



# INDIAN SCHOOL MUSCAT

## Senior Section

### Department of Commerce and Humanities

Class : 11

#### Worksheet-3 : Chapter 7: Formation of A Company

Reference:

NCERT Text Book

Date of issue

**BUSINESS STUDIES (054)**

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1. Name the stages in the formation of a company. 1
2. What do you understand by `Qualification shares? 1
3. Explain the term `Minimum subscription ` .What is the limit of minimum subscription according to the Companies Act? 1
4. Who is a promoter? 1
5. ABC Ltd. invited general public to subscribe for its public issue of Rs.10 crores through issue of prospectus. It received applications for Rs.45 lakhs shares. Can the company proceed with allotment of shares? 1
6. At which stage in the formation of a company does it interact with SEBI? 1
7. Who are the first directors of the company? 1
- II Answer in 50-75 words
8. Write a short note on “Statement in lieu of prospectus”. 3
9. Is it necessary for every company to have its own Articles of Association? 3
10. What is the role of underwriters in the capital subscription stage of a public limited Company? 3
11. Is it necessary for every company to have its own Memorandum of Association? 3
12. List the main documents to be filed for incorporating a company. 3
13. Briefly explain the term “Return of Allotment” 3

14. Distinguish between “Preliminary contracts” and “provisional contracts” 3  
 III Answer in around 150 words
15. What is a prospectus? Is it necessary for every company to file a prospectus? 4
16. Explain the documents which a public company has to file with the registrar of companies before obtaining certificate to commence business. 4
17. What is the effect of conclusiveness of the Certificate of Incorporation and Commencement of Business? 4
18. Is it necessary for a public company to get its share listed on a stock exchange? 4  
 What happens if a public company going for a public issue fails to apply to stock exchange for permission to deal in its securities or fails to get such permission?
19. Discuss the role/functions of promoters in the formation of a company 5
20. Distinguish between Memorandum of Association and Articles of Association 5
21. “Promoter is neither the trustee nor the agent of the company”. Comment. 5  
 IV Answer in around 200 words.
22. What is a Memorandum of Association? Briefly explain the various clauses of Memorandum of Association. 6
23. State and explain the steps required to raise funds from the public. -viz.-capital subscription by the company 6

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