



FINAL EXAMINATION **SET - 2**
MODEL QUESTION PAPER **TERM – DECEMBER 2023**
PAPER – 13 **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

1. Choose the correct alternative.

[15 x 2=30]

- (i) Persons who sign the MOA are called:
- Promoters
 - Shareholders
 - Subscribers to MOA
 - Member
- (ii) 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.
- (iii) Which, out of the following would not amount to Sustainable Development activity:
- rain water harvesting
 - paddy cultivation
 - solar energy
 - plantation of sapling for forestation
- (iv) Clause 49A which was the first major compliance of corporate governance by listed companies was on the basis of recommendation of.
- Narayan Murthy committee
 - Kotak committee
 - Kumar Mangalam Birla committee
 - Rahul Bajaj Committee
- (v) Which of the following is the advantage of the family business over non-family business?
- Staff recruitment
 - Raising funds for growth



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- c. Ownership vs. Management
d. Deep industry insight
- (vi) For the appointment, reappointment, remuneration and removal of the director of a banking company, prior approval of should be obtained.
- a. Chairman
b. RBI
c. Managing Director
d. Finance Secretary
- (vii) Any person aggrieved by any order of Competition Appellate Tribunal (COMPAT), may file an appeal to the Hon'ble Supreme Court within..... days, from the date of receipt of the order of Appellate Tribunal:
- a. 30 days
b. 45 days
c. 60 days
d. 90 days
- (viii) Individuals can avail of foreign exchange facility for the following purposes within) LRS limit on financial year basis for the following:
- a. the Private visits to any country (except Nepal and Bhutan)
b. Gift or donation Going abroad for employment
c. Emigration
d. all of the above.
- (ix) Every Banking Company incorporated in India shall prepare a balance sheet and profit and loss account as on the last working day of the –
- a. Calendar Year
b. Accounting Year
c. Month
d. None of the above
- (x) The Chairman of the Insurance Regulatory and Development Authority shall hold office for a term of from the date on which he enters upon his office and should be eligible for reappointment.;
- a. 3 years
b. 4 years
c. 5 years



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- d. 6 years
- (xi) If a unit has investment in plant and equipment of `55 crore and turnover of `300 crore. It will be classified as–
- micro
 - small
 - medium
 - none of the above
- (xii) 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 following queries which you have to answer. Is the decision to merge is in order? - Which statement is correct.
- Yes. The decision to merge in order.
 - Yes. Companies are free to merge with consent of shareholders and by following the procedures prescribed under law.
 - Yes, it will not fall under special category mergers under section 233 of the Act.
 - All of the above.
- (xiii) Is a scheme necessary for merger?
- No, a scheme for merger is not necessary
 - Yes, a scheme for merger is necessary
 - A scheme is might be necessary, might be not.
 - irrelevant.
- (xiv) Is the merger to be approved by shareholders of each of the companies?
- Yes, the scheme has to be approved by 3/4th majority of shareholders in value.
 - No, the scheme has to be approve by 3/4th majority of shareholder in value and also requires approval of NCLT.
 - Since the transferee company is listed, SEBI regulations have to be complied with, for approval wherever applicable.
 - None of the above.
- (xv) What happens if few shareholders do not consent?
- Shareholders decision does not matter. NCLT's approval only needed.
 - The dissenting shareholders have to accept the decision of the majority.
 - The Scheme of merger will be adjourned.



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- d. The approval of NCLT is enough

SECTION – B

Answer any “5” Questions from Question No. 2 to Question No. 8 in Section “B”. Each Question Carries 14 marks. **[5 x 14 = 70]**

2. (a) Distinguish between “Doctrine of Constructive notice” and “Doctrine of indoor management” under the Companies Act 2013.
(b) Illustrate the meaning of interested director under section 2(49) of the Companies Act 2013. **[7+ 7 = 14]**
3. (a) A member wants to inspect the minute book of the Board meetings – Advise.
(b) Analyze the provisions relating to investigation into the affairs of a company by the Serious Fraud Investigation Office? **[7 + 7 = 14]**
4. (a) The articles of association of M/s ABC Ltd provide that a meeting of the Board of Directors shall be held at 11 am on the last day of every quarter ending on 31st march, 30th June, 30th September and 31st December. Relying on the said provision, the company has not sent notices to the directors in respect of a Board meeting held on 31.03. 2022. Some of the directors have questioned the validity of the Board meeting on the ground that individual notices have not been sent to the directors.
(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 clarify the following issues.
(i) In order to fulfil Remit’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+7=14]**
5. (a) Discuss when can the Corporate Insolvency Resolution be commenced or processed “and interpret the duties of Resolution Professional, under Sec. 25 of the act “Insolvency and Bankruptcy Code, 2016”
(b) Best bank, a financial creditor sent a demand notice for a claim of ₹ 10.2 crores on



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XYZ limited, a corporate debtor on 6th February 2022. When the petition was filed before NCLT under Insolvency and Bankruptcy Code ,2016, Best bank claimed that the XYZ limited has defaulted ₹ 29.8 crores instead of original amount of ₹ 10.2 crores. NCLT appointed an interim insolvency resolution professional. XYZ limited made an appeal with NCLAT demanding that the Best Bank’s claim is not maintainable as there is a difference in the amount mentioned in the demand notice and the application filed under the code. Decide whether the contention of XYZ limited is correct. Also, state who can file Corporate Insolvency Resolution Process under the Code.? **[7+7=14]**

6. (a) Examine how would the company satisfy itself about successful evaluation of the CSR projects.
(b) What do you infer from business intelligence process. **[7+7=14]**
7. (a) Describe the restrictions on communication and trading by insiders through the SEBI (prohibition of insider trading) Regulations, 2015 Act.
(b) Develop a concept on Anti- Competitive agreement under act “The Competition Act 2002”? **[7+7=14]**
8. (a) Analyze the provisions regarding trade credit framework and security for raising trade credit under FEMA Act ,1999 .
(b) Explain in brief, the functions of Asset Reconstruction Company. **[7+7=14]**