

# Co-operative Law Model Questions - JCI



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1. Find out which of the following sentences have correct form of adjective

a) Hari owns a wooden boat

b) The story I read yesterday was woeful

c) Janu failed to withstand the stresses and strains of life

d) none

A

a

B

b and c

C

d

D

a and b

### Solution

wooden-adjective of quality woeful- sorrowful

a and b have adjectives

2. **Audit fee of a credit cooperative society is calculated on its:**

**A** working capital

**B** gross profit

**C** sales amount

**D** loan outstanding

### **Solution**

The Maximum audit fees payable by the society shall not exceed one lakh rupees.

Amount paid by a co operative society to the department for audit is audit

Audit fees is decided by the Director of Co -Operative audit.

In the case of credit societies audit fees is calculated on the basis of Working Capital.

3. The period of adhoc committee shall not exceed :

A 3 months

B 6 months

C 12 months

D 45 days

### Solution

An adhoc committee is formed in first general body for the administration of the day to day business of a society.

Ad hoc committee is appointed to conduct the affairs of the society for a period of three months from the date of registration.

The period of ad hoc committee is usually 3-6 months.

4. The managing committee of CCU consist \_\_\_\_ members.

A 8

B 10

C 13

D 7

### Solution

The members are elected in a CCU for a period of 3 years.

Sec 88 deal with constitution of circle cooperative union.

The managing committee of CCU consist of 13 members.

5. Who shall fix the term of tribunal?

A RCS

B Government

C Managing committee

D Secretary

### Solution

Sec 81 deal with tribunal.

Head quarters of tribunal is at Thiruvananthapuram.

6. Custodian of professional education fund is:

A SCU

B CCU

C RCS

D Government

### Solution

Custodian of cooperative education fund is state cooperative union.

Custodian of professional education fund is Registrar.

7. **Who was the viceroy at the time of enactment of 1904 Act?**

**A** Lord Ripon

**B** Lers Curson

**C** Lord Minto

**D** None of these

### **Solution**

Cooperative Credit Societies Act 1904 was passed on 25th March 1904.

1904 Act contains 29 sections

1904 Act was passed without having any rules



8. Who described 1904 Act as " it was the way from poverty to plenty"?

**A** Lord Curson

**B** Federic Nicholson

**C** Dupernix

**D** Daniel Hamilton

### **Solution**

Daniel Hamilton described 1904 Act as " it was the way from poverty to plenty".

1904 Act allowed the formation of credit society only

There was no provision in the Act for the amendment of bye-law.

9. The audit of a cooperative society is the responsibility of \_\_.

**A** DCA

**B** Managing committee

**C** government

**D** none of these

### **Solution**

Sec 63 deal with DCA.

The audit of a cooperative society is the responsibility of managing committee

DCA shall be under the control of RCS.

10. **Date of effect of byelaw amendment is as per section \_\_\_\_ of KCS Act 1969.**

**A** 12

**B** 13

**C** 13 A

**D** 14

### **Solution**

Sec 13 deal with amendment of bye-laws come into force.

From the date of registration only the amendment become void.

The general body of a cooperative society is the competent authority to make amendment of the bye-law.

11. Partnership of cooperative societies is as per Section \_\_ of KCS Act 1969.

A 14

B 14 A

C 14 B

D 14 AA

### Solution

Partnership of cooperative societies is as per Section 14 B of KCS Act 1969.

Sec 14 A deal with provisions regarding transfer of assets and liabilities of DCB to KSCB.

Sec 14 AA deal with promotion of subsidiary institution for the economic welfare of members.

12. which of the following not true as per KCS Act 1969?

A)Partnership of cooperative societies may be formed between two or more societies

B)A cooperative society can promote subsidiary institutions including partnership firms .

C)A cooperative society may divide itself into 2 or more cooperative societies.

D)A cooperative society may transfer its assets and liabilities in whole or in part to any other society.

A a only

B b only

C c only

D d only

### Solution

SEC 14AA Promotion of subsidiary institutions for the economic welfare of members.-

- A co-operative society may by a resolution passed at general body meeting by a majority of members present and voting, promote one

or more subsidiary institutions, which may be registered under any law for the time being in force, for the furtherance of its stated objects with the prior approval of the Registrar.

13. Who was the minister for cooperation in 1969 when the KCS act was passed by kerala assembly\(\textit{\\_\\_\\_\\_\\_\\_}\)?

A Sri .C.H.Muhammed Koye

B Sri.Baby john

C Sri.E.Chandrasekharan Nair

D Sri.P.R.Kurup

### Solution

- Puthanpurayil Ramunni Kurup (30 September 1915 – 17 January 2001) was an Indian socialist leader and former minister of Kerala state.
- Born as the son of Govindan Nambiar and Kunjunjamma at Puthur near Panoor in present-day Kerala state, he was initiated into politics through Indian National Congress in 1935.
- Sri.P.R.Kurup was the minister for cooperation in 1969 when the KCS act was passed by kerala assembly.

14. The Registrar shall before registering an amendment of byelaw of an apex society consult\(\textit{\\_\\_\\_\\_\\_\\_}\)?

☐ A Circle cooperative union

☒ B State cooperative union

☐ C Government

☐ D Governor

### Solution

- Bye-law amendments must be approved by a two-third vote of the total members present at the Special General Meeting or Annual General Meeting.
- Within sixty days of the AGM or SGM, the Registrar must receive the necessary paperwork and a request for a bye-law amendment.
- The Registrar shall before registering an amendment of byelaw of an apex society consult State cooperative union.



15. A person shall be disqualified for appointment as a member of a committee if he is a  $\textit{\hspace{1cm}}$ ?

**A** Member of the committee of another society of the same type

**B** Loanee of another society

**C** Depositor of another society

**D** None of these

### Solution

- No person shall be eligible for being elected or appointed or continued as a member of the board of any co- operative society, if -
- a) he is in default to that society or any other co- operative society in respect of any dues from him as borrower;
- b) he is interested directly or indirectly in any contract made .
- c)Member of the committee of another society of the same type.

16. Schedule III is decided by \(\textit{\\_\\_\\_\\_}\)?

A 68

B 69

C 60

D 96

### Solution

There are 3 schedules in KCS Act 1969

- Schedule I-Section 80(3A)=List of apex and central societies to which appoint are done by PSC.
- Schedule II- Section 2(eccc)= Cooperative principles.
- Schedule III -Section 69(4)-Time limit.

17. All appointments of officers mentioned in (\textit{\\_\})of the kcs Act are done from the selected list of PSC ?

A Schedule II

B Schedule I

C Appendix I

D Appendix II

### Solution

There are 3 schedules in KCS Act 1969

- Schedule I-Section 80(3A)=List of apex and central societies to which appoint are done by PSC.
- Schedule II- Section 2(eccc)= Cooperative principles.
- Schedule III -Section 69(4)-Time limit.

18. President of the committee of a society shall not be the member of \(\textit{\\_\\_\\_\\_\\_\\_}\) subcommittee ?

**A** Disciplinary

**B** Building

**C** Publicity

**D** Recruitment

### Solution

- President of the committee of a society shall not be the member of Disciplinary subcommittee .
- To make the rules and regulations as per the disciplinary requirement.

19. As per section 74G every cooperative society shall establish a library except a society which is working on loss for a continuous period of \(\textit{\\_\\_\\_\\_\\_\\_}\)?

A 3

B 2

C 4

D 5

### Solution

- Section 74G. Library in Co-operative Societies
- Every co-operative society shall establish a library .
- Provided that nothing contained in this provision shall apply to a society which is working on loss for a continuous period of five years.

20. Declaration of the companion of blind and infirm voters is in the form number \_\_\_\_\_?

A form number 37

B form number 38

C form number 36

D form number 35

### Solution

- Declaration of the companion of blind and infirm voters is in the form number 38.

21. Which of the following statement are wrong about Winding up of a society  $\text{\textit{\_\_\_\_\_\_}}$ ?

A) Total number of members not less than 25

B) Society has not commenced working within 5 month of its registration.

C) Registrar received application for winding up from 3/4th of the member of the society.

D) Registrar after conducting an inquiry /inspection under section 65 or 66 of the opinion that the society ought to be wound up.

A a only

B b only

C c only

D d only

### Solution

- SECTION 71. Winding up of societies.-
- If the Registrar, after an inquiry has been held under section 65 or an inspection has been made under section 66 or on receipt of an application made by not less than three-fourths of the members of a society, is of opinion that the society ought to be wound up,

- He may, after giving the society an opportunity of making its representation and in consultation with the financing bank to which the society is affiliated and the circle co-operative union, by order in writing, direct it to be wound up.
- Society has not commenced working within 6 month of its registration.



22. \(\textit{\\_\\_\\_\\_\\_\\_}\)contain set of rules relating to the goverance of internal management business or administration of the society ?

**A** KCS Act

**B** Byelaw

**C** Model bye laws

**D** sub rules

### Solution

- Every co-operative society shall make its bye-laws consistent with the provisions of this Act and rules and no provision in the bye-laws of a co-operative society shall be contrary to the provisions of the Act and Rules.
- Internal law of a cooperative society is Byelaw.
- Byelaw of a society is akin to the Articles of Association of a company.

23. As per KCS rules \(\textit{\\_\\_\\_\\_\\_\\_}\) means any cooperative society or any person against whom decree has been obtained?

A Insolvent

B Pauper

C Defaulter

D Non remitter

### Solution

- As per SECTION 2(E) of KCS Rules Defaulter means any cooperative society or any person against whom decree has been obtained.
- Defaulter mean a person who defaults or fails to fulfill an obligation, especially a legal or financial one.

24. \(\textit{\\_\\_\\_\\_\\_\\_}\) means the liability of a member are limited to their subscribed capital ?

**A** Limited liability

**B** Unlimited liability

**C** Limited & Unlimited liability

**D** None of these

### Solution

- limited liability, condition under which the losses that owners (shareholders) of a business firm may incur are limited to the amount of capital invested by them in the business and do not extend to their personal assets.
- Section 2(g) of kcs Act Limited liability means a society in which the liability of its members for the debts of the society in the event of its wound up is limited by its byelaws.

25. Fee for Issue Registration Certificate to a society\(\textit{\\_\\_\\_\\_\\_\\_}\)?

A 100RS

B 150 RS

C 50 RS

D FREE OF COST

### Solution

- Section 8(1) mentioned about Registration Certificate.
- Fee for Issue Registration Certificate to a society free of cost.
- Registrar have the power to issue and sign Registration Certificate .

26. The word "limited "shall be the \(\textit{\\_\\_\\_\\_\\_\\_}\)word in the name of a society registered ?

A Beginning

B Middle

C Last

D none of these

### Solution

Section 5.Registration with limited liability only.-

- (1)A co-operative society shall be registered only with limited liability: Provided that this sub-section will not affect the rights and liabilities of societies with unlimited liability which are in existence at the time of commencement of this Act.
- (2)The word ‘limited’ or its equivalent in any Indian language shall be the last word in the name of a society registered under this Act with limited liability.

27. A co-operative society is registered which has the object of

A)Promotion of the economic interest of its members.

B)For lending loans to members

C)For accepting deposits from members

D)For giving employment opportunities to members

**A** a only

**B** b only

**C** c only

**D** d only

### **Solution**

Section 4.Societies which may be registered.-

- Subject to the provisions of this Act, a co-operative society which has as its object the promotion of the economic interests of its members or of the interests of the public in accordance with co-operative principles, or a society established with the object of facilitating the operations of such a society, may be registered under this Act:

- Provided that no co-operative society shall be registered if it is likely to be economically unsound, or the registration of which have an adverse effect on development of co-operative movement.

28. At the discretion of the Registrar the period of appointment administrative committee / administrator shall not exceed at a maximum of \_\_\_\_\_?

A 2

B 4

C 1

D 3

### Solution

- At the discretion of the Registrar the period of appointment administrative committee / administrator shall not exceed at a maximum of one year.



29. Byelaw changes in Toto is called\(\textit{\\_\\_\\_\\_\\_\\_}\)?

**A** Permanent amendments

**B** Enbloc amendments

**C** Both a & b

**D** None of these

### Solution

- Byelaw changes in entirety is called Enbloc amendments.
- Every co-operative society shall make its bye-laws consistent with the provisions of this Act and rules and no provision in the bye-laws of a co-operative society shall be contrary to the provisions of the Act and Rules.
- Internal law of a cooperative society is Byelaw.
- Byelaw of a society is akin to the Articles of Association of a company.

30. Central or state government to file suit, the limitation period is years as per limitation Act 1963\(\textit{\\_\\_\\_\\_\\_\\_}\)?

A 3 year

B 10 year

C 20 year

D 30 year

### Solution

- Limitation Act 1963 prescribes a limitation period for suits, appeals, applications.
- This “period of limitation” indicates the period laid out in the Schedule for filing suits, appeals, and applications. A “prescribed period” refers to the period of limitation that follows the requirements of the Act.
- Central or state government to file suit, limitation period is 30 years as per limitation Act 1963.

**31. An application for affiliation to central or apex societies shall be in form number \(\textit{\\_\\_\\_\\_\\_\\_}\) of appendix \(\textit{\\_\\_\\_\\_\\_\\_}\) of kcs Rules?**

**A** Form no.32 Appendix III

**B** Form no.29 Appendix II

**C** Form no.30 Appendix III

**D** Form no.31 Appendix II

### **Solution**

- An application for affiliation to central or apex societies shall be in form number 31 of appendix II of kcs Rules.
- Section 8A & Rule 16 E = Affiliation to central or apex societies
- Application for affiliation to central or apex societies shall be determined within 60 days from the date of receipt of application.

32. The payment made to acquire the right of membership shall include admission fees, subscription to share capital and any other payments required to be made under the byelaws as per \(\textit{\\_\\_\\_\\_\\_\\_}\)?

**A**    **RULE 20**

**B**    **RULE 19**

**C**    **RULE 21**

**D**    **RULE 22**

### **Solution**

- The payment made to acquire the right of membership shall include
- admission fees,
- subscription to share capital and
- any other payments required to be made under the byelaws as per  
RULE 20.

33. **Nomination of an heir is made in writing by the member with his signature and attested by\(\textit{\\_\\_\\_\\_\\_\\_}\)?**

**A** Chief executive

**B** At least two witness

**C** President

**D** Registrar

### **Solution**

- Rule 23 Nomination of an heir
- A member of a society may nominate a person to whom in the event of his death his share or interest in the capital of the society shall be transferred.
- Nomination of an heir is made in writing by the member with his signature and attested by At least two witness.

34. Nomination registrar is kept for a period of\(\textit{\\_\\_\\_\\_\\_\\_}\)?

**A** permanent

**B** 12 years

**C** 10 years

**D** 7 years

### Solution

- Rule 23 Nomination of an heir
- A member of a society may nominate a person to whom in the event of his death his share or interest in the capital of the society shall be transferred.
- Nomination of an heir is made in writing by the member with his signature and attested by At least two witness.
- Nomination registrar is kept for permanent.

35. Any person may on payment of fees will have the right to obtain documents from the Registrars office at a rate fixed by \(\textit{\\_\\_\\_\\_\\_\\_}\)?

A Revenue department

B Government

C Cheif executive

**D Registrar**

### Solution

- Rule 24 - Right to obtain documents from Registrars office
- Any person may on payment of fees will have the right to obtain documents from the Registrars office at a rate fixed by Registrar
- For obtaining document from Registrar office the application fee shall paid in the shape of court fee stamp (Rule 24(2))

36. Minimum fee for inspection of accounts of a society as per rule 25 of Kcs Rule is\(\textit{\\_\\_\\_\\_\\_\\_}\)?

**A** Rs 15

**B** Rs 100

**C** Rs 25

**D** None of these

### Solution

- Rule 25 - Members rights to inspect the account in the society
- Minimum fee for inspection of accounts of a society as per Rule 25 of Kcs Rule is Rs 25.
- For inspecting every additional cooperative year a member shall pay Rs 15 .
- maximum inspecting fee Rs 100.



**37. What is section 70A of KCS Act 1969?**

**A** CO-OPERATIVE SERVICE EXAMINATION BOARD

**B** CO-OPERATIVE ARBITRATION COURT

**C** CO-OPERATIVE OMBUDSMAN

**D** CONSORTIUM LENDING SCHEME

### **Solution**

- CONSORTIUM LENDING SCHEME means the Consortium Lending Scheme framed under Section 57C.
- CO-OPERATIVE OMBUDSMAN means the person or persons appointed under sub- section (2) of Section 69A.
- CO-OPERATIVE ARBITRATION COURT means a court constituted under Section 70A.
- CO-OPERATIVE SERVICE EXAMINATIONBOARD means the Co-operative Service Examination Board constituted under Section 80B.

**38. Cooperative principles mean the principles listed in which schedule?**

**A** Schedule I

**B** Schedule II

**C** Schedule III

**D** None of these

### **Solution**

- CO-OPERATIVE PRINCIPLES means the cooperative principles listed in Schedule II appended to this Act.
- Cooperatives are also based on the values of self-help, self-responsibility, democracy, equality, equity, and solidarity.
- Cooperative members believe in the ethical values of honesty, openness, social responsibility, and caring for others.

39. Match the following

1. CO-OPERATIVE SERVICE EXAMINATION BOARD	a. Section 57A.
2. CO-OPERATIVE OMBUDSMAN	b. Section 57C.
3. CO-OPERATIVE DEVELOPMENT AND WELFARE FUND	c. Section 69A.
4. CONSORTIUM LENDING SCHEME	d. Section 80B.

**A** 1-d,2-c,3-a,4-b

**B** 1-d,2-b,3-d,4-c

**C** 1-b,2-a,3-d,4-c

**D** 1-a,2-c,3-d,4-c.

Solution

- CO-OPERATIVE SERVICE EXAMINATION BOARD means the Co-operative Service Examination Board constituted under Section 80B.

- **CO-OPERATIVE OMBUDSMAN** means the person or persons appointed under sub- section (2) of Section 69A.
- **CO-OPERATIVE DEVELOPMENT AND WELFARE FUND** means the Co-operative Development and Welfare Fund established under Section 57A.
- **CONSORTIUM LENDING SCHEME** means the Consortium Lending Scheme framed under Section 57C.

40. By what name is the governing body of a co-operative society called?

**A COMMITTEE**

**B CHIEF EXECUTIVE**

**C ARBITRATION COURT**

**D CENTRAL SOCIETY**

### **Solution**

- "committee" means the governing body of a co-operative society by whatever name called, to which the management of the affairs of the co-operative society is entrusted;
- The committee in office shall co-opt two persons or representatives who are having experience in the field of banking, management, finance or specialization in any other field, relating to the objects and activities undertaken by the Co-operative society as members of the Board of such society:
- CENTRAL SOCIETY means a society having jurisdiction over one or more Revenue Districts but not the whole of the State as its area of operation, and having as its members only other societies and declared as such by the Registrar or the Government.

41. What was the date when the Edward Law committee submitted its report?

A 1900

B 1902

C 1904

D 1905

### Solution

The Edward Law committee submitted its report in 1904.

This report, based on extensive research and examination, provided valuable insights and recommendations for cooperative policy and legislation in India.

42. **Who chaired the committee appointed by Lord Curzon to examine cooperative issues?**

**A** Mr. H. Dupernix

**B** Sir Edward Law

**C** Sir Frederick Nicholson

**D** Lord Curzon

### **Solution**

- Mr.H Dupernix in his book Peoples bank for northern India in 1900 include a scheme for setting up co-operative societies in India
- Lord Curzon appointed a committee under the chairmanship of Sir. Edward Law with Nicholson and dupernix.
- The Edward Law committee submitted it's report in 1904.
- As per the recommendation of Edward Law committee, The first co-operative Legislation in india passed on 25-03-1904.

43. when does an application for registration of a society shall be disposed of by the registrar ?

A within Sixty days

B within Seven days

C within Ninety days

D within Nine days

### Solution

- An application for registration of a society shall be disposed of by the registrar within Ninety days from the date of receipt of the application.
- Where the Registrar refuses to register a society, he shall communicate the order of refusal together with the reasons therefore within Seven days of such order to such of the applicants as may be prescribed.
- Before the Government, if the application for registration is made before Registrar, and the Registrar or the Government, as the case may be, shall, within Sixty days from the date of receipt of such representation, issue directions to the authority concerned to take appropriate decision on the application for registration and the authority concerned shall comply with such directions.





**44. If an application for registration is made before the Government, the Registrar, the Registrar or the Government, when will the concerned authority take the appropriate decision?**

**A** within Seven days

**B** within Sixty days

**C** within a period of Ninety days

**D** None of these

### **Solution**

- Before the Government, if the application for registration is made before Registrar, and the Registrar or the Government, as the case may be, shall, within Sixty days from the date of receipt of such representation, issue directions to the authority concerned to take appropriate decision on the application for registration and the authority concerned shall comply with such directions.

45. As the proposed society complies with the requirements of good business, within how many days from the date of receipt of application can he register the society and its by-laws?

**A** Ninety days from the date of receipt of the application.

**B** within Sixty days from the date of receipt of the application.,

**C** within Seven days from the date of receipt of the application.

**D** with in ten from the date of receipt of the application.

### **Solution**

- That the proposed society complies with the requirements of sound business, he may register the society and its bye-laws within a period of Ninety days from the date of receipt of the application.

46. Which of the following statements are related to cooperative societies act 1904 ?

1. The first co-operative legislation in India, Act X of 1904, passed on 25th March 1904

2.The 1904 Act contained only 50 sections

3.Only 10 persons required to form a Society as per the 1904 Act.

**A** 1 & 3

**B** 2 & 3

**C** 1 & 2

**D** All of these

## **Solution**

### **CO-OPERATIVE CREDIT SOCIETIES ACT 1904**

- The first co-operative legislation in India, Act X of 1904, passed on 25th March 1904
- The 1904 Act contained only 29 sections
- Only 10 persons required to form a Society as per the 1904 Act.
- The 1904 Act was implemented without having any Rules

**47. which of the following key feature of the first co-operative legislation in India, Act X of 1904?**

**A** This act contained 50 sections

**B** It required 20 persons to form a Society

**C** It was based on the British Friendly Societies Act 1896

**D** All of these

### **Solution**

- The first co-operative legislation in India, Act X of 1904, passed on 25th March 1904
- The 1904 Act contained only 29 sections
- Only 10 persons required to form a Society as per the 1904 Act.
- The 1904 Act was implemented without having any Rules
- The 1904 Act was based on British Friendly Societies Act 1896.
- As per the 1904 Act the liability of urban society was limited or unlimited and the liability of rural society was unlimited
- Central or Apex society could not be started under the 1904 Act.
- Non-credit Societies could not be started under the 1904 Act.

- No financing Society was allowed to form under the 1904 Act.

48. As per 1912 Act, the members were prohibited for holding\_\_ of the share capital

A  $\frac{1}{4}$

B  $\frac{1}{5}$

C  $\frac{2}{3}$

D  $\frac{1}{3}$

### Solution

- The maximum dividend payable to members as per 1912 Act was R1,000
- As per 1912 Act, the members were prohibited for holding  $\frac{1}{5}$ th of the share capital
- As per 1912 Act, 25% of the net profit was transferred to the reserve fund.



49. The 1912 Act contains\_\_\_\_

A 29 sections

B 25 sections

C 51 sections

D 50 sections

### Solution

The 1912 Act allowed the local provincial government to appoint the Registrar.

- The delegation of authority of Registrar was mentioned in 1912 Act
- The 1912 Act contains . 50 sections.

50. Which of the following statements is / are correct ?

**A**

As per 1912 Act a co-operative society can become a member of another society.

**B**

Co-operatives were classified as limited liability society and Un-limited liability society as per 1912 act

**C**

**A & B**

**D**

None of these

## **Solution**

- As per 1912 Act, 25% of the net profit was transferred to the reserve fund.
- The 1912 Act allowed the local provincial government to appoint the Registrar.
- The delegation of authority of Registrar was mentioned in 1912 Act. 50 sections.
- The 1912 Act contains
- As per 1912 Act a co-operative society can become a member of another society.
- Co-operatives were classified as limited liability society and Un-limited liability society as per 1912 Act.



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