Ch-7 Formation of a Company

Worksheet

1. Formalities in formation of company is divided in into three distinct stages, which are:

1._____ 2._____ 3. _____

2. Promoter: _____

3. Functions of a Promoter:

1.

2.

3.

4.

5.

6.

4. Name the type of feasibility studies:

a.Sometimes an idea may be good but technically not possible to execute

b.Sometimes an idea may be good but the chance of it being profitable is very little.

c. If the required outlay for the project is so large that it cannot easily be arranged within the available means

5. For Name Approval _____ names, in order of their priority are given in the application to the Registrar of Companies of the state in which _____

6. Proposed name may not be approved if-

a.

b.

c.

7. Who becomes the first directors of company?

8. Qualification shares means:

9. Documents required to be submitted by promoters for getting company registered /incorporated

1.

2.

3.

4.

5.

6.

7.

8.

10. The Memorandum of Association contains different clauses . Identify the name of clause with statement mentioned below:

a) It limits the liability of the members to the amount unpaid on the shares owned by them
b) It defines the purpose for which the company is formed
c) It specifies the maximum capital, which the company will be authorised to raise through the issue of shares.
d) It contains the name of the company with which the company will be known.
e) It contains the name of the state, in which the registered office of the company is proposed to be situated.

11. The Memorandum of Association must be signed by at least _____ persons in case of a public company and by _____ persons in case of a private company.

12. The rules regarding internal management of a company are mentioned in _____

13. The articles of a company shall be in respective forms as specified in Table _____ in schedule I of Companies act 2013

14. To ensure that the directors have some stake in the proposed company, the Articles usually have a provision requiring them to buy a certain number of shares which is called _____ and it is mentioned in _____ (document) of company.

15. A notice about the exact address of the registered office may also be submitted along with other documents at time of incorporation. However, if the same is not submitted at the time of incorporation, it can be submitted within _____days of the receipt of the certificate of incorporation.

16. The application for incorporation is to be filed with the Registrar of Companies of the state within which they plan to establish the _____ of the company.

17. The certificate of _____ is called as the birth certificate of the company.

18. A person forged the signatures of others on the Memorandum. Is Incorporation still considered valid. YES/NO

19. When a company gets registered with illegal objects written in MOA ,Can the birth of the company be questioned YES/NO

20. The _____ is thus conclusive evidence of the legal existence of the company.

21. Promoters are neither the agents nor the trustees of the company because

_____

_____

22. Promoters of a company enjoy a _____ position with the company, which they must not misuse.

23. The company may remunerate the promoters for their efforts by paying

(a) _____ or

(b) _____ or

(c) _____

24. Both public and private companies are required to obtain the certificate for commencement of business within _____ days of its incorporation.

25. Difference between Memorandum of Association and Articles of Association

Basis	Memorandum of Association	Articles of Association
Objectives		
Position		
Relationship		
Validity		
Necessity		

26. Steps under Capital Subscription stage in formation of company are:

1.
2.
3.
4.
5.
6.

27. _____ is the regulatory authority in our country which has issued guidelines for the disclosure of information and investor protection.

28. Prospectus is _____

_____

29. There must not be a mis-statement in the prospectus and all material significant information must be fully disclosed because _____

_____

_____

30. What is role of following people in raising funds from public

(a) Bankers

(b) Brokers

(c) Underwriters

31.What is Minimum Subscription _____

_____

_____

32. Why the requirement of Minimum Subscription is there? _____

_____

33. If permission from at least one stock exchange to deal in its shares or debentures is not granted before the expiry of _____ from the date of closure of subscription list, the allotment shall become void and all money received from the applicants will have to be returned to them within _____ days.

34. What is Return of allotment _____

_____

_____

35.Who files A 'Statement in Lieu of Prospectus' and when ?

_____

_____

_____

35. What is OPC

_____

_____

Features of OPC

1.
2.
3.
4.
5.
6.