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**TOPIC III: DISSOLUTION, LIQUIDATION, TRANSFORMATION AND BUSINESS COMBINATIONS**

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- 1) Dissolution is a process that can end up in:
  - a) The decrease of the Capital of the Company.
  - b) The liquidation of a company.
  - c) The foundation of a company
  - d) Answers b) & c) are correct.
  
- 2) The decrease of Capital under minimum in a company:
  - a) Can end up in its dissolution.
  - b) Must end up in its liquidation.
  - c) Must end up in the transformation of another legal form.
  - d) Must end up in an increase in its capital
  
- 3) In Liquidations:
  - a) Non-voting shares are first ones to collect their investment.
  - b) Ordinary shares are the first ones to collect their investment
  - c) Only non-voting shares can collect their investment.
  - d) Non-monetary contributors are the first ones to collect their investment.
  
- 4) Transformations:
  - a) Are situations in which the company losses its personality and must dissolve.
  - b) The company maintains its personality, but with a different legal form
  - c) Do not affect to Joint Stock companies.
  - d) Are situations in which the shareholders must separate from the Company
  
- 5) Transformations are situations in which:
  - a) Only capital companies can transform into personal companies.
  - b) Only personal companies can transform into capital companies.
  - c) Personal companies cannot transform into capital companies
  - d) None of the above answers is correct.
  
- 6) Spin-offs:
  - a) Entail the liquidation of a company.
  - b) May lead to the dissolution of a company
  - c) May lead to the decrease in capital of the company
  - d) Answers b) & c) are correct
  
- 7) A total Spin-off:
  - a) Entails the decrease in capital of a company.
  - b) May lead to the dissolution of a company
  - c) Leads to the liquidation of the company
  - d) Leads to the extinction of the company
  
- 8) When absorbing a Company:
  - a) The absorbed one must be liquidated.
  - b) The absorbing one must dissolve.
  - c) The elements that constitute the Equity of the absorbed Company will disappear.
  - d) The Company that absorbs must increase its Capital.

- 9) When absorbing a Company:
- a) There is an exchange of shares between both Companies.
  - b) Both companies' share's values must reach the same amount.
  - c) The absorbed Company must decrease its Share Capital.
  - d) The acquired company is always the absorbed one.
- 10) In mergers that lead to the foundation of a new company:
- a) All Companies transfer their equity elements to the new Company.
  - b) There is an increase in the Capital of one of the Companies.
  - c) All Companies' share`s values must reach the same amount.
  - d) One of the old Companies that merge must issue new stocks.
- 11) When a company absorbs another one:
- a) The absorbing one is always the acquiring one
  - b) The absorbed one is always the acquired one
  - c) The absorbing one can be the acquired one
  - d) The absorbing one can never be the acquired one
- 12) When forming a new Company through a merging process:
- a) There can never exist a Goodwill
  - b) There is a transfer of equity items from the absorbed Company to the absorbing one.
  - c) The absorbing company issues new shares for the absorbed company's shareholders.
  - d) None of the above answers is correct.