

## PRACTICE QUESTIONS

### COMPLIANCE OFFICERS (CORPORATES) MODULE

1) As per the SEBI (ESOS and ESPS) Guidelines 1999, 'ESOS Shares' means \_\_\_\_\_ (1 mark)

- (a) shares arising out of exercise of options granted under ESOS
- (b) shares arising out of grant of shares under ESPS
- (c) shares arising out of vesting of options granted under ESOS
- (d) None of the above
- (e) I am not attempting the question

2) As per the Guidelines for Preferential Issues in the SEBI (DIP) Guidelines 2000 in case of allotment of shares and securities convertible into equity shares at later date on preferential basis pursuant to scheme of corporate debt restructuring as per the Corporate Debt Restructuring framework specified by the Reserve Bank of India such preferential issues shall be made fully paid up \_\_\_\_\_ (2 marks)

- (a) at the time of their issue
- (b) at the date of the resolution
- (c) at the time of their allotment
- (d) the guidelines do not apply
- (e) I am not attempting the question

3) As per the Guidelines for Preferential Issues in the SEBI (DIP) Guidelines 2000 fresh consent of the shareholders is required to be obtained if allotment of instruments and dispatch of certificates is not completed within \_\_\_\_\_ (2 marks)

- (a) four months from the date of such resolution
- (b) three months from the date of such resolution
- (c) twelve months from the date of such resolution
- (d) six months from the date of such resolution
- (e) I am not attempting the question

4) The shares arising after the IPO out of options granted under any ESOS framed prior to its IPO shall be listed immediately \_\_\_\_\_ (2 marks)

- (a) upon exercise
- (b) upon issue
- (c) upon vesting
- (d) None of the above.
- (e) I am not attempting the question

5) As per the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, control shall include \_\_\_\_\_ (1 mark)

- (a) the right to appoint 45% of the directors
- (b) the right to appoint majority of the directors
- (c) the right to appoint 50% of the directors
- (d) the right to appoint 25% of the directors
- (e) I am not attempting the question

6) As per the Chapter XI of the SEBI (DIP) Guidelines 2000 specifying the Guidelines for Book Building, individuals as well as Qualified Institutional Investors shall place their bids only through \_\_\_\_\_.

(1 mark)

- (a) book runners
- (b) brokers who have the right to vet their bids
- (c) syndicate members
- (d) stock exchanges
- (e) I am not attempting the question

7) The main object of the Securities Contracts (Regulation) Act 1956 is \_\_\_\_\_.

(2 marks)

- (a) to control the monopolistic and restrictive trade practices followed by the listed companies
- (b) to prevent undesirable transactions in securities by regulating the business of dealing therein
- (c) to protect the interest of the investors and promote and develop the securities market
- (d) to consolidate and amend the law relating to companies and certain other associations
- (e) I am not attempting the question

8) As per Chapter X of the SEBI (DIP) Guidelines 2000 specifying the guidelines for issue of capital by Designated Financial Institutions (DFIs), in case of debentures with conversion period beyond 36 months the issuer designated DFI may exercise \_\_\_\_\_.

(2 marks)

- (a) Call option
- (b) Put option
- (c) Put and Call option
- (d) None of the above.
- (e) I am not attempting the question

9) As per the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, no acquirer who has acquired 15% or more but less than 55% of the shares of a company shall acquire additional shares of the percentage specified below unless a public announcement is made:

(1 mark)

- (a) 2%
- (b) 15%
- (c) 10%

- (d) 5%
- (e) I am not attempting the question

10) Clause 41 of the listing agreement prescribes formats of \_\_\_\_\_. (2 marks)

- (a) segment wise reporting and unaudited financial results
- (b) segment wise reporting of unaudited financial results as also alternative format for manufacturing and trading/service companies and annual audited results
- (c) segment wise reporting unaudited financial results and annual audited results
- (d) segment wise reporting of unaudited financial results as also alternative format for banks as well as for manufacturing and trading/service companies annual audited results
- (e) I am not attempting the question

11) Every listed company is required to submit to the Stock Exchange the shareholding pattern of the company on a \_\_\_\_\_. (1 mark)

- (a) quarterly basis
- (b) monthly basis
- (c) yearly basis
- (d) half yearly basis
- (e) I am not attempting the question

12) As per the SEBI (ESOS and ESPS) Guidelines 1999, the companies granting option to their employees pursuant to ESOS will have the freedom to determine the exercise price subject to conforming to the accounting policies specified in \_\_\_\_\_. (1 mark)

- (a) US GAAP
- (b) SEBI (ESOS and ESPS) Guidelines 1999
- (c) International Accounting Standards
- (d) Accounting Standards issued by Institute of Chartered Accountants of India
- (e) I am not attempting the question

13) Board meeting had 9 members personally present. Of them 7 were interested in a particular item of business. Yet resolution was passed on that item by the remaining two directors. Is the resolution valid? (2 marks)

- (a) Yes
- (b) No
- (e) I am not attempting the question

14) The term 'Member' is defined in the Securities Contract (Regulation) Act 1956 as \_\_\_\_\_. (1 mark)

- (a) member of the Board as constituted under SEBI Act 1992
- (b) member of a recognized stock exchange
- (c) member of the SAT as constituted under the SEBI Act 1992

- (d) member as defined under the Companies act 1956
- (e) I am not attempting the question

15) As per the SEBI (DIP) Guidelines 2000, for raising of funds through public issues, the due date for the final post issue monitoring report for all issues shall be \_\_\_\_\_.

(2 marks)

- (a) 3rd day from the date of listing or 78 days from the date of closure of the subscription of the issue whichever is earlier
- (b) 3rd day from the date of listing or 75 days from the date of closure of the subscription of the issue whichever is earlier
- (c) 3rd day from the date of listing or 50 days from the date of closure of the subscription of the issue whichever is earlier
- (d) 3rd day from the date of listing or 80 days from the date of closure of the subscription of the issue whichever is earlier
- (e) I am not attempting the question

16) Every issuer shall issue the certificate of securities to the beneficial owner or transferee as the case may be, upon receipt of information from depository about opting out by the beneficial owner or transferee within \_\_\_\_\_.

(1 mark)

- (a) 42 days
- (b) 15 days
- (c) 30 days
- (d) 21 days
- (e) I am not attempting the question

17) One of the powers of the SAT is \_\_\_\_\_. (Strike off the odd one)

(2 marks)

- (a) review its decisions
- (b) delist the securities of any company from the Recognised Stock Exchange
- (c) issuing Commissions for the examination of witnesses or documents
- (d) receive evidence on affidavits
- (e) I am not attempting the question

18) State which of the following is true? As per Chapter X of the SEBI (DIP) Guidelines 2000 specifying the guidelines for issue of capital by Designated Financial Institutions (DFIs), in the event of the DFIs inability to obtain listing permission from any of the stock exchanges where application for listing of such instruments has been made \_\_\_\_\_.

(2 marks)

- (a) the DFI need not refund the money to the investors
- (b) the DFI undertakes to refund the entire money to the investors
- (c) I am not attempting the question

19) Mr. D, Director of Company X Ltd., due to lack of time assigned part of his duty to Mr. M, the manager. Mr. C, the Company Secretary, objected to such an act. Is C's objection valid? (2 marks)

- (a) Yes
- (b) No
- (c) I am not attempting the question

20) As per the SEBI (DIP) Guidelines 2000, for raising of funds through public issues an unlisted company may make an initial public offering (IPO) of equity shares only if the company has net tangible assets of at least \_\_\_\_\_. (1 mark)

- (a) Rs.5 crore in each of the preceding 3 full years (of 12 months each) of which not more than 50% is held in monetary assets
- (b) Rs. 4 crore in each of the preceding 3 full years (of 12 months each) of which not more than 50% is held in monetary assets
- (c) Rs. 3 crore in each of the preceding 3 full years (of 12 months each) of which not more than 50% is held in monetary assets
- (d) Rs. 6 crore in each of the preceding 3 full years (of 12 months each) of which not more than 50% is held in monetary assets
- (e) I am not attempting the question

21) As per the Guidelines for Preferential Issues in the SEBI (DIP) Guidelines 2000 allotment pursuant to any resolution passed at meeting of shareholders of company granting consent for preferential issues of any financial instrument shall be completed within period of \_\_\_\_\_. (2 marks)

- (a) fifteen days from the date of passing of the resolution
- (b) sixty days from the date of passing of the resolution
- (c) forty five days from the date of passing of the resolution
- (d) thirty days from the date of passing of the resolution
- (e) I am not attempting the question

22) All securities held by depository shall be \_\_\_\_\_. (1 mark)

- (a) dematerialised and in fungible form
- (b) either in physical form or in dematerialized form
- (c) in physical form
- (d) I am not attempting the question

23) Mr. S is proposed to be appointed as non-executive director of ABC Plastics Ltd. He is not clear as to whether he is required to comply with any of the requirements of Clause 49 of the listing agreement. Advice him. (2 marks)

- (a) Prior to his appointment he has to disclose his shareholding in ABC Plastics Ltd.
- (b) Prior to his appointment he has to disclose his shareholding in all the listed companies.
- (c) After his appointment he has to disclose his shareholding in all the listed

companies.

- (d) After his appointment he has to disclose his shareholding in ABC Plastics Ltd.
- (e) I am not attempting the question

24) If the allotment of the securities by the listed company is not made within the prescribed time then the company shall pay interest of \_\_\_\_\_. (2 marks)

- (a) 15% p.a.
- (b) 30% p.a.
- (c) 20% p.a.
- (d) 25% p.a.
- (e) I am not attempting the question

25) The acquirer shall ensure that the letter of offer is sent to all the shareholders of the target company so as to reach them within \_\_\_\_\_. (2 marks)

- (a) 45 days from the date of public announcement
- (b) 60 days from the date of public announcement
- (c) 25 days from the date of public announcement
- (d) 30 days from the date of public announcement
- (e) I am not attempting the question

26) As per the Guidelines on Initial Public Offers through the Stock Exchange on-line system in the SEBI (DIP) Guidelines 2000, the Registrar to the Issue having electronic connectivity with the Stock Exchange through which the securities are offered under the system shall be appointed by \_\_\_\_\_. (2 marks)

- (a) The Lead Manager
- (b) The Company
- (c) The Merchant Banker
- (d) The Stock Exchange
- (e) I am not attempting the question

27) Where the scheme of Corporatisation and demutualisation is approved it shall be published \_\_\_\_\_. (1 mark)

- (a) within 7 days by the SEBI in the Official Gazette and by the Recognised Stock Exchange in two daily newspapers as specified by the SEBI
- (b) immediately by the SEBI in the Official Gazette and within 7 days by the Recognised Stock Exchange in two daily newspapers as specified by the SEBI
- (c) within 7 days by the Recognised Stock Exchange in two daily newspapers as specified by the SEBI
- (d) immediately by the SEBI in the Official Gazette and by the Recognised Stock Exchange in two daily newspapers as specified by the SEBI
- (e) I am not attempting the question

28) As per Chapter X of the SEBI (DIP) Guidelines 2000 stating the Guidelines for issue of debt instruments for redemption of the debentures issued, the company

shall create debenture redemption reserve in accordance with \_\_\_\_\_.  
(1 mark)

- (a) the provisions of the Companies Act 1956
- (b) creation of debenture redemption reserve is not required
- (c) the provisions of these guidelines
- (d) None of the above.
- (e) I am not attempting the question

29) State which of the following is false? As per Chapter X of the SEBI (DIP) Guidelines 2000 stating the Guidelines for issue of debt instruments, the non-convertible portions of PCDs or the NCDs issued by a listed company can be rolled over without change in the interest rate subject to section 121 of the Companies Act 1956 and subject to the following conditions if the company is not in default \_\_\_\_\_.  
(1 mark)

- (a) the company shall rollover the debentures of the dissenting debenture holders
- (b) fresh trust deed shall be executed at the time of such roll over
- (c) resolution to this effect is passed by postal ballot having the assent from not less than 75% of the debenture-holders
- (d) fresh securities shall be created in respect of such debentures to be rolled over
- (e) I am not attempting the question

30) As per the SEBI (DIP) Guidelines 2000, for raising of funds through public issues, in case of issue advertisement on the television, the print size of highlights and risk factors shall not be less than point \_\_\_\_\_.  
(2 marks)

- (a) 7 size
- (b) 6 size
- (c) 8 size
- (d) 5 size
- (e) I am not attempting the question

NOTE : THIS IS A SAMPLE TEST. THE ACTUAL TEST WILL CONTAIN 60 QUESTIONS.

**Answers :**

1	(a)	16	(c)
2	(d)	17	(b)
3	(b)	18	(b)
4	(a)	19	(a)
5	(b)	20	(c)
6	(b)	21	(a)
7	(b)	22	(a)
8	(a)	23	(a)
9	(d)	24	(a)
10	(d)	25	(a)
11	(a)	26	(b)
12	(c)	27	(d)
13	(a)	28	(a)
14	(b)	29	(a)
15	(a)	30	(a)