

Principle of Commerce (English Medium) - 11th Class Principle of Commerce Chapter 7 Short Questions Preparation

Q1. What is meant by Special resolution.

Ans 1: The resolution which is passed by 1/4 three fourth majority of the shareholders is called special resolution a 21 days notice along with a copy of resolution must be sent to each member

Q2. What is meant by the statutory meeting and explain its main objectives.

Ans 1: Statutory meeting is the first meeting of the company's shareholders. The object of the statutory meeting is to inform the shareholders about the affairs of the company. At least 21 days before, a notice is issued by the secretary of company to all shareholders.

Q3. What is meant by a director of company.

Ans 1: The shareholders who are the owners of the company do not participate in the affairs of management directly, but they elect their representative to run the business. These elected representatives are called "Directors of the company" and elected directors are collectively known as 'Board of Directors'

Q4. Define Statutory report of company.

Ans 1: i- Total number of Allotted shares.

Ans 2: ii- Total amount of cash received in respect of the allotted shares.

Ans 3: iii- Detail of company's receipts and payments.

Ans 4: iv- The names and addresses of the direction chief executive, secretary, auditors etc.

Ans 5: v- Particulars of any business contract etc.

Q5. What is meant by extra ordinary meeting and its objectives.

Ans 1: According to section 133 of Companies Act 2017, all general meetings other than the statutory meeting and annual general meeting are called extra ordinary general meetings. these meetings are to be called in following circumstances.

Ans 2: 1- To solve important issues.

Ans 3: 2- To issue debenture

Ans 4: 3- To alter company's capital

Q6. What is an ordinary resolution.

Ans 1: A resolution which is passed by the simple majority members in any kind of general meeting of a company. For this resolution a 21 days notice must be sent to each member.

Q7. Explain the steps involved in the winding up of company by the consent of creditors.

Ans 1: i- Statutory declaration ii - General meeting

Ans 2: iii- Statement of company's affairs iv- Intimation to registrar

Ans 3: v- Appointment of liquidator vi Inspection committee

Ans 4: vii- Duties of the liquidators viii- Final meeting

Q8. What are the duties of company's director.

Ans 1: i- Directors make the arrangements to conduct the company meetings.

Ans 2: ii- They should prevent the misuse of capital

Ans 3: iii- They keep check to stop the wrong payments.

Ans 4: iv- The directors should frame and implement the policies of business.

Ans 5: v- They submit the various reports to registrar.

Q9. Which people cannot become the directors of company.

Ans 1: i- A minor.

Ans 2: ii- Person of unsound mind.

Ans 3: iii- A person convicted by a court of law for an offence involving moral turpitude.

Ans 4: iv- A person who does not give written declaration of becoming director

Ans 5: v- A person who is not a member of the company

Q10. What methods can be used to wind up a company.

Ans 1: i- By court ii- Voluntary winding up

Ans 2: iii- Under the supervision of court.
