

CORPORATE AND ECONOMIC LAWS**Test:- 2****Topic:- Dividend + Accounts of Companies + Foreign Company + Auditor****TIME:-50 MINUTES****MAX. MARKS:-40 Marks****MCQs**

1. In terms of section 123(4), the amount of the dividend including interim dividend shall be deposited in a scheduled bank in a separate account within _____ days from the date of declaration of such dividend.

- a. Five
- b. Six
- c. Seven
- d. Ten .

1 Marks

2. IEPF stands for-

- a. Investor Employment and Protection Fund
- b. Investor Education and Publicity Fund
- c. Investor Entrepreneurship and Protection
- d. Investor Education and Protection Fund .

1 Marks

3. In case of private limited companies, as per the Companies Act, 2013, the criteria for appointment of internal auditor is.

- 1. turnover ₹ 100 crore or more.
 - 2. turnover ₹ 200 crore or more.
 - 3. outstanding liability from banks or financial institutions ₹ 100 crore.
 - 4. outstanding liability from banks or financial institutions ₹ 200 crore.
- a. 2 and 3
 - b. 1 and 3
 - c. 1 and 4
 - d. 2 and 4 .

1 Marks

4. The board may fill any casual vacancy in the office of an auditor within 30 days but where such vacancy is caused by the resignation of an auditor, such appointment shall also be approved by the company at a general meeting within _____ on recommendation of the Board

- a. one month
- b. two months
- c. three months
- d. six months .

1 Marks

5. Auditor can render the following additional service to the company where he is auditor:

- a. Internal Audit
- b. Accounting and book keeping
- c. Investment Advisory services
- d. None of the above .

1 Marks

Descriptive Questions:

QUESTION: - YZ Ltd is a manufacturing company & has proposed a dividend @ 10% for the year 2017-18 out of the current year profits. The company has earned a profit of Rs. 910 crores during 2017-18. YZ Ltd. does not intend to transfer any amount to the general reserves of the company out of current year profit. Is YZ Ltd. allowed to do so? Comment.

4 Marks

QUESTION: - The Board of Directors of ABC Limited at its board meeting declared dividend on its paid-up equity share capital which was later on approved by the company's Annual General Meeting. In the meantime, the directors diverted the amount of total dividend to be paid to shareholders for purchase of investments for the company. Due to this dividend was paid to shareholders after 45 days declaration. Examining the provisions of the Companies Act, 2013, state whether the act of directors is in violation of the provisions of the Companies Act, 2013. Also explain what the consequences of the above act of directors are.

7 Marks

QUESTION: Examine the provisions of the Companies Act, 2013 relating to maintenance of the books of account in electronic form under section 128.

5 Marks

QUESTION: Briefly outline the procedure for reporting of fraud by auditors under Section 143(12) of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014.

8 Marks

QUESTION: A public company is required to appoint its statutory auditor at the Annual General Meeting (AGM). In this context, discuss the following aspects:

- (i) Outline the procedure for appointment of the first auditor and for subsequent auditors.
- (ii) Explain the tenure of auditors and the statutory provisions relating to rotation of auditors.
- (iii) Identify the disqualifications for appointment as auditor under Section 141 of the Companies Act, 2013.

5 Marks

QUESTION: FRC Limited India. is a foreign company having its places of business in Chennai and Bengaluru, India. It has amended its Memorandum of Association on 1st June, 2022 and closed branch office situated at Chennai. Referring to the provisions of the Companies Act, 2013 advise the company on the following matters:

- (i) Compliance procedure as regards to amendment of Memorandum of Association.
- (ii) Compliance procedure as regards to closure of Chennai office and discontinuing submission of documents to the Registrar of Companies afterwards.

6 Marks