

M.Com. (CBCS) DEGREE EXAMINATION,
APRIL 2024.

Second Semester

Commerce – Core

SETTING UP OF BUSINESS ENTITIES

(For those who joined in July 2023 onwards)

Time : Three hours

Maximum : 75 marks

PART A — (15 × 1 = 15 marks)

Answer ALL questions.

Choose the correct answer :

1. What stage of the startup life cycle involves building a customer base?
 - (a) Ideation
 - (b) Validation
 - (c) Launch
 - (d) Growth
2. What type of financing involves selling ownership stakes in the company?
 - (a) Equity financing
 - (b) Debt financing
 - (c) Venture capital financing
 - (d) IPO
3. What is the primary objective of Mudra Banks?
 - (a) Providing loans to startups
 - (b) Funding large corporations
 - (c) Promoting micro-enterprises
 - (d) Supporting government initiatives
4. What is the primary objective of a public trust?
 - (a) Benefit specific individuals
 - (b) Promote charitable activities
 - (c) Generate profit for its members
 - (d) None of the above
5. Under which act are societies registered in India?
 - (a) Companies Act
 - (b) Societies Registration Act
 - (c) Trusts Act
 - (d) Income Tax Act
6. What is Section 8 company?
 - (a) Profit-making company
 - (b) Non-profit company
 - (c) Partnership firm
 - (d) Public trust
7. What is the nature of an LLP?
 - (a) Corporation
 - (b) Partnership
 - (c) Sole proprietorship
 - (d) Trust
8. What are the uses of a joint venture agreement?
 - (a) Establishing a separate legal entity
 - (b) Sharing profits and losses
 - (c) Outlining rights and responsibilities of partners
 - (d) Registering the joint venture with the government
9. Which document governs the rights and obligations of partners in an LLP?
 - (a) Memorandum of Association
 - (b) Articles of Association
 - (c) Partnership Deed
 - (d) LLP Agreement
10. What is the primary purpose of TAN?
 - (a) Identifying taxpayers
 - (b) Tracking tax deducted at source
 - (c) Facilitating GST registration
 - (d) None of the above
11. What does FSSAI stand for?
 - (a) Food Safety and Standards Authority of India
 - (b) Food Standards and Safety Association of India
 - (c) Food Safety and Security Authority of India
 - (d) Food Services and Standards Agency of India
12. Which registration is essential for businesses involved in activities that may cause pollution?
 - (a) PAN
 - (b) TAN
 - (c) FSSAI
 - (d) Pollution Control Board Clearance

13. What is the primary objective of the Geographical Indication of Goods (Registration and Protection) Act, 1999?
- Prevention of air pollution
 - Prevention of water pollution
 - Protection of geographical indications of goods
 - Protection of wildlife
14. Which Act establishes Central and State Boards for the Prevention and Control of Water Pollution in India?
- The Environmental Protection Act, 1986
 - The Water (Prevention and Control of Pollution) Act, 1974
 - Geographical Indication of Goods (Registration and Protection) Act, 1999
 - The Air (Prevention and Control of Pollution) Act, 1981
15. Which Act primarily deals with penalties and procedures for violations related to air pollution control in India?
- The Environmental Protection Act, 1986
 - The Water (Prevention and Control of Pollution) Act, 1974
 - Geographical Indication of Goods (Registration and Protection) Act, 1999
 - The Air (Prevention and Control of Pollution) Act, 1981

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20. (a) List out the objectives of geographical indication of goods act 1999.
- Or
- (b) Discuss the functions of the Central and State Boards for Control of Water Pollution.

PART C — (5 × 8 = 40 marks)

Answer ALL questions choosing either (a) or (b).

Each answer should not exceed 600 words.

21. (a) Outline the factors governing selection of an organisation.
- Or
- (b) Explain the equity financing and debt financing available for start-ups.
22. (a) List out the advantages and disadvantages of society.
- Or
- (b) List out the features of Non-Government Organizations.

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PART B — (5 × 4 = 20 marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 250 words.

16. (a) Explain the different types of business organisations.
- Or
- (b) Show the important points for start-ups.
17. (a) Specify the procedure in application for incorporation.
- Or
- (b) List out the exemptions available to trusts.
18. (a) Examine the procedure for incorporation.
- Or
- (b) Classify the different types of joint venture.
19. (a) Describe the business entity registration.
- Or
- (b) State the procedure for MSME registration.

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23. (a) Discover the nature of limited liability partnership.
- Or
- (b) Examine the disadvantages of Joint Venture.
24. (a) Categorise the persons liable to apply for TAN.
- Or
- (b) Explain the trade mark, patent and design registration.
25. (a) State the functions of the environmental protection act 1986.
- Or
- (b) Discuss the powers of the Air Act 1981.

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