

Chapter 8 Issue Of Share II**QUESTIONS**

SECTIONS

1. Section A - 20 Questions

Section 1 : Section A - 20 Questions

- 1 This is an MCQ question: The balance of Share Forfeiture A/c transferred to _____ after re-issue of these share.
- ☐ Reserve capital
 - ☐ Capital reserve
 - ☐ Profit & Loss
 - ☐ Share Capital
- Correct: +1
- 2 This is an MCQ question : As per the SEBI guidelines minimum amount payable share application should be _____ of Nominal Value of share.
- ☐ 10%
 - ☐ 15%
 - ☐ 2%
 - ☐ 5%
- Correct: +1
- 3 This is an MCQ question : When Shares are forfeited the Share Capital Account is _____.
- ☐ Credited
 - ☐ Debited
 - ☐ Neither debited nor credited
 - ☐ Non of of the above
- Correct: +1
- 4 This is an MCQ question : The unpaid amount on allotment and calls may be transferred to _____ account.
- ☐ calls in advance
 - ☐ calls
 - ☐ calls in arrears

☐ allotment

Correct: +1

5 This is an MCQ question : There must be provision in _____ for forfeiture of shares

- ☐ Articles of Association
- ☐ Memorandum of association
- ☐ Prospectus
- ☐ Balance Sheet

Correct: +1

6 This is an MCQ question : A Company has _____.

- ☐ Separate legal Entity
- ☐ Perpetual Existence
- ☐ Limited Liability
- ☐ All of the above

Correct: +1

7 This is an MCQ question : Liability of shareholder is limited to _____ of the shares allotted to him:

- ☐ Paid up Value
- ☐ Called up value
- ☐ Face value
- ☐ Reserve price

Correct: +1

8 This is an MCQ question : To whom dividend is given at a fixed rate in a company?

- ☐ To equity shareholders
- ☐ To preference shareholders
- ☐ To debenture holders
- ☐ To promoters

Correct: +1

9 This is an MCQ question : A company issued 50,000 shares of ₹ 20 each at 5% premium. ₹ 10 were payable on application and balance on allotment. what will be the the allotment amount?

- ☐ ₹ 5,00,00
- ☐ ₹ 4,75,000
- ☐ ₹ 5,50,000
- ☐ ₹ 5,25,000

Correct: +1

10 This is an MCQ question : Pro-rata allotment of shares is made when there is :

- ☐ Under Subscription
- ☐ Over subscription
- ☐ Equal Subscription
- ☐ As and when desired by directors

Correct: +1

11 This is an MCQ question : Authorised capital of a company is divided into 5,00,000 shares ₹10 each. it issued 3,00,000 shares. public applied for 3,60,000 shares. Amount of issued capital will be:

- ☐ ₹ 30,00,000
- ☐ ₹ 36,00,000
- ☐ ₹ 50,00,000
- ☐ ₹ 6,00,000

Correct: +1

12 This is an MCQ question : If applicant for 80,000 shares were allotted 60,000 shares on prorata basis, the shareholder who was allotted 1,200 shares must have applied for :

- ☐ 900 shares
- ☐ 3,600 Shares
- ☐ 1,600 Shares
- ☐ 4,800 Shares

Correct: +1

13 This is an MCQ question : A company issued 5,000 equity share of ₹ 100 each at par payable as to : ₹ 40 on application ; ₹50 on allotment and ₹ 10 on call. Application were received for 8,000 shares. allotment was made on pro-rata. how amount will be received in cash on allotment?

- ☐ ₹ 2,50,000
- ☐ ₹ 1,20,000
- ☐ ₹ 1,30,000
- ☐ ₹ 50,000

Correct: +1

14 This is an MCQ question : At the time of forfeiture of shares the share capital account is debited with....

- ☐ Face value
- ☐ Called up value
- ☐ Paid up value
- ☐ Issued value

Correct: +1

15 This is an MCQ question : Directors issued 20000 equity SHARES of ₹100 EACH AT PAR. These were fully subscribed AND CALLED up. All money were received except one SHAREHOLDER holding 100 equity SHARES FAILED to PAY FINAL CALL of ₹20 per SHARE. CALCULATE the AMOUNT of PAID up CAPITAL of the COMPANY.

- ☐ 20,00,000
- ☐ 19,90,000
- ☐ 19,20,000
- ☐ 19,98,000

Correct: +1

16 This is a true false question : Once the APPLICATION money is received, directors CAN IMMEDIATELY proceed for ALLOTMENT of SHARES.

- ☐ True
- ☐ False

Correct: +1

17 This is a true false question : SWEAT SHARES ARE issued to public.

- ☐ True
- ☐ False

Correct: +1

18 This is a true false question : Directors CAN re-issue forfeited SHARES.

- ☐ True
- ☐ False

Correct: +1

19 This is a true false question : CALLS in ADVANCE ACCOUNT is shown on the Asset side of the BALANCE sheet.

- ☐ True
- ☐ False

Correct: +1

20 This is a true false question : When SHARES ARE forfeited SHARES CAPITAL Account is credited.

- ☐ True
- ☐ False

Correct: +1

TEST

Chapter 8 Issue Of Share II

ANSWERS

SECTIONS

1. Section A - 20 Questions

Section 1 : Section A - 20 Questions

- 1 Capital reserve
- 2 10%
- 3 Debited
- 4 calls in arrears
- 5 Articles of Association
- 6 All of the above
- 7 Face value
- 8 To preference shareholders
- 9 ₹ 5,50,000
- 10 Over subscription
- 11 ₹ 30,00,000
- 12 1,600 Shares
- 13 ₹ 1,30,000
- 14 Called up value
- 15 19,98,000
- 16 False
- 17 False
- 18 True
- 19 False
- 20 False