



FINAL EXAMINATION
PRACTICE TEST PAPER
PAPER – 13

TERM – JUNE 2026
SYLLABUS 2022

CORPORATE AND ECONOMIC LAWS

Time Allowed: 3 Hours

Full Marks: 100

The figures in the margin on the right side indicate full marks.

SECTION – A (Compulsory)

1) Choose the correct option:

[15x2=30]

ABC Ltd. is a public limited unlisted company with ₹50 crore equity capital of ₹10 each. It has taken over 70% equity of a company called BCG Ltd which is a listed company with equity capital of ₹20 crores divided into share of ₹10 each. ABC Ltd. And BCG Ltd. Have decided to merge.
The CEO of BCG Ltd. has some queries which you have to answer.

Answer the question from (i) to (iv) based on the above case study.

- (i) Is the decision to merge is in order?
- a) Yes, ABC Ltd. and BCG Ltd. are free to merge with the consent of shareholders.
 - b) Yes, ABC Ltd. and BCG Ltd. are free to merge even if the companies fall under special category mergers under section 233 of the Companies Act, 2013
 - c) No, ABC Ltd. and BCG Ltd. can't merge as ABC Ltd. is an unlisted company.
 - d) Yes, ABC Ltd. and BCG Ltd. are free to merge with the approval of board of directors.
- (ii) The scheme for merger should be approved by
- a) At least 50% of the shareholders in value.
 - b) At least 75% of the shareholders in value.
 - c) At least 50% of the Board of directors.
 - d) The key managerial persons of the company.
- (iii) What happens if few shareholders do not consent?
- a) The dissenting shareholders can stop the merger indefinitely by filing a police complaint.
 - b) The dissenting shareholders can choose to keep their shares in the old company even after it is dissolved.
 - c) The dissenting shareholders have to accept the decision.
 - d) Both a & b
- (iv) Does the merger require order of NCLT?
- a) No, Companies are free to merge with consent of shareholders
 - b) Yes, it requires approval of NCLT.
 - c) No, Companies are free to merge with consent of board of directors
 - d) No, it requires approval from SEBI as one of the company is listed.



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- (v) Articles of association can be altered by:
- Ordinary resolution
 - Special resolution
 - Resolution requiring special notice
 - None of the above
- (vi) Interim dividend is decided by:
- Board of Directors
 - AGM
 - CMD
 - Audit Committee
- (vii) Insolvency and Bankruptcy code 2016 is not applicable on:
- Financial Service Providers
 - Partnership Firms and Individuals
 - Limited Liability Partnership (LLP)
 - Companies Incorporated under Companies Act.
- (viii) A company sponsors the expenditure of a primary school of physically disabled students having 200 students. Three employees' children, being physical disabled, have also been admitted in that school:
- the school will qualify as CSR project as admission of the employees' children is incidental
 - not qualify as CSR project as there are students who are employees' children
 - depends on how the company represents the same to the auditors
 - depends on Board of Directors
- (ix) Which of the following is the advantage of the family business over non-family business?
- Staff recruitment
 - Raising funds for growth
 - Ownership vs. Management
 - Deep industry insight
- (x) SEBI has three functions rolled into one body. Which of the following is not the function of SEBI?
- Quasi-legislative
 - Quasi-judicial
 - Quasi-executive
 - Quasi-official
- (xi) Which of the following is not the type of unfair competition?
- Collusive price fixing
 - Creation of barriers to entry
 - Tie in purchase A



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- d) Predatory pricing
- (xii) An association of producers, sellers or distributors, traders or service providers who, by agreement amongst themselves, limit, control or attempt to control the production, distribution, sale or price of or trade in goods or provision of services is known as
- Acquisition
 - Agreement
 - Cartel
 - Pool
- (xiii) Minimum paid up capital for a life insurance business is ₹_____ Crore
- 50
 - 75
 - 100
 - 125
- (xiv) If a unit has investment in plant an equipment of ₹55 crore and turnover of ₹300 crore. It will be classified as:
- micro
 - small
 - medium
 - none of the above
- (xv) Decision of Cyber appellate Tribunal can be appealed to;
- High Court
 - supreme Court
 - None of the above
 - not appealable

SECTION – B

Answer any 5 questions out of 7 questions given. Each question carries 14 marks. [5 x 14 = 70]

- 2) (a) Discuss the legal conditions and restrictions for declaration and payment of dividend under Section 123 of the Companies Act, 2013? [7]
- (b) Describe the procedure and legal requirements for resignation of a director as per the provisions of the Companies Act, 2013. [7]
- 3) (a) Explain the provisions of Section 182 of the Companies Act, 2013 relating to political contributions by companies. [7]



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- (b) Explain the procedure and eligibility for members and the Central Government to apply to the Tribunal for relief in cases of oppression or mismanagement in a company. [7]
- 4) (a) Explain the required quorum for holding a Board meeting, as per the provisions of the Companies Act, 2013. Examine the following cases in this context:
(i) In a Board meeting, only 3 directors were present out of the total of 11 directors. None of the 3 directors was interested in any of the items of the agenda. Examine the validity of meeting.
(ii) In a meeting of the Board, out of the total of 11 directors, 5 directors were present, of which only 2 directors were not interested in one of the transactions. Suggest, how should the meeting deal with the matter? [7]
- (b) Ramesh, Rohit and Madan, all graduate in pharmacy, decide to form a start-up business of manufacturing rare medicine for cancer. Rohit plans big and wants to go to public for finance in course of time. Madan has requested his uncle, an NRI based at USA to invest in the company which he has agreed. Ramesh feels that they should go for section 8 company as the target is not to make money. Madan's uncle wants to know the advantages and disadvantages of public and private company in India.
You are advised to critically assess the following issues.
(i) In order to fulfil Rohit's plan, what kind of entity should be preferred and why?
(ii) Can Madan's uncle invest in the company as an NRI?
(iii) Ramesh's idea of section 8 company is ok?
(iv) Prepare small note for Madan's uncle. [7]
5. (a) Discuss the process of initiation of Corporate Insolvency Resolution Process by a Financial Creditor under the Insolvency and Bankruptcy Code, 2016, highlighting the role of the Adjudicating Authority in admission or rejection of the application [7]
- (b) ABC Ltd. is registered as NBFC for last 10 years. The company extended a loan of 10 crores to XYZ Ltd. as normal course of business. The loan was long term for equipment financing and equipment were actually purchased. XYZ Ltd. repaid only one crore and stopped paying further installments. The company had to operation for various reasons. Examine the situation in context of IBC code to get the following queries.
(i) Which type of creditor ABC Ltd. shall be classified?
(ii) Where the application can be made?
(iii) Is IP necessary?
(iv) Can ABC Ltd. make a petition on its own?
(v) What is CIRP in this context?
(vi) What time is expected to resolve?
(vii) Can XYZ Ltd. itself apply for taking over the company? [7]
6. (a) Discuss the methods of implementation of Corporate Social Responsibility (CSR) projects, including direct and third-party implementation, and analyse the internal and external problems faced in their execution. [7]



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- (b) Explain how the business intelligence process works and also discuss its benefits. [7]
7. (a) Explain the various kinds of takeovers. Also discuss the disclosure requirements under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. [7]
- (b) Discuss the different orders that the Competition Commission of India (CCI) may pass in respect of certain combinations under the Competition Act, 2002. [7]
8. (a) Analyse the conditions and reporting requirements for conversion of External Commercial Borrowings (ECB) into equity under FEMA. [7]
- (b) Explain the measures available to an Asset Reconstruction Company (ARC) for asset reconstruction under Section 9 of the SARFAESI Act, 2002. [7]