

VIDYA BHAWAN BALIKA VIDYA PITH

शक्ति उत्थान आश्रम लखीसराय बिहार

Class 11 commerce Sub. BST. Date 28.12.2020

Teacher name – Ajay Kumar Sharma

FORMATION OF A COMPANY

Question 1:

Minimum number of members to form a private company is

- (a) 2
- (b) 3
- (c) 5
- (d) 7

ANSWER:

As per the law, a minimum of two members are required to form a private company.

Hence, the correct answer is option (a).

Question 2:

Minimum number of members to form a public company is

- (a) 5
- (b) 7
- (c) 12
- (d) 21

ANSWER:

According to the law, a minimum of seven members are required to form a public company.

Hence, the correct answer is option (b)

Question 3:

Application of approval of name of a company is to be made to

- (a) SEBI
- (b) Registrar of Companies
- (c) Government of India
- (d) Government of the state in which company is to be registered.

ANSWER:

For approval of the name of a company, the promoters need to submit an application to the registrar of companies concerned.

Hence, the correct answer is option (b).

Question 4:

A proposed name of Company is undesirable if

- (a) It is identical with the name of an existing company
- (b) It resembles closely with the name of an existing company.
- (c) it is an emblem of Government
- (d) in case of any of the above.

ANSWER:

The name proposed for a company is considered 'undesirable' if it is identical to the name of an existing company, or if the proposed name closely resembles the name of an existing company, or if it is an emblem of a government organisation. In all these cases, the name proposed is considered 'undesirable'.

Hence, the correct answer is option (d).

Question 5:

A prospectus is issued by

- (a) A private company
- (b) A public company seeking investment from public.
- (c) A public enterprise
- (d) A public company

ANSWER:

A prospectus is issued by a public company if it decides to raise funds through public investment. A private company need not issue a prospectus as it is prohibited from raising funds from the public.

Hence, the correct answer is option (d).

Question 6:

Stages in the formation of a public company are in the following manner

- (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

ANSWER:

In case of a public company, its formation follows the stages given below.

- (a) Promotion
- (b) Incorporation
- (c) Capital Subscription
- (d) Commencement of business

Hence, the correct answer is option (c).
