1. The applications which bear the stamp of underwriters are called as :
   a) Unmarked applications
   b) Marked applications
   c) Sealed applications
   d) None of the above

2. Underwriting commission is calculated on :
   a) Issue price of shares underwritten
   b) Net liability value
   c) Marked application value
   d) Firm underwriting value
3. When the benefit of firm underwriting is not given to the underwriters :
   a) Firm underwriting is treated as unmarked applications
   b) Firm underwriting is treated as marked applications
   c) Firm underwriting is ignored
   d) None of the above

4. In case of shares commission cannot exceed:
   a) 3 % of issue price
   b) 7.5 % of issue price
   c) 5 % of issue price
   d) 2.5 % of issue price

5. SV Ltd. issued shares of Rs. 100 each at 50% premium. Underwriting commission will be paid on :
   a) Rs. 100
   b) Rs. 90
   c) Rs. 150
   d) Rs. 200

6. The provisions of buyback of shares are specified in Section _____ of Companies Act.
   a) 68
   c) 78
   b) 75
   d) 80

7. The amount not collected by shareholders should be shown as _____.
   a) current liabilities
   c) share capital
   b) capital reserve
   d) reserve capital

8. Before buyback all the shares must be _____.
   a) Partly paid
   b) Fully paid
   c) Fully subscribed
   d) Fully Called up

9. If buyback of equity shares is not out of divisible profit, there is no need to transfer any amount to ____.
   a) Capital Redemption Reserve
   c) Profit and Loss A/c
   b) General Reserve A/c
   d) Dividend Equalisation Reserve
10. Amalgamation of companies is governed by _____.
   a) AS–13
   b) AS–14
   c) AS–9
   d) AS–11
11. Amalgamation Adjustment Reserve Account is required in respect of _____.
   a) general reserve
   b) statutory reserve
   c) security premium
   d) capital reserve
12. Pooling of Interest is a method of _____.
   a) providing depreciation
   b) valuation of inventory
   c) accounting for amalgamation
   d) Providing taxation
13. If Deepa Ltd. is taken over by Ranbhir Ltd. it is called as :
   a) Amalgamation
   b) External reconstruction
   c) Absorption
   d) Merger
14. Capital reduction is implemented per Section _____ of Companies Act.
   a) 77
   b) 75
   c) 80
   d) 66
15. The cancellation of contingent liability is _____ for company
   a) profit
   b) loss
   c) no profit – no loss
   d) Reserve
16. Creditors of the company are Rs. 50,00,000 one creditor for Rs. 20,00,000 decided to forego 40% of his claim. He is allotted 30,000 equity shares of Rs. 40 each in full satisfaction. The amount transferred to capital reduction is _____.
   a) Rs. 8,00,000
   b) Rs. 10,00,000
   c) Rs. 4,00,000
   d) Rs. 5,00,000
17. Investment costing of Rs. 24,000 given to Bank for bank overdraft of Rs. 16,800. The capital reduction is debited by Rs. _____.
   a) Rs. 4,000

b) Rs. 8,000
c) Rs. 7,200
d) Rs. 4,500

18. Equity shareholders are :
    a) Priority claimant
    b) Second claimant
    c) Last claimant
    d) Third claimant

19. Government dues that arose within 12 months before the date of winding up is treated as :
    a) Preferential Creditors
    b) Secured Creditors
    c) Unsecured Creditors
    d) None of the above
20. Arrears of Preference dividend on the date of winding up is:
    a) Added to Preference share capital
    b) Treated as secured creditor
    c) Treated as unsecured creditor
    d) Added to equity Share capital