## 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