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Self-Made Assignment - Advance Accounting

Forfeiture Of Shares

Do the Following True/False Questions:

- 1.) Forfeited shares can only be reissued to the original shareholder.
- 2.) The shareholder must be given at least 14 days' notice before the shares can be forfeited.
- 3.) Share forfeiture leads to a reduction in the company's authorized share capital.
- 4.) Once shares are forfeited, they cannot be transferred by the shareholder.
- 5.) Forfeited shares can be reissued at a premium.
- 6.) The original shareholder has the right to sue the company if their shares are forfeited.
- 7.) The company must pass a resolution before forfeiting any shares.
- 8.) Forfeiture of shares cancels any pending dividends for the shareholder on those shares.
- 9.) Shareholders whose shares have been forfeited can recover any surplus from the reissue of those shares.
- 10.) Forfeiture of shares is considered valid if the shareholder does not respond to the final call for payment within the stipulated time.
- 11.) The company's Articles of Association must specify the procedure for the forfeiture of shares.
- 12.) Once shares are forfeited, the shareholder is automatically refunded the amount already paid.
- 13.) Forfeiture of shares can occur even if the shares are fully paid.
- 14.) After shares are forfeited, the shareholder still has the right to participate in the company's profits.
- 15.) A company can cancel forfeited shares instead of reissuing them.

