



Important Acts Questions PDF with detailed solutions

Important Acts questions are required for a variety of competitive exams. These questions can be tough to answer, but they are also rewarding. To answer these questions, you must be up to date on current events. You can start once you've read about it.

You'll be able to answer these General Awareness questions with ease with a little practice. So we've provided ten Important Acts questions for you to practice with. Answering each of these questions should take not more than a minute.

Questions on Important Acts

You can also download the questions and answers pdf. Just click on the **Download PDF** button. So let's start with the first question.

Q:1 The Banking Regulation Act was passed in India in _____.

1. 1965
2. 1949
3. 1974
4. 1951

(**Difficulty: 1, Estimated Time: 10 Seconds**) Let's get started with an easy question.

Q:2 Which among the following is the title of Section 6 of Part II, Banking Regulation Act,1949?

1. Forms of business in which banking companies may engage
2. Prohibition of employment of Managing agents and restrictions on certain forms of employment
3. Act to override memorandum, articles, etc
4. Use of words "bank", "banker", "banking" or "banking company"

(**Difficulty: 3, Estimated Time: 20 Seconds**) This is a bit difficult to answer.

Q:3 When was RBI ACT passed?

1. 1932
2. 1934
3. 1930



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4. 1935

(Difficulty: 2, Estimated Time: 15 Seconds) This is also simple.

Q:4 What is Section 7 of the RBI Act 1934?

1. It allows RBI to buy and sell Foreign currency
2. It empowers the government to issue directions to the RBI
3. It allows the RBI to appoint its own staff
4. None of the above

(Difficulty: 3, Estimated Time: 20 Seconds) Have you read about the RBI Act?

Q:5 As per companies act 2013, the internal auditors of a company are appointed by:

1. The board
2. Shareholders
3. Government
4. Tribunal

(Difficulty: 1, Estimated Time: 10 Seconds) You can do this one.

Q:6 As per companies act, 2013, the meeting, which is conducted only once in the lifetime of the company, is known as:

1. Statutory Meeting
2. Annual General Meeting
3. Board Meeting
4. Extra-ordinary meeting

(Difficulty: 2, Estimated Time: 15 Seconds) Try to eliminate the wrong options for this question.

Q:7 As per the companies act 2013, the minimum number of directors in case of private company is:

1. 3
2. 2
3. 5
4. 1



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(Difficulty: 2, Estimated Time: 15 Seconds) Think carefully before answering this one.

Q:8 As per Companies Act 2013, a special resolution can only be passed with majority of:

1. 3/4
2. 2/4
3. 1/4
4. 2/3

(Difficulty: 3, Estimated Time: 20 Seconds) This one's a little tricky to answer.

Q:9 As per companies Act 2013, an ordinary resolution can be passed by shareholders with minimum:

1. 75%
2. 49%
3. 25%
4. 51%

(Difficulty: 2, Estimated Time: 15 Seconds) This isn't difficult. Try to get it right.

Q:10 If a person pays back a debt amount to the owner through cheque and the cheque is dishonoured due to insufficient funds in the former's account, then which of the following stands true with respect to Section 138 of Negotiable Instruments Act?

- (A) The borrower can be punished with imprisonment for upto two years.
- (B) The borrower can be subjected to a fine which can extend upto twice the amount of the cheque.
- (C) Dishonour of cheque for insufficiency, etc., of funds in the account can be equated with an offence under Indian Penal Code.

1. Only A and B
2. Only B and C
3. Only C
4. Only B

(Difficulty: 3, Estimated Time: 20 Seconds) Go through the options really well. Did you answer it correctly?

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Answer Key

Let's have a look at your score.

1. (2)	2. (1)	3. (2)	4. (2)	5. (1)
6. (1)	7. (2)	8. (1)	9. (4)	10. (1)

Comment below your score, considering each question has 1 mark only. If you scored 8 to 10, congratulations! You are one step closer to selection. If you have scored 5 to 8 marks, then you are doing well, keep it up. If you have scored less than 5 marks then you need to work a little harder on this subject. But don't worry, we are here to help you master the subject.

Let's check the answers and solutions and try to find out what went wrong.

Answers and Solutions

Q:1 The correct answer is **Option 2** i.e. **1949**

The Banking Regulation Act, 1949 is legislation in India that regulates all banking firms in India. Passed as the Banking Companies Act 1949, it came into force on 16 March 1949 and changed to Banking Regulation Act 1949 on 1 March 1966. It is applicable to Jammu and Kashmir since 1956.

The Act has 5 parts and 5 Schedules regarding the regulation of banks in the country.

The main objective of the banking regulation act is to ensure sound banking through regulations covering the opening of branches and the maintenance of liquid assets.

It assigns power to RBI to appoint, reappoint, and remove the chairman, director, and officers of the banks.

Q:2 The correct answer is **Option 1** i.e. **Forms of business in which banking companies may engage**

Banking Regulation Act, 1949 -

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Disposal of non-banking assets	Section 9
Prohibition of employment of managing agents and restrictions on certain forms of employment	Section 10
Act to override memorandum, articles, etc	Section 5A
Use of words "bank", "banker", "banking" or "banking company"	Section 7
Forms of business in which banking companies may engage.	Section 6

Q:3 The correct answer is **Option 2** i.e. **1934**

The Reserve Bank of India was founded in 1934 as a result of the RBI Act. On March 6, 1934, it became law. On April 1st, 1935, this law became operative. It creates a framework for bank supervision and other pertinent issues. The RBI has the authority to monitor and manage commercial banks under the terms of the 1935 RBI Act.

5 Chapters and 2 Schedules make up the RBI Act. It has 58 sections that describe the administrative policies of the RBI. The following explains a few of the key clauses-

Chapter I: It is divided into two sections that explain how the RBI got started and define several concepts.

In Chapter II: The topics of incorporation, capital, management, and business are covered in detail. In this chapter, there are sections 3 through 19.

There is now no bar on RBI for authorization of private sector banks for govt business.

Govt-related banking transactions include taxes and other revenue payments, pensions payments, and small savings schemes.

In 2012 Finance Ministry had not allowed private banks barring some to undertake govt business for 3 years.

Q:4 The correct answer is **Option 2** i.e. **It empowers the government to issue directions to the RBI.**

Section 7 in the RBI Act empowers the government to issue directions to the RBI. Although this section has never been used by the central govt, it puts a restriction on the autonomy of the RBI.



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Q:5 The correct answer is **Option 1** i.e. **The board**

An internal auditor is a person appointed by the board to conduct an internal audit of the functions and activities of the company. Internal audit is a continuous and systematic way of risk management, and proper governance in order to bring out more transparency and accountability in companies' activities.

Q:6 The correct answer is **Option 1** i.e. **Statutory Meeting**

A statutory meeting is a type of general meeting that must be held by every company limited by shares and every company limited by guarantee with a share capital within not less than a month and not more than six months from the date it was incorporated. Private companies are exempt from conducting a statutory meeting.

Q:7 The correct answer is **Option 2** i.e. **2**

Section 149(1) of the Companies Act, 2013 requires that every company shall have a minimum number of 3 directors in the case of a public

company, two directors in the case of a private company, and one director in the case of a One Person Company.

Q:8 The correct answer is **Option 1** i.e. **3/4**

To pass a special resolution more than 75% of the shareholders votes are required.

To pass an ordinary resolution more than 50% of the shareholders votes are required.

Q:9 The correct answer is **Option 4** i.e. **51%**

Notice of the meeting must have been served to all the members in advance, complying with the provisions of the Companies Act, 2013. The consent of at least **51%** of the members must be obtained to have a valid resolution passed. The votes of the members eligible to vote will be the ones considered for the count.

Q:10 The correct answer is **Option 1** i.e. **Only A and B**

Section 138 of **Negotiable Instruments Act**, deals with 'Dishonour of cheque for insufficiency, etc., of funds in the account'.



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It states that 'Where any cheque drawn by a person on an account maintained by him with a banker for payment of any amount of money to another person, of any debt or other liability, is returned by the bank unpaid, either because of the amount of money standing to the credit of that account is insufficient to honour the cheque or that it exceeds the amount arranged to be paid from that account by an agreement made with that bank:

1. Such person shall be deemed to have committed an offence and shall, be punished with imprisonment for a term which may be extended to two years
2. Or with fine which may extend to twice the amount of the cheque, or with both.

Thus, (A) and (B) are both correct.

In a similar, recently the Supreme Court stated that the gravity of complaint under Negotiable Instruments Act cannot be equated with an offence under the provisions of the Indian Penal Code.

Thus, (C) is not true.

Hence, **Only (A) and (B)** is the correct answer.

So that's it for today. General Awareness issues are usually important. We'll go over another matter of General Awareness later. Until then, you can practice the questions by downloading the Important Acts PDF.