



# MCQ

## Chartered Accountancy Corporate Level Corporate Law (LAW)

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## QUESTIONS

1. Which one of the following is not a consequence of incorporation?
  - A. separate legal personality
  - B. limited liability of the company
  - C. perpetual succession
  - D. Transferability of shares
  
2. In relation to company limited by shares, which ONE of the following statements is **correct**?
  - A. The company is fully liable for all its debts.
  - B. Shareholders are fully liable for the debts of the company.
  - C. Directors are fully liable for the debts of the company.
  - D. A company secretary is fully liable for the debts of the company.
  
3. Which of the following is a consequence of corporate personality?
  - (i) The company is fully liable for its own debts.
  - (ii) A shareholder has limited liability.
  - (iii) The general rule is that if a wrong has been done to the company, the company alone is entitled to sue.
  - A. (i) only.
  - B. (i) and (ii) only.
  - C. (ii) and (iii) only.
  - D. (i), (ii) and (iii).
  
4. Which ONE of the following statements is **incorrect**?
  - A. A private company limited by shares must have at least one director.
  - B. A private company limited by shares must have at least one shareholder.
  - C. A public company limited by shares must have at least two shareholders.
  - D. A public company limited by shares must have at least two directors.
  
5. Which ONE of the following statements is **incorrect**?
  - A. The Articles of Association form a contract between the shareholders and the board.
  - B. The Articles of Association form a contract between the shareholders and the company.
  - C. The Articles of Association does not form a contract between the company and the board.
  - D. The Articles of Association are only contractual in respect of ordinary shareholder rights.
  
6. In relation to a Private Limited Company, which ONE of the following is **incorrect**?
  - A. It is not compulsory to state its objects in the articles of association.
  - B. If a company acts outside its objects clause, it has acted ultra vires and the transaction is void.
  - C. If the company gets the approval from the shareholders by way of a special resolution a company may enter into any transaction even though it is outside the objects clause.
  - D. before an ultra vires transaction is made; any shareholder may apply to the court for a restraining order to prevent the company or directors from engaging in that transaction.
  
7. Which of the following statements is **correct**?
  - (i) The Articles of Association of a private limited company may be altered by special resolution.
  - (ii) In a private limited company, with all the shareholders approval in writing, any decision can be taken regarding the company even though such a decision is contrary to articles.
  - (iii) The Articles of Association of a private limited company must include the objects clause.
  - A. (i) only.
  - B. (ii) only.
  - C. (i) and (ii) only.
  - D. (ii) and (iii) only.

9. To register a Public Limited Company the minimum number of share holders required are;
- A. One
  - B. Three
  - C. Two
  - D. Seven
10. The Certificate of Incorporation is an evidence that the company has been incorporated. According to the sec.5(3) of the Companies Act, the Certificate of Incorporation is a
- A. prima facie evidence
  - B. conclusive evidence
  - C. best evidence
  - D. good evidence
12. If the veil of incorporation is lifted, for the company's activities
- A. Share holders or directors may become liable
  - B. Only directors may become liable
  - C. Only share holders may become liable
  - D. Only the company is liable
13. Which of the following document is not required to incorporate a company?
- A. Application form
  - B. Consent of the secretary
  - C. Consent of the directors
  - D. Consent of the auditor
14. Which of the following statements is **incorrect** regarding a company limited by guarantee?
- A. There should be minimum two members
  - B. There should be at least one director
  - C. There should be a Share capital
  - D. Either a member of the institute of chartered accountants in Sri Lanka or a registered auditor may function as the auditor
15. Which of the following statements is/are **correct** regarding a private company?
- (i) It must have at least one director
  - (ii) by the articles the right to transfer the shares must be restricted.
  - (iii) by the articles the company must be prohibited from offering its shares to the public
- A. (i) only
  - B. (ii) only
  - C. (i) and (ii) only
  - D. (i) and (iii) only
16. Which one of the following can be registered as a charitable company under sec.34 (1)
- A. A Private company
  - B. A Public company
  - C. An unlimited company
  - D. A company limited by guarantee
17. Regarding an off shore company which one of the following statements is/are correct
- (i) only a company incorporated in Sri Lanka may apply to be registered as an off shore company
  - (ii) only a company incorporated in abroad may make an application
  - (iii) both a company incorporated in Sri Lanka and a company incorporated abroad may make the application
- A. (i) only
  - B. (i) and (ii) only

- C. (iii) only
- D. none of the above

- 18." An overseas company means any company incorporated outside Sri Lanka and established a place of business within Sri Lanka." Which one of the following is **incorrect** regarding an overseas company?
- A. it must submit necessary documents within two months of establishing the business in Sri Lanka
  - B. it must name a representative in Sri Lanka
  - C. its name must not be similar to the name of a Sri Lankan company
  - D. it must prepare financial statements every calendar year.
19. Regarding the articles of association of a private company which one of the following statements is/are **correct**?
- (i) it should include provisions prohibiting the company from offering share to the public
  - (ii) it should include provisions limiting the number of its share holders to fifty.
  - (iii) it should include provisions regarding the objects
- A. (i) only
  - B. (i) and (ii)only
  - C. (ii) and (iii) only
  - D. All three
20. To alter the article which one of the following resolution is required?
- A. ordinary resolution
  - B. Special resolution
  - C. Ordinary resolution with special notice
  - D. Unanimous resolution
21. A name of every limited company which is a listed company should end in the word or words
- A. Limited
  - B. Public Limited
  - C. Public Limited Company
  - D. Public Listed Company
22. Which one of the following statements is incorrect regarding the change of the name of the company?
- A. Prior written approval of the registrar is required before changing the name
  - B. An ordinary resolution must be passed at a shareholders meeting to change the name
  - C. Within 10 working days of passing the resolution the company should give notice to the registrar
  - D. it should give public notice within 20 working days of said change.
23. Regarding the registered office of the company which one of the following statements is incorrect?
- A. The registered office of the company can be situated in any part of Sri Lanka.
  - B. The registered office can be changed by the board of directors at any time.
  - C. Special resolution must be passed at a shareholders meeting to change the registered office.
  - D. The Registrar of Companies has the power to require a company to change the registered office.
24. Which of the following statements are **incorrect** regarding a pre-incorporated contract?
- (i) A pre-incorporated contract cannot be ratified by a company after the company is incorporated.
  - (ii) A pre-incorporated contract may be ratified by the company after incorporation.
  - (iii) Even if the company ratifies the contract the company will not be bound by the contract.
- A. (i) only
  - B. (ii)only

- C. (i) and (iii) only  
D. (ii) and (iii) only
25. If there is an untrue statement in the prospectus a person who subscribed for any shares on the faith of the prospectus may claim compensation. But he cannot claim compensation from
- A person who is a director of the company.
  - A person being a promoter of the company.
  - A person who has authorized the issue of the prospectus.
  - The company.
26. Regarding auditors which one of the following statements is **incorrect**?
- In a private company, only Members of the Institute of Chartered Accountants of Sri Lanka can be appointed as auditors.
  - In a public limited company, only Members of the Institute of Chartered Accountants of Sri Lanka can be appointed as auditors.
  - In a company limited by guarantee either a Registered Auditor or a Member of the Institute of Chartered Accountants of Sri Lanka can be appointed as auditors.
  - A body corporate cannot be appointed as auditors in a company.
27. Which of the following is **correct** regarding the re-appointment of an auditor?
- An auditor is not deemed to be re appointed at an annual general meeting if he is not qualified for re-appointment.
  - An auditor is not deemed to be re appointed at an annual general meeting if the company passes a resolution at the meeting appointing another person to replace him.
  - An auditor is not deemed to be re appointed at an annual general meeting if the auditor has given notice that he does not wish to be re appointed.
- (i) and (ii) only
  - (ii) and (iii) only
  - (i) and (iii) only
  - (i), (ii) and (iii)
28. To remove an auditor which one of the following resolutions is required?
- Ordinary resolution.
  - Special resolution.
  - Unanimous resolution
  - Board resolution.
29. Which of the following resolution is required to remove the secretary of a company?
- An ordinary resolution.
  - A special resolution.
  - An ordinary resolution with special notice.
  - The board resolution.
30. Which of the following statements is **correct** regarding the secretary of a company?
- A director cannot function as the secretary of the company as well.
  - A company may be appointed as a secretary of another company if any director of that secretary company has the necessary qualification.
  - A partnership cannot be appointed as a secretary in a company.
  - A corporate body cannot be appointed as the secretary.
31. In relation to directors, which ONE of the following statements is **incorrect**?
- The board of directors is the agent of the company.
  - The board of directors is the agent of the shareholders.
  - The board may appoint a person to be the managing director.
  - Proceedings at board meetings are regulated by the company's Articles of Association

32. Regarding a director of a Private Company which one of the following statements is incorrect?
- A. Minimum age limit of the director is eighteen years.
  - B. A body corporate cannot be appointed as a director of a company.
  - C. Maximum age limit for the director is seventy years.
  - D. A person who has been adjudged to be of unsound mind cannot be appointed as a director.
33. To appoint a director which one of the following resolutions is required?
- A. Ordinary resolution.
  - B. Special resolution.
  - C. Ordinary resolution with special notice.
  - D. Unanimous resolution.
34. Which of the followings are **incorrect**?
- (i) The first directors are appointed by a resolution of the members at the company's first Annual General Meeting.
  - (ii) A director is a person who occupies the position of director by whatever name he is called.
  - (iii) A person in accordance with whose directions or instructions the directors of the company are accustomed to act is also treated as a director.
- A. (i) only.
  - B. (i) and (ii) only.
  - C. (ii) and (iii) only.
  - D. (i), (ii) and (iii).
35. Which ONE of the following statements is **incorrect**?
- A. A private company must have at least two directors.
  - B. The board usually has the power to appoint a managing director.
  - C. A board usually reaches its decisions by majority vote.
  - D. The first directors of the company are those persons who are named as directors in the application Form (Form 1).
36. If the article is silent under which of the following circumstances a director will not vacate his office.
- A. If he resigns his post.
  - B. if he is disqualified
  - C. If he is absent for three consecutive board meetings.
  - D. If he dies
37. Regarding remuneration of directors which one of the following statements is **correct**?
- A. Remuneration of directors must be approved by the shareholders by way of a special resolution.
  - B. The board can never approve the remuneration for its own directors.
  - C. If article permits the board may approve the remuneration for its own directors.
  - D. The remuneration must be approved by the Auditors.
38. Regarding loans given to directors by the company, which one of the following statements is **incorrect**?
- A. Generally a company may give loans to directors up to Rs 25,000/=.
  - B. Loans may be given to a director to enable him to perform his duties as an officer of the company.
  - C. If the company's business is giving loan it can give loan to a director in the ordinary cause of its business.
  - D. A company should not give any loan to any director in any circumstances as it is prohibited by the Companies Act.

39. Which one of the following is not a duty of a director?
- A. A director should exercise the degree of skill and care of a person who is highly skilled and qualified.
  - B. A director should act in good faith and in the interest of the company.
  - C. A director should act without violating the Companies Act and Articles.
  - D. A director should not act recklessly or negligently.
40. If there is a change in the board of directors, it should be informed to the Registrar, within
- A. 10 working days of the change.
  - B. 15 working days of the change.
  - C. 20 working days of change.
  - D. 30 working days of change.
41. Which one of the following is not a major transaction?
- A. The acquisition or the disposition of the whole or more than 50% of the value of the assets of the company.
  - B. Acquiring rights or interests or incurring obligations or liabilities of a value which is greater than 50% of the assets.
  - C. Changing the nature of the business of the company.
  - D. Changing the management.
42. Which one of the following is not required before entering into a major transaction?
- A. Approval by special resolution.
  - B. Consent in writing by all the shareholders of the company.
  - C. Authorisation by a provision in the articles which was included in it at the time the company was incorporated.
  - D. Approval of the court.
43. Section 219 provides that, a director who believes that the company is unable to pay its debts as they fall due, should call a meeting of the board to consider whether the board should apply to court for the winding up of the company or carry on further the business of the company. As per section 219, what is the possible consequence if the director fails to call such a meeting?
- A. The director may be fined.
  - B. The director may be imprisoned.
  - C. The director may be liable for any loss suffered by creditors of the company.
  - D. The director may be required to sell his shares in the company.
44. According to Sec. 220, if at any time it appears to a director that the net assets of the company are less than half of its stated capital, the board should within twenty working days of that fact becoming known to the director, call an extraordinary general meeting of shareholders of the company to discuss the financial position of the company. What is the possible consequence if the directors fails to call such a meeting?
- A. The directors may be fined.
  - B. The directors may be imprisoned.
  - C. The directors may be liable for any loss suffered by creditors of the company.
  - D. The directors may be required to sell their shares in the company.
45. According to Sec.191, if a director is getting a material financial benefit directly or indirectly from a transaction to which the company is a party such a director is said to be interested in the transaction. The law requires such a director to disclose the interest. Which one of the following statements is **incorrect** regarding disclosure of interest?
- A. a director who is interested in a transaction, should enter his interest in the interests register
  - B. he should disclose to the board of the company, the nature and extent of that interest
  - C. he should give public notice regarding the interest
  - D. failure to disclose his interest in the interests register is an offence.



46. As per section 86, which of the following persons are treated as shareholders of a company?
- (i) The initial shareholders of a newly formed company or amalgamated company
  - (ii) Persons whose name is entered in the Share Register
  - (iii) A person to whom a share has been transferred but has not been entered in the register
- A. (i) and (ii) only                      C. (ii) and (iii) only  
B. (ii) only                                  D. (i), (ii) and (iii)
47. Which of the following is **not** a right of a shareholder?
- A. the right to vote
  - B. the right to make contracts on behalf of the company
  - C. the right to receive a distribution in respect of the share
  - D. the right to receive notice of meetings
48. Powers reserved to the shareholders by the Act and by the articles may be exercised
- A. Only at a meeting of shareholders
  - B. Only by way of a written resolution
  - C. Either at a meeting of shareholders or by way of a written resolution
  - D. Neither at a meeting of shareholders nor by way of a written resolution
49. Which one of the following statement is **correct**?
- A. All the powers reserved to shareholders may be exercised by way of an ordinary resolution unless the Act or the articles require other form of resolution to exercise that power.
  - B. All the powers reserved to shareholders must be exercised by way of special resolution unless the Act or the articles require other form of resolution to exercise that power.
  - C. All the powers reserved to shareholders may be exercised by way of an ordinary resolution even though the Act or the articles require other form of resolution to exercise that power.
  - D. All the powers reserved to shareholders must be exercised by way of a unanimous resolution.
50. In which situation a special resolution is not required
- A. To alter the company's articles
  - B. To remove a director
  - C. To reduce the company's stated capital
  - D. To change the status of a company
51. Which of the following statement is **incorrect**?
- A. in the year of its incorporation and in the following year the company need not deliver the annual return to the Registrar of Companies
  - B. only in the year of its incorporation the company need not deliver the annual return to the Registrar of Companies
  - C. The annual return shall be completed and filed within thirty working days from the date of the Annual General Meeting
  - D. If default is made in filing the annual return the company and every officer of the company who is in default shall be guilty of an offence
52. Minimum period of notice for the calling of an Annual General Meeting is
- A. For Private Companies 10 working days and for Public Companies 15 working days
  - B. For Private Companies 15 working days and for Public Companies 21 working days
  - C. 15 working days for both Public and Private Companies
  - D. 21 working days for both Public and Private Companies



53. Which of the following statements is **correct**?
- A. An ordinary resolution means a resolution that is approved by a simple majority of votes
  - B. An ordinary resolution means a resolution that is approved by a majority of seventy five percent of votes
  - C. An ordinary resolution means a resolution that is approved by a majority of eighty five percent of votes
  - D. An ordinary resolution means a resolution that is approved by a majority of ninety five percent of votes
54. Which of the following statements is **incorrect**?
- A. The annual general meeting must be held not later than six months after the balance sheet date of the company
  - B. A company should hold its first annual general meeting within eighteen months from the date of its incorporation
  - C. A company must hold its first annual general meeting in the calendar year of its incorporation and in the following years
  - D. annual general meetings must be held within fifteen months from the previous Annual General Meeting
55. Who **cannot** Demand a Poll?
- A. five or more shareholders having the right to vote at the meeting
  - B. a shareholder or shareholders representing not less than one-tenth of the total voting rights
  - C. a proxy
  - D. a shareholder representing less than one-tenth of the total voting rights
56. Which of the following statement is **incorrect** regarding an Extraordinary General Meeting?
- A. Generally, an Extraordinary General Meeting may be convened by the directors whenever they think it is necessary.
  - B. to call an Extraordinary General Meeting both in a Private Company and in Public Companies Ten working days notice should be given
  - C. the court may order an Extraordinary General Meeting of the company to be called on the application of any shareholder
  - D. the directors must hold an Extraordinary General Meeting, if a requisition is made by the shareholders holding not less than ten per centum of the votes
57. Which of the following statement is **correct**?
- A. For a written resolution to be valid not less than seventy-five per centum of the shareholders who would be entitled to vote at a meeting should sign the resolution
  - B. For a written resolution to be valid not less than eighty per centum of the shareholders who would be entitled to vote at a meeting should sign the resolution
  - C. For a written resolution to be valid not less than eighty-five per centum of the shareholders who would be entitled to vote at a meeting should sign the resolution
  - D. For a written resolution to be valid not less than ninety-five per centum of the shareholders who would be entitled to vote at a meeting should sign the resolution
58. Which of the following statement is **incorrect**?
- A. A share is a movable property.
  - B. A share shall have a nominal or par value.
  - C. A share is transferable in the manner provided for by the articles of the company
  - D. By the articles the right to transfer a share may be limited or restricted

59. Within how many days a company shall give notice to the Registrar regarding an issue of shares
- Within twenty working days of the issue of any shares
  - Within ten working days of the issue of any shares
  - Within thirty working days of the issue of any shares
  - Within fifteen working days of the issue of any shares
60. Which of the following statement is **correct**?
- The consideration for which a share is issued must be always for cash
  - promissory notes cannot be treated as a consideration when issuing shares
  - The consideration for which a share is issued may not be future services
  - The consideration for which a share is issued may take any form, including cash, promissory notes, future services or property of any kind
61. Which of the following statements is **correct** regarding 'Stated Capital'?
- Stated Capital means the total of all amounts received by the company or due and payable to the company in respect of the issue of shares and in respect of calls on shares.
  - Stated Capital means the total of all amounts received by the company in respect of the issue of shares
  - Stated Capital means the total of all amounts due and payable to the company in respect of calls on shares
  - The term 'Stated Capital' has not been defined in the Companies Act
62. Which of the following resolutions is required to reduce the stated capital?
- |  |                         |
|--|-------------------------|
| A. Ordinary resolution                     | C. Special resolution   |
| B. Ordinary resolution with special notice | D. Unanimous resolution |
63. Which of the following statements is **correct**?
- A company shall be deemed to have satisfied the solvency test, only if it is able to pay its debts as they become due in the normal course of business.
  - A company shall be deemed to have satisfied the solvency test, only if it is able to pay its debts as they become due in the normal course of business and the value of the company's assets is greater than the value of its liabilities and the company's stated capital.
  - A company shall be deemed to have satisfied the solvency test, only if it is able to pay its debts as they become due in the normal course of business and the value of the company's assets is equal to the value of its liabilities and the company's stated capital.
  - A company shall be deemed to have satisfied the solvency test, only if it is able to pay its debts as they become due in the normal course of business and the value of the company's assets is less than the value of its liabilities and the company's stated capital.
64. Which of the following statements is **incorrect**?
- before a distribution is made by a company, such distribution should be authorised by the board and by the shareholders
  - the directors who vote in favour of a distribution should sign a certificate stating that in their opinion, the company will satisfy the solvency test immediately after the distribution is made
  - dividend is not treated as a distribution
  - before making a distribution the board must obtain a 'Certificate of Solvency' from the auditors

65. Which is not a requirement regarding acquisition by a company its own shares
- A. the articles of the company should permit the acquisition
  - B. the board should approve the acquisition
  - C. the board should resolve that the acquisition is in the interests of the company
  - D. a company must always perform a contract regarding an acquisition of its own shares even if the company will fail to satisfy the solvency test after performing such contract.
66. Which of the following statement is **incorrect**?
- A. a company can never give any financial assistance directly or indirectly for the purpose of or in connection with the acquisition of its own shares
  - B. Auditors' certificate regarding solvency is necessary before making any financial assistance exceeding ten *per centum* of the company's stated capital
  - C. a company may give any financial assistance if the assistance is given in good faith and in the interest of the company
  - D. A company may grant loans to its employees other than directors with a view of enabling them to acquire beneficial ownership of shares in the company.
67. Who may make an application against oppression or mismanagement?
- A. a shareholder or shareholders who constitute not less than five per centum of the total number of shareholders;
  - B. a shareholder or shareholders who constitute not less than ten per centum of the total number of shareholders;
  - C. a shareholder or shareholders constitute not less than fifteen per centum of the total number of shareholders
  - D. a shareholder or shareholders who constitute not less than twenty per centum of the total number of shareholders
68. If a company or a director proposes to engage in a conduct that would contravene the articles or any provision of the companies act, an application may be made to the court to get an order restraining the company or the director from engaging in that conduct. According to Sec.223, who may make such an application to the court?
- A. the company, a shareholder or secretary
  - B. the company, a director or a shareholder
  - C. a shareholder, a director or auditor
  - D. a shareholder, secretary or auditor
69. According to Sec.234, who may make an application for derivative action on behalf of the company?
- A. Either a shareholder or an auditor
  - B. Either a shareholder or a director
  - C. Either a shareholder or a secretary
  - D. Either an auditor or a director
70. Which is a situation in which a minority buy-out right cannot be exercised by a shareholder?
- A. alteration of articles
  - B. approval of a major transaction
  - C. amalgamation
  - D. alteration of name
71. Which is a mode of winding up?
- (i) winding up by the court
  - (ii) Voluntary winding up
  - (iii) Winding up subject to the supervision of the court.
- A. (i) only
  - B. (i) and (ii) only
  - C. (ii) and (iii) only
  - D. (i), (ii) and (iii)

72. A petition for wound up by the court may **not** be presented by?
- A. the company
  - B. any creditor or creditors.
  - C. any secretary or secretaries,
  - D. any contributory or contributories.
73. Which is not a circumstance in which a company may be wound up by the court under section 270?
- A. The company does not commence its business within a year from its incorporation or suspends it business for one year
  - B. The company has no directors
  - C. The company has no auditors
  - D. The company is unable to pay its debts
74. Which of the following statement is **incorrect**?
- A. If an order to wind-up is made, the winding up commences from the date of the order and not from the date of filing the petition.
  - B. If an order to wind-up is made, the winding up commences not from the date of the order but it commences from the date of filing the petition.
  - C. After the commencement of the winding-up, any sale or disposition of the property of the company is void unless the court otherwise orders.
  - D. If an order to wind-up is made, no action can be proceeded with or commenced against the company except by leave of the court
75. Who has the power to appoint a liquidator in a winding up by court?
- A. the company
  - B. the contributories
  - C. the court
  - D. the creditors
76. Which of the following statement is **incorrect**?
- A. If the articles provide for the dissolving of the company after a specified period, when such period expires the company may pass an ordinary resolution to wind up the company
  - B. A voluntary winding-up is deemed to commence at the time of passing of the resolution for voluntary winding
  - C. A voluntary winding-up becomes a shareholders' voluntary winding-up when a declaration of solvency is made, and it becomes a creditors' voluntary winding-up when such a declaration is not made.
  - D. Immediately after the commencement of voluntary winding-up the company will lose its corporate status (separate legal personality).
77. Which of the following statements regarding the Company Take-Overs and Mergers Code is **correct**?
- A. It is applicable only to public listed companies
  - B. It is applicable only to unlimited companies
  - C. It is applicable only to private companies
  - D. It is applicable only to companies Limited by guarantee
78. Which one of the followings is not a function of the Department of Foreign Exchange
- A. Ensuring the smooth flow of foreign exchange for investment and other purposes as permitted by law.
  - B. Providing information, approval and registration of Overseas Companies in Sri Lanka.
  - C. Providing Information and data to the management to facilitate macroeconomic decision-making process.
  - D. Undertaking continuous frontier research with a view to enhancing knowledge and analytical capacity in the area of foreign exchange management and related disciplines

79. According to the regulation issued under the Foreign Exchange Act No.12 of 2017, who is not considered as a Sri Lankan resident
- A. Foreigners married to Sri Lankan citizens, if they have stayed more than 183 days in Sri Lanka during last 12 months
  - B. Sri Lankan citizens who live in foreign countries on student visas
  - C. Foreigners who are in or employed in Sri Lanka on resident/employment visa
  - D. Sri Lanka citizens employed on a foreign ship
80. A person resident outside Sri Lanka is permitted to invest or acquire shares up to 40% of the stated capital if the company's business is
- A. Pawn broking
  - B. Retail trade with a capital of less than Five Million US Dollars
  - C. Coastal Fishing
  - D. Freight Forwarding
81. An overseas company operating a place of business such as a branch office, project office, or other similar office are required to invest a minimum of
- A. USD 200,000 (or an equivalent amount in other designated foreign currencies),
  - B. USD 250,000 (or an equivalent amount in other designated foreign currencies),
  - C. USD 300,000 (or an equivalent amount in other designated foreign currencies),
  - D. USD 250,000 (or an equivalent amount in other designated foreign currencies),
82. The Foreign Exchange Act, No. 12 of 2017, imposes a limit on the amount that can be remitted out of Sri Lanka as outward investment in shares by an individual, partnership or companies,
- The amount that can be invested by an individual as outward investment is:
- A. USD 200,000 or its equivalent amount per calendar year.
  - B. USD 300,000 or its equivalent amount per calendar year.
  - C. USD 200,000 or its equivalent amount for lifetime.
  - D. USD 300,000 or its equivalent amount for lifetime.
83. Which of the following statements is correct
- A. Foreign nationals, Foreign Companies and Sri Lanka companies of which 50 per cent or more of its shareholding is held either directly or indirectly by a foreigner or a foreign company cannot hold land in Sri Lanka.
  - B. A Sri Lankan company, with less than fifty per cent of foreign shareholding, can hold land provided such foreign shareholding remain less than fifty per cent, for a minimum period of consecutive thirty (30) years from the date of such transfer.

- C. Foreign nationals, Foreign Companies and Sri Lanka companies of which 50 per cent or more of its shareholding is held either directly or indirectly by a foreigner or a foreign company can Lease land only up to 90 years.
- D. Foreign nationals, Foreign Companies and Sri Lanka companies of which 50 per cent or more of its shareholding is held either directly or indirectly by a foreigner or a foreign company can hold land in Sri Lanka.

84. Which of the following statement is incorrect regarding Securities and Exchange Commission (SEC)

- A. SEC is a body corporate having perpetual succession which may sue and be sued in its own name
- B. SEC is responsible for foreign exchange in Sri Lanka
- C. The SEC regulates the securities market and deals with granting of licenses to stock exchanges, unit trusts, stock brokers and stock dealers
- D. The SEC is vested with the authority to prevent fraudulent practices including market manipulation in the security market

85. The companies that are eligible for listing under the Colombo Stock Exchange are:

1. Public Companies incorporated under the Companies Act No.7 of 2017
2. Statutory corporations established under any other laws of Sri Lanka
3. Companies or corporations established under the laws of any other state

- A. 1 and 2
- B. 2 and 3
- B. 1 and 3
- D. 1, 2 and 3

86. Which is not a type of Board available in the Colombo Stock Exchange for listing

- A. High Power Board
- B. Diri Savi Board
- C. Multi-Currency Board
- D. Main Board

