
 - (c) Promotion, Incorporation, Capital Subscription, Commencement of Business
 - (d) Capital Subscription, Promotion, Incorporation, Commencement of Business