EduTap

SEBI Grade A Company Act

Previous Year Papers

Phase 2

2020-2025

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Preface

Dear Students,

We are pleased to present this recollected question paper with answer keys for the **SEBI Grade A Company Act** subject, covering the past six years **from 2020 to 2025(Exam held 4 times).** This document has been meticulously prepared to serve as a valuable resource for candidates preparing for the SEBI Grade A Phase 2 Exam.

By practising questions that have been actually asked in the examination, aspirants can gain clarity on the **exam pattern, difficulty level, and types of questions** likely to appear in the upcoming exam.

We wish you all the best in your exam preparation journey and hope that this document serves as a valuable asset in strengthening your performance and confidence.

Disclaimer: While every effort has been made to ensure the accuracy and relevance of the questions and answer keys, minor variations in question wording or options may exist due to the memory-based nature of this compilation. Candidates are advised to use this document as a reference tool to enhance their comprehensive understanding of the syllabus and overall exam readiness for the **SEBI Grade A examination.**

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SEBI Grade A 2020 Phase 2 - Company Act Recollected Questions

Q.1) Who among the following appoints the special auditor?
Options:
A. Board of Directors
B. CAG
C. Central Government
D. SEBI
E. None of the above

Q.2) The Auditor can be removed before expiry of his term by which of the following?
Options:
A. Board of Directors
B. Shareholders
C. Central Government
D. SEBI
E. NONE OF THE ABOVE

Q.3) Which section of the Companies Act gives power to SEBI to issue of capital and transfer of shares? Options:
A. Section 24
B. Section 47
C. Section 144
D. Section 182
E. Section 8

Q.4) Reduction of share capital can be done with the approval of __________
Options:
A. SEBI
B. Board of Directors
C. Central Government
D. Special Resolution
E. None of the above

Q.5) As per law what is this company called when 1 partner has 999 shares and another has 1 share? Options:
A. Illegal company
B. Monopoly
C. Partnership
D. Private Company
E. None of the above

Q.6) Which section of the Companies Act 2013 deals with the removal of the name of the company from the register of the companies?

Options:

A. Section 248(2)
B. Section 141(3)
C. Section 257(1)
D. Section 182(2)
E. None of the above

SEBI Grade A 2020 Phase 2 - Company Act Recollected Questions Answer Key

Answer Key

Question	Answer	Question	Answer	Question	Answer
1	C	2	B	3	A
4	D	5	D	6	A

SEBI Grade A 2022 Phase 2 - Company Act Recollected Questions

Q.1) The president of NCLT, chairperson of NCLAT and Judicial members are appointed by the government in consultation with ________.

Options:

A. President of India
B. Law Minister
C. Minister of Corporate affairs
D. Chief Justice of India
E. SEBI Chairman

Q.2) The tenure of independent directors is for ________consecutive years and if he is to be appointed for second term, special resolution needs to be passed.

Options:

A. 5
B. 3
C. 10
D. 6
E. None of the above

Q.3) Under Section 124 of the Companies' act, if the money is not paid to the shareholders and lying idle for ____ years, it is transferred to investor education and protection find.

Options:

A. 5
B. 7
C. 10
D. 15
E. 12

Q.4) According to Section 141 of Companies Act, who is eligible to be appointed as an auditor of the company?

Options:

A. Chartered Accountant
B. Company Secretary
C. Certified Management Accountant
D. Chief Financial Officer
E. None of the above

Q.5) A company shall not register a transfer of partly paid shares, unless the company has given a notice to the transferee and the transferee has given no objection to the transfer within ________ weeks from the date of receipt of notice.

Options:

A. 2
B. 4
C. 6
D. 8

E. None of the above

Q.6) Every listed company, may upon notice of not less than one thousand small shareholders or one-tenth of the total number of such shareholders, whichever is lower, can have ______ number of small shareholders' directors elected by the small shareholders.
Options:
A. 1
B. 2
C. 3
D. 4
E. 5

Q.7) As per provisions of the Companies Act, 2013, the board shall be called by giving not less than _______ days' notice in writing to every director at his address registered with the company.
Options:
A. 7
B. 15
C. 30
D. 60
E. 90

Q.8) Recently SEBI has directed the mutual fund (MF) industry to set up an audit committee at the asset management company (AMC) level. As per the provision of companies Act, what is the minimum number directors needed for Audit Committee?
Options:
A. 1
B. 3
C. 5
D. 7
E. None of the above

Q.9) Application money is the money received by the company when it issues shares to the public, once the application money is received then allotment is made to the shareholders. The minimum share application money is ________% of the nominal value of shares.
Option
A. 5%
B. 2.5%
C. 7%
D. 10%
E. None of the above

SEBI Grade A 2022 Phase 2 - Company Act Recollected Questions Answer Key

Answer Key

Question	Answer	Question	Answer	Question	Answer
1	D	2	A	3	B
4	A	5	A	6	A
7	A	8	B	9	A

SEBI Grade A 2024 Phase 2 - Company Act Recollected Questions

Q1. Which of the following is/are not eligible to be an independent director?
A. Managing Director (MD)
B. Whole-Time Director
C. Nominee Director
D. All of the above
E. None of the above

Q2. NCLT (National Company Law Tribunal) is constituted by:
A. State Government
B. High Court
C. Supreme Court
D. Central Government
E. Ministry of Corporate Affairs

Q3. Which of the following methods is a public company not allowed to use to issue shares?
A. Rights Issue
B. Bonus Issue
C. Employee Stock Option
D. Tender Issue
E. All of the above

Q4. What is the maximum time limit for preference shares as per the Companies Act, 2013?
A. 10 years
B. 15 years
C. 20 years
D. 25 years
E. 30 years

Q5. Every company shall inform the Registrar within ___ many days of the receipt of the Director Identification Number (DIN).
A. 7 days
B. 10 days
C. 15 days
D. 30 days
E. 45 days

Q6. What is the age limit for directors of a company as per the Companies Act, 2013?
A. 18-65 years
B. 21-70 years
C. 25-75 years
D. 30-70 years
E. 21-65 years

Q7. If a company or director wants to create a mechanism for the resolution of matters involving 1,000 stakeholders or more, what is this mechanism called?

A. Resolution Committee
B. Advisory Board
C. Stakeholder Committee
D. Governance Committee
E. Dispute Resolution Panel

Q8. As per Section 125 of the Companies Act, which fund is constituted?

A. Corporate Social Responsibility Fund
B. National Company Law Tribunal Fund
C. Investor Education and Protection Fund
D. Employees' Provident Fund
E. Environmental Protection Fund

Q9. An appeal to the Supreme Court from the National Company Law Appellate Tribunal (NCLAT) can be made within how many days?

A. 30 days
B. 45 days
C. 60 days
D. 90 days
E. 120 days

Q10. Transfer of Securities related to equity, debt and other securities must be delivered within ___ maximum days of execution of the company.

A. 30 days
B. 45 days
C. 60 days
D. 90 days
E. 120 days

Q11. In a special case, an auditor of a company can be removed by an order from which authority?

A. Tribunal
B. Central Government
C. District Court
D. Shareholders
E. None of the above

Q12. A firm shall be eligible for appointment as an auditor of a company provided that a firm whereof _________ practicing in India are qualified for appointment as aforesaid may be appointed by its firm name to be auditor of a company.

A. All Partners
B. Majority of Partners
C. Any One Partner
D. Half of the Partners
E. None of the above

Q13. Dividend should be transferred to a separate bank account from how many days after the declaration of the dividend?

A. 3 days
B. 5 days
C. 7 days
D. 10 days
E. 15 days

Q14. As per Section 71 of the Companies Act, if a company wants to issue debentures to more than 500 members, it must appoint a _______________ before issuing a prospectus or making an offer to the public.

A. Financial Advisor
B. Debenture Trustee
C. Company Secretary
D. Auditor
E. Registrar

Q15. Which of the following services are auditors permitted to render?

A. Auditing the financial books
B. Management Services
C. Internal Audits
D. Accounting
E. All of the above

Q16. No company shall directly or indirectly — give any loan to any person or other body corporate; or give any guarantee or provide security in connection with a loan to any other body corporate or person; and acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding _____. of its paid-up share capital, free reserves and securities premium account or ______ of its free reserves and securities premium account, whichever is more.

A. 70% and 80%
B. 60% and 100%
C. 40% and 90%
D. 100% and 60%
E. 50% and 75%

Q17. Public offers of securities must be in _______________.

A. Physical Form
B. Demat Form
C. Paper Form
D. Certificate Form
E. Electronic Form

Q18. An Alternate Director can be appointed for a director during his absence from India for a period not less than _____.

A. 1 month
B. 2 months
C. 3 months
D. 6 months
E. 12 months

Q19. The Tribunal may, at any time within _____ from the date of the order, with a view to rectifying any mistake apparent from the record, amend any order passed by it, and shall make such amendment if the mistake is brought to its notice by the parties.

A. 1 year
B. 2 years
C. 3 years
D. 6 months
E. 5 years

SEBI Grade A 2024 Phase 2 - Company Act Recollected Questions Answer Key

Answer Key

Question	Answer	Question	Answer	Question	Answer
1	D	2	D	3	D
4	C	5	C	6	B
7	C	8	C	9	C
10	C	11	A	12	B
13	B	14	B	15	A
16	B	17	B	18	C
19	B				

SEBI Grade A 2025 Phase 2 - Company Act Recollected Questions

Q1. Under Section 125 of the Companies Act, 2013, the amounts credited to the Investor Education and Protection Fund shall be utilized for which of the following purposes?
1. Refund in respect of unclaimed dividends, matured deposits, debentures and the interest accrued thereon to investors
2. Promotion of investors education, awareness and protection
3. Distribution of any disgorged amount among eligible and identifiable applicants for shares or debentures, or depositors who have suffered losses
4. Reimbursement of legal expenses incurred in pursuing class action suits under the Companies Act, 2013
A. 1 and 2 only
B. 2 and 3 only
C. 1, 2 and 3 only
D. 2, 3 and 4 only
E. 1, 2, 3 and 4

Q2. As per Section 144 of the Companies Act, 2013, an auditor appointed under the Act shall not directly or indirectly render any of the following services to the company or its holding company or subsidiary company:
1. Accounting and book keeping services
2. Internal audit
3. Investment advisory services
4. Management service
A. 1 and 2 only
B. 1, 2 and 3 only
C. 2, 3 and 4 only
D. 1, 3 and 4 only
E. 1, 2, 3 and 4

Q3. As per the provisions of the Companies Act, 2013, if the dividend declared by a company has not been paid or claimed within (i) ______ days from the date of declaration, the company shall, within (ii) ______ days from the date of expiry of the said period, transfer the total amount of unpaid or unclaimed dividend to the (iii) ______.
A. (i) 15, (ii) 7, (iii) Investor Education and Protection Fund
B. (i) 30, (ii) 10, (iii) Dividend Reserve Account
C. (i) 30, (ii) 7, (iii) Unpaid Dividend Account
D. (i) 60, (ii) 7, (iii) Investor Education and Protection Fund
E. (i) 30, (ii) 7, (iii) Dividend Equalisation Reserve

Q4. As per Companies Act, 2013, the securities premium account of a company may be applied for which of the following purposes?
A. Distribution of dividend to equity shareholders
B. Issue of bonus shares to members of the company
C. Meeting routine operational expenses of the company
D. Providing loans and advances to directors
E. Writing off general administrative losses

Q5. Under which section of the Companies Act, 2013 are the provisions relating to the Securities Premium Account and its permitted applications specified?
A. Section 6
B. Section 52
C. Section 66
D. Section 123
E. Section 180

Q6. A company proposes to raise Rs 150 crore through an Initial Public Offer in accordance with the SEBI Issue of Capital and Disclosure Requirements Regulations, 2018. As per the applicable provisions, what shall be the minimum subscription amount that must be received and the minimum application money payable along with the application as a percentage of the issue price?
A. Rs 135 crore; 5 percent
B. Rs 120 crore; 10 percent
C. Rs 150 crore; 5 percent
D. Rs 135 crore; 25 percent
E. Rs 120 crore; 25 percent

Q7. A company fraudulently issued duplicate share certificates having an aggregate face value of Rs 1 crore. As per Section 46 of the Companies Act, 2013, the company shall be punishable with a fine which shall not be less than (i) Rs ______ but which may extend to (ii) Rs ______ or (iii) ______ times the amount involved, whichever is higher.
A. (i) 3 crore; (ii) 5 crore; (iii) 5
B. (i) 5 crore; (ii) 10 crore; (iii) 10
C. (i) 2 crore; (ii) 5 crore; (iii) 10
D. (i) 5 crore; (ii) 20 crore; (iii) 10
E. (i) 10 crore; (ii) 10 crore; (iii)

Q8. A general meeting of a company is scheduled to be held at Faridabad on 19 September 2026. However, the required quorum is not present within half an hour from the scheduled time of the meeting. The Articles of the company are silent in this regard. As per the provisions of the Companies Act, 2013, on which date shall the adjourned meeting be held?
A. 20 September 2026
B. 24 September 2026
C. 26 September 2026
D. 19 October 2026
E. 3 October 2026

Q9. As per the provisions of the Companies Act, 2013, the appointment of directors and Key Managerial Personnel is to be recommended by the (i) ______. However, where such a committee is not required to be constituted or has not been constituted, the responsibility shall be discharged by the (ii) ______.

A. (i) Audit Committee; (ii) Shareholders
B. (i) Nomination and Remuneration Committee; (ii) Board of Directors
C. (i) Risk Management Committee; (ii) Managing Director
D. (i) Board of Directors; (ii) Audit Committee
E. (i) Stakeholders Relationship Committee; (ii) Company Secretary

Q10. Under a Share Purchase Agreement, what can be issued by a company?

A. New shares by way of fresh issue
B. Transfer of existing shares from one shareholder to another
C. Debentures to the public
D. Bonus shares to existing shareholders
E. Sweat equity shares

Q11. Under the Companies Act, 2013, who appoints a Registered Valuer to determine the valuation of assets, shares, or liabilities of a company?

A. Board of Directors or Audit Committee
B. Central Government
C. Shareholders in general meeting only
D. Registrar of Companies
E. Company Secretary

SEBI Grade A 2025 Phase 2 - Company Act Recollected Questions Answer Key

Answer Key

Question	Answer	Question	Answer	Question	Answer
1	C	2	E	3	C
4	B	5	B	6	A
7	B	8	C	9	B
10	B	11	B		

What Next?

1. **Identify Right Source:** Follow the best study resources (books, online courses, videos, etc.) for each topic on the list. Do not follow multiple sources for the same topic but rather follow good sources multiple times.
2. **Topic Prioritization:** Review the document to identify key topics that require special attention. Prioritize your study schedule based on the significance of each topic in the syllabus. Ensure a balanced approach, allocating more time to critical subjects.
3. **Width of Syllabus:** Merely going through the syllabus is not enough; Regularly revisit the document to reassess what topics actually need to be covered.
4. **Depth of Understanding:** Recognize the varying depths at which topics should be covered. While some concepts demand a broad understanding, others require a more in-depth analysis. Tailor your study approach, accordingly, allocating more time to complex topics that demand deeper comprehension.

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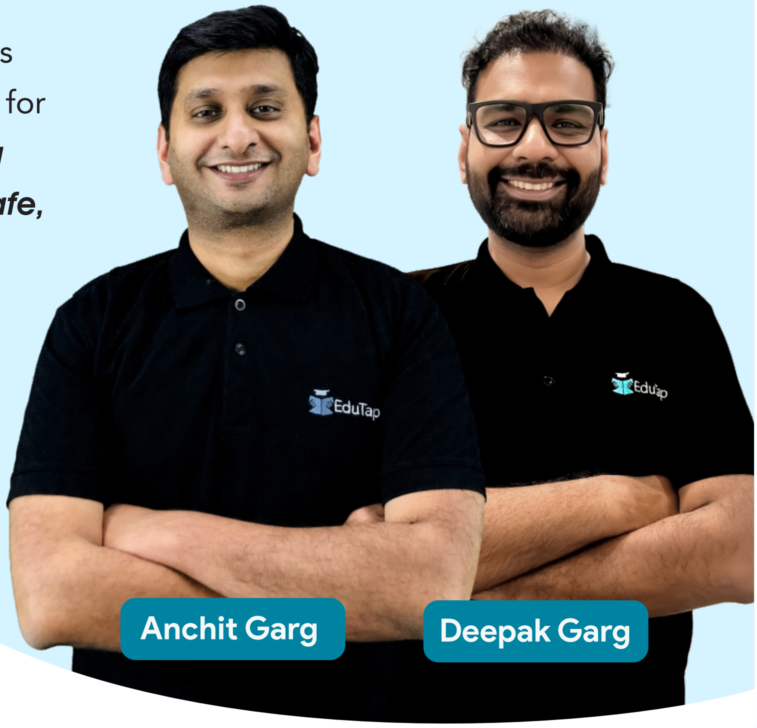
We are a passionate team of experienced professionals who understand the challenges of aspirants preparing for government jobs. Our vision is to "***create a nurturing ecosystem for the aspirants so that they can feel safe, guided, and mentored***."



Our Mission

At EduTap, our mission is to empower students to reach their full potential by providing comprehensive guidance, expert mentorship, and a supportive community. Since our start in 2016, we've grown into a trusted platform for aspirants, delivering exceptional results in government recruitment exams and certifications year after year.

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+91 8146207241 hello@edutap.co.in edutap.in