

24 Lecture - MGT401

Important Mcqs

1. **What does Section 95A of the Companies Act 2013 deal with?**

- A) Buyback of shares
- B) Issuance of shares
- C) Transfer of shares
- D) Shareholder meetings

Answer: A) Buyback of shares

2. **What is a share buyback?**

- A) The process of buying shares of another company
- B) The process of buying back shares from the market
- C) The process of issuing new shares to the public
- D) The process of transferring shares to another person

Answer: B) The process of buying back shares from the market

3. **Who can approve a share buyback under Section 95A?**

- A) Board of directors
- B) Shareholders
- C) Both A and B
- D) None of the above

Answer: C) Both A and B

4. **What is the maximum amount of shares that can be repurchased under Section 95A?**

- A) 10% of the total paid-up share capital and free reserves
- B) 20% of the total paid-up share capital and free reserves
- C) 25% of the total paid-up share capital and free reserves
- D) 50% of the total paid-up share capital and free reserves

Answer: B) 20% of the total paid-up share capital and free reserves

5. **What is the minimum gap between two share buybacks under Section 95A?**

- A) 6 months
- B) 1 year
- C) 2 years
- D) 3 years

Answer: B) 1 year

6. **Can a company buy back shares through private placement under Section 95A?**

- A) Yes
- B) No

Answer: B) No

7. **How should a company pay for the shares purchased under Section 95A?**

- A) Cash only
- B) Cash or through other modes allowed by law
- C) Through shares of another company

D) Through bank transfer only

Answer: B) Cash or through other modes allowed by law

8. What should be the price of the shares purchased under Section 95A?

A) Par value

B) Market value

C) A premium to the market value

D) A discount to the market value

Answer: B) Market value

9. Can a company purchase shares through a negotiated deal under Section 95A?

A) Yes

B) No

Answer: B) No

10. What should a company do with the shares purchased under Section 95A?

A) Cancel the shares

B) Hold the shares as treasury stock

C) Sell the shares to another company

D) Distribute the shares to the public

Answer: B) Hold the shares as treasury stock