

CLASS XI
BUSINESS STUDIES
CHAPTER 7
WORKSHEET 3 FORMATION OF A COMPANY

I	Answer in one word or one sentence.	
1	What do you mean by 'Qualification Shares'? (2014)	1
2	Name the stages in the formation of a company.	1
3	Explain the term 'Minimum Subscription'. What is the limit of minimum subscription according to the Companies Act? (2012)	1
4	At which stage in the formation of a company does it interact with SEBI?	1
5	Who is a promoter? (2013)	1
II	Answer in 50-75 words.	
6	Write a short note on "statement in lieu of prospectus".	3
7	List the main documents to be filed for incorporating a company.	3
8	Briefly explain the term "Return of Allotment". (2013)	3
9	Distinguish between 'Preliminary contracts' and 'Provisional contracts' (2014)	3
III	Answer in around 150 words	
10	What is a prospectus? Is it necessary for every company to file a prospectus?	4
11	Explain the documents which a public company has to file with the registrar of companies before obtaining certificate to commence business.	4
12	What is the effect of conclusiveness of the Certificate of Incorporation and Commencement of Business? (2014)	4
13	Is it necessary for a public company to get its share listed on a stock exchange? What happens if a public company going for a public issue fails to apply to a stock exchange for permission to deal in its securities or fails to get such permission?	4
14	Discuss the role/ functions of promoters in the formation of a company. (2015)	5
15	Distinguish between Memorandum of Association and Articles of Association.	5
16	'Promoter is neither the trustee nor the agent of the company'. Comment.	5
IV	Answer in around 200 words.	

17	What is a Memorandum of Association? Briefly explain the various clauses of Memorandum of Association. (2012, 2014)	6
18	State and explain the steps required to raise funds from the public i.e. capital subscription by the company. (2013)	6

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