



**FINAL EXAMINATION
MODEL QUESTION PAPER
PAPER – 13**

CORPORATE AND ECONOMIC LAWS

**SET - 2
TERM – JUNE 2025
SYLLABUS 2022**

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]

XYZ Pvt. Ltd., a private limited company registered under the Companies Act, 2013, currently has five directors on its board. As per its Articles of Association, the maximum permissible number of directors is seven. At the forthcoming Annual General Meeting (AGM), two directors—Mr. A and Ms. B—are due to retire by rotation. The board intends to reappoint Mr. A and induct Ms. C as a new director, despite her not being a shareholder of the company.

In addition, the board plans to appoint Mr. D as an Additional Director to oversee a specific project, with the intention of formalizing his appointment at the subsequent AGM. Meanwhile, a group of shareholders holding 15% of the voting rights has proposed Mr. E's nomination as a director to represent minority shareholders.

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

(i) Under which section of the Companies Act, 2013 does the Board have the authority to appoint an Additional Director?

- a) Section 161.
- b) Section 145.
- c) Section 182.
- d) Section 98.

(ii) Can Ms. C be appointed as a director in XYZ Pvt. Ltd.

- a) No, only shareholders can be appointed as directors
- b) Yes, if permitted by its Articles
- c) Yes, under the provision of Companies Act, 2013
- d) Only with approval of ROC

(iii) What is the minimum notice period required for recommending the name of a Mr. E for directorship under Section 160 of the Companies Act, 2013?

- a) 7 days before the AGM



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- b) 14 days before the AGM
 - c) 28 days before the AGM
 - d) 30 days before the AGM
- (iv) What is the requirement under the Companies Act, 2013 for a director to be reappointed (like Mr. A) after retirement by rotation?
- a) Special resolution
 - b) Board resolution only
 - c) Ordinary resolution at AGM
 - d) No resolution needed
- (v) Shifting of registered office of a company from one state to another requires
- a) Alteration of MOA only
 - b) Alteration of MOA and Central Govt.(CG) approval
 - c) only CG approval
 - d) only Board approval
- (vi) For Board meeting, quorum as per the Companies Act, 2013 is:
- a) Two third of the total no. of directors
 - b) One third of the total no. of directors
 - c) Half of the total no. of directors
 - d) None of the above.
- (vii) Insolvency and Bankruptcy code 2016 is not applicable on:
- a) Partnership Firms and Individuals
 - b) Limited Liability Partnership (LLP)
 - c) Companies Incorporated under Companies Act
 - d) Financial Service Providers
- (viii) Corporate governance is close to:
- a) ethical conduct of business
 - b) managerial conduct of business
 - c) target oriented business
 - d) none of the above



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- (ix) The regulatory authority for the Insolvency and Bankruptcy Code (IBC) in India is
- a) Debt Recovery Tribunal (DRT)
 - b) National Company Law Tribunal (NCLT)
 - c) Supreme Court of India
 - d) Insolvency and Bankruptcy Board of India (IBBI)
- (x) The cases under PMLA can be tried in:
- a) Common courts
 - b) High courts only
 - c) Special designated courts
 - d) none of the above.
- (xi) Which of the following is not the objective of Competition Act, 2002?
- a) To prevent practices having adverse effect on competition.
 - b) To prevent competition in market
 - c) To protect the interest of the consumers
 - d) To ensure freedom of trade carried on by the other participant in marketing India and for matter connected there with or incidental thereto.
- (xii) The purpose of the SEBI Act is to provide for the establishment of a Board called Securities and Exchange Board of India (SEBI). The Preamble to the Act provides for the establishment of a Board to:
- a) Protect the interests of investors in securities
 - b) Promote the development of the securities market
 - c) To regulate the securities market
 - d) All of the above
- (xiii) Credit facilities in the ordinary course of business is an example of
- a) Capital account transaction
 - b) Current account transaction
 - c) Either (a) or (b)
 - d) None of the above



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(xiv) Insurance business is regulated by:

- a) SEBI
- b) RBI
- c) MCA
- d) none of the above

(xv) Which among the following is a Cyber crime under the IT Act?

- a) Tampering with Computer source documents.
- b) Hacking with Computer systems, Data alteration.
- c) Publishing obscene information.
- d) All of the above

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 provisions related to the prohibition on acceptance of deposits from the public by companies under section 73 of the Indian Companies Act, 2013. [7]
(b) Describe how a managing director, whole time director or manager is appointed by a company. [7]
- 3) (a) Discuss the duties and liabilities of directors under the provisions of the Companies Act, 2013. [7]
(b) Discuss the provisions related to investigation by Serious Fraud Investigation Office (SFIO). [7]
- 4) (a) RR Ltd. is a public limited company, having its registered office in Bengaluru, and has been in existence since March, 2010. The following is the summarised position of its financial results for the past four years (in crores)

Particulars	2019-20	2020-21	2021-22	2022-23
Net worth	303	319	368	503
Turnover	500	490	680	890
Net profit	6.1	6.9	7.9	8.9

In the light of above facts, examine the following issues:

- (i) Does the company come within the purview of CSR Regulations?
- (ii) Is CSR Committee required to be formed?
- (iii) What will be the minimum budget for CSR compliance, for the year 2023-24
- (iv) What are the other CSR obligations under the provisions of the Companies Act, 2013 [7]



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- (b) Gautam of Uttar Pradesh incorporated a One Person Company (OPC). In compliance to law, he appointed his brother Rohit as nominee. Both are resident Indian citizens. On 12/02/2024, Rohit left India permanently to settle in Dubai and he has withdrawn his nomination. You are required to examine the following issues in the light of the provisions of the Companies Act, 2013:
- (i) What action shall be taken by Gautam when he gets notice of withdrawal of nomination and within what time limit?
- (ii) Gautam wants to appoint his minor son (Abhijit). Can Gautam appoint his minor son (Abhijit) as nominee in OPC? Examine, with relevance, the correctness of the same. [7]
5. (a) Analyse the provisions related to internal audit under section 138 of the Companies Act, 2013. [7]
- (b) A Ltd. intends to initiate voluntary liquidation proceedings. In this regard, a declaration by way of affidavit has been submitted by some of the directors of the company, stating that a full inquiry into the affairs of the company has been conducted and that the company will be able to repay its debts in full from the proceeds of asset sales during the liquidation process.
- Based on this scenario, analyze whether A Ltd. is in compliance with the conditions for initiating voluntary liquidation under the provisions of the Insolvency and Bankruptcy Code, 2016. Also, specify the documents that must accompany such a declaration. [7]
6. (a) Discuss the objectives and benefits of corporate governance. [7]
- (b) Analyse the data protection law in India. [7]
7. (a) Discuss the obligations of the acquirer and the target company under takeover Regulations. [7]
- (b) Analyse the powers of the Competition Commission of India to pass orders after finding contravention of Section 3 of the Competition Act, 2002 or abuse of dominant position by an enterprise. [7]
8. (a) Discuss the procedure of investigation under the Prevention of Money Laundering Act, 2002. [7]
- (b) Analyse the role of the Reserve Bank of India in formulation of monetary, banking and financial policies. [7]