

6 Lecture - MGT211

Important Mcqs

- 1. What is the liability of shareholders in a joint stock company?**
 - a) Unlimited liability
 - b) Limited liability
 - c) No liability
 - d) Joint liability

Answer: b) Limited liability
- 2. Who is responsible for making strategic decisions in a joint stock company?**
 - a) Shareholders
 - b) Board of Directors
 - c) CEO
 - d) Government

Answer: b) Board of Directors
- 3. What is the purpose of an audit in a joint stock company?**
 - a) To provide assurance that the financial statements are accurate and comply with accounting standards
 - b) To maximize shareholder profits
 - c) To provide tax advice
 - d) To reduce expenses

Answer: a) To provide assurance that the financial statements are accurate and comply with accounting standards
- 4. Can a private joint stock company sell shares to the public?**
 - a) Yes
 - b) No

Answer: b) No
- 5. What is the maximum number of shareholders allowed in a private joint stock company?**
 - a) 10
 - b) 50
 - c) 100
 - d) Unlimited

Answer: b) 50
- 6. How is ownership transferred in a joint stock company?**
 - a) Through a board of directors decision
 - b) Through government intervention
 - c) Through the sale of shares
 - d) Through a court order

Answer: c) Through the sale of shares
- 7. What is an IPO?**
 - a) The sale of shares to institutional investors

- b) The sale of shares to private individuals
- c) The sale of shares to the public
- d) The repurchase of shares by the company

Answer: c) The sale of shares to the public

8. Who appoints independent auditors in a joint stock company?

- a) Shareholders
- b) Board of Directors
- c) CEO
- d) Government

Answer: a) Shareholders

9. What is the main benefit of a joint stock company?

- a) Limited liability for shareholders
- b) Unlimited liability for shareholders
- c) Lower taxes
- d) Easier management structure

Answer: a) Limited liability for shareholders

10. Can a public joint stock company have an unlimited number of shareholders?

- a) Yes
- b) No

Answer: a) Yes