



Time Allowed: 3 Hours

Full Marks: 100

The figures in the margin on the right side indicate full marks.  
Where considered necessary, suitable assumptions may be made and clearly indicated in the answer.

SECTION – A

1. Multiple Choice Question:

[2 × 15 = 30]

- (I) (i) ABC Ltd. has 35% shares in XYZ Ltd. The majority of directors of XYZ Ltd. are appointed and removed by ABC Ltd. XYZ Ltd. is:
- a. Subsidiary of ABC Ltd.
  - b. Not a subsidiary of ABC Ltd.
  - c. Depends on Board of ABC Ltd.
  - d. Depends on Board of XYZ Ltd.
- (ii) Once declared in AGM, dividend-
- a. May be revoked
  - b. Cannot be revoked
  - c. May be reduced
  - d. Payment can be delayed
- (iii) Under Insolvency Bankruptcy code 2016 where extension of time is requested, the Corporate Resolution process shall be completed within a period of ..... from the date of admission of the application to initiate such process.
- a. 60 days
  - b. 90 days
  - c. 180 days
  - d. 240 days
- (iv) Corporate Governance practices are almost.....by companies in India.
- a. formalized
  - b. regulated
  - c. accepted
  - d. rejected



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- (v) The recommendation of the Audit Committee:
- may not be accepted by Board of Directors
  - has to be accepted by Board
  - In case not accepted, Board has to records the reasons
  - Recommendation need not go to Board meeting.
- (vi) At the time of IPO, the issuer has to have a:
- CFO
  - MD
  - Designated Compliance Officer
  - At least one independent director.
- (vii) 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
- (viii) The Competition Act has replaced-
- Companies Act, 1956
  - Consumer Protection Act
  - MRTP Act, 1969
  - None
- (ix) Zenith Ltd is accompany registered in UK, issues share to citizen of UK. Under the Indian law, the shares are;
- foreign security
  - Indian security
  - any of the above
  - none of the above
- (x) According to Banking Regulation Act 1949, no Banking Company shall pay dividend on its shares until all its –
- Depreciation is fully written off.
  - “Capitalized expenses” have been completely written off
  - Bad debts are provided in full.
  - Contingent liability is settled.



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- (xi) a unit has investment in plant and equipment of ₹55 crore and turnover of ₹300 crores. It will be classified as:
- micro
  - small
  - medium
  - none of the above

- (II) ABC limited is a company with paid up capital of ₹ 50 cr. and turnover of ₹310 cr. Mr. Rajesh Kumar, who is promoter and MD of the company wants to run the company complying with all laws and regulations. The chairman is non-executive and is an eminent academician. There are two more directors, one is Director (Finance), Mr Joshi and Director (commercial) Mr. Nirmal Kumar, who is related to the promoter. Company is in the process of taking substantial loan for capital investment from SBI, where SBI will nominate a director in the Board.

Based on the above case study, you are required to answer the questions no. from (xii) to (xv).

- (xii) Is the present Board properly constituted? - Which statement is correct.
- Company is an unlisted company with four directors, the present Board is properly constituted.
  - Company is an unlisted company with four directors, which is properly constituted, but since the turnover is more than ₹300 cr., a woman director is required.
  - Company is an unlisted company with four directors, which is properly constituted, but need of one resident director who has stayed in India for a total period of not less than 182 days in the financial year.
  - Company is an unlisted company, which is properly constituted with a MD.

- (xiii) Can Mr. Nirmal Kumar be considered as independent director?

- Yes, since he is related to the promoter.
- No, since he is related to the promoter.
- Yes, since he is commercial Director.
- Yes, since he is a whole time /functional Director.

- (xiv) Is there any need of women director?

- Yes, since the turnover is more than ₹300 cr.
- No, since the paid up capital is not more than ₹100 cr.
- No, SBI will nominate a director in the Board.
- None of the above.



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- (xv) What will be the status of the director nominated by SBI, if she is a woman?
- She will be classified as Nominee Director.
  - She will be classified as Interested Director.
  - SBI has no right to nominate any women director in the Board.
  - None of the above.

SECTION – B

(Answer any five questions out of seven questions given. Each question carries 14 marks.)

2. (a) Describe the classes of companies which are outside the purview of the Company Auditor Report Order (CARO) under the Companies Act 2013.
- (b) Summarize the disqualifications of a director under section 164 of the Companies Act 2013. [7 + 7 = 14]
3. (a) “A casual meeting of the directors, even at the office of the company, cannot be treated as a board meeting” – analyse the legal provisions relating to board meeting under the Companies Act 2013?
- (b) Explain who shall bear the cost of investigation under section 225. under the Companies Act 2013? [7 + 7 = 14]
4. (a) Three Board meeting of A Ltd. were held on 01.01.2022, 01.04.2022, 01.07.2022. In the fourth Board meeting scheduled for 27.10.2022, no matter could be discussed since the required quorum was not present, and so it was adjourned till 03.11.2022. In the adjourned Board meeting held on 03.11.2022, 5 matters were discussed and voted upon. Assess the situation, Has the company contravened any of the provisions of the Companies Act ,2013?
- (b) X & Co. is a LLP firm wants to convert their firm into a corporate entity as per the provisions contained in Sec. 366 of the Companies Act ,2013 and the Companies (Authorized to registered) Rules, 2014. They have conducted a meeting for conversion of and to decide the name of the company summoned for the purpose of registering the LLP. In the meeting 1/4th partners want for the conversion into a Pvt. Ltd company, and 3/4 th partners want for a new corporate entity with the word “Public Limited”. There are 6 partners in the firm. Recommend an appropriate decision and steps to be taken by the firm. [7+7=14]



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5. (a) Illustrate the process of appointment of first auditors in the case of Government Company under section 139(7) of “The Companies Act ,2013”.
- (b) Nature India Limited filed a petition under Insolvency and Bankruptcy Code ,2016 with National Company Law Tribunal (NCLT) against Tulip Limited and the petition was admitted. After that, Nature India Limited wanted to withdraw the petition based on a settlement arrived between the parties. Examine whether it is permissible to withdraw the petition after it has been admitted? and also infer the legal provision relating to the admission and rejection of application by an adjudicating authority under the Insolvency and Bankruptcy Code, 2016.
- [7+7=14]
6. (a) Discuss the benefits of Sustainable report.
- (b) Classify the major categories of cyber-crimes and summarize them with examples.
- [7+7=14]
7. (a) Discuss “connected person” in context of insider trading.
- (b) Analyse the duties and power of the director general of Competition Commission of India?
- [7+7=14]
8. (a) “Money Laundering is the process of conversion of such proceeds of crime, the ‘dirty money’, to make it appear as ‘legitimate’ money”- examine the validity of statement by the rules and regulations of the act “The Prevention of Money Laundering Act, 2002”
- (b) Describe the role of Reserve Bank of India in management of foreign exchange.
- [7+7=14]