



FINAL EXAMINATION
MODEL QUESTION PAPER
PAPER – 13

CORPORATE AND ECONOMIC LAWS

SET - 1

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]

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 has a right of compensation.
 - b) The dissenting shareholders can protest against the merger.
 - 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.
- (v) A guarantee company is similar to:
 - a) Unlimited company
 - b) LLP
 - c) Partnership
 - d) Sole proprietorship



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- (vi) 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
- (vii) The Insolvency and Bankruptcy Board has power of which Court in respect of issue of summons, discovery and production of books, inspection of books/registers and issue of commissions for examination of witnesses:
- a) Session Court
 - b) High Court
 - c) Supreme Court
 - d) Civil Court
- (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:
- a) the school will qualify as CSR project as admission of the employees' children is incidental
 - b) not qualify as CSR project as there are students who are employees' children
 - c) depends on how the company represents the same to the auditors
 - d) depends on Board of Directors
- (ix) In case of secured debentures of public issue, the security is created in favour of:
- a) Public
 - b) SEBI
 - c) Merchant banker
 - d) Debenture trustee
- (x) Selling products/services below the cost is called ____.
- a) Undercut pricing
 - b) Under invoicing
 - c) Predatory pricing
 - d) Introductory pricing
- (xi) Automatic route in FDI means.
- a) Prior permission of RBI not required
 - b) Prior permission of Central Govt. not required
 - c) Prior permission of neither RBI nor Central Govt. is required
 - d) None of the above



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- (xii) According to Banking Regulation Act 1949, no Banking Company shall pay dividend on its shares until all its -
- a) Depreciation is fully written off.
 - b) “Capitalized expenses” have been completely written off
 - c) Bad debts are provided in full.
 - d) Contingent liability is settled.
- (xiii) The principle of _____ ensures that an insured does not profit by insuring with multiple insurers.
- a) Subrogation
 - b) Contribution
 - c) Co-insurance
 - d) Indemnity
- (xiv) If a unit has investment in plant and equipment of ₹55 crore and turnover of ₹300 crore. It will be classified as:
- a) micro
 - b) small
 - c) medium
 - d) none of the above
- (xv) Access someone’s computer without the right authorization of the owner and does not disturb, alter, misuse, or damage data or system by using wireless internet connection, is called:
- a) Squatting
 - b) Vandalism
 - c) Hacking
 - d) Trespass

SECTION – B

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

- 2) (a) Explain the provisions related to Audit of government companies. [7]
- (b) Describe how alternate director and nominee director can be appointed by companies. [7]
- 3) (a) Analyse the provisions related to quorum for meetings of Board. [7]
- (b) Discuss the power of Central Government to Provide for Amalgamation of Companies in Public Interest. [7]



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- 4) (a) Kapoor and Sons Ltd is a listed company with Mr. S K Kapoor as CMD and main stakeholder. Board comprises of the following.
- (a) Mr. S K Kapoor, as CMD
 - (b) Mr. K Murli, Director (Finance)
 - (c) Mr. B B Singh, Director (Commercial)
 - (d) Mr K Shekhar, ind. Dir. Appointed in AGM
 - (e) Mr.B. Ramesh, Ind. Dir., appointed in AGM
 - (f) Mr. Mahesh Singh, nominee of IDBI
 - (g) Smt. Rekha Singh, ind. Director, appointed in AGM Ms. Rukmini Mathur, non-executive, non-independent, additional director.
- With the above directors, please suggest constitution of CSR committee, Audit Committee and Nomination and Remuneration committee as per the Act and Rules. [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 duties of interim resolution professional. [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]



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6. (a) Discuss the features and emerging issues of corporate governance in a family owned companies in India. [7]
(b) Explain how the business intelligence process works and also discuss its benefits. [7]
7. (a) Discuss the various restrictions which were imposed on communication and trading by insiders. [7]
(b) Analyse the duties and powers of the competition commission of India. [7]
8. (a) Discuss the sectors and entities where FDI is prohibited. [7]
(b) Explain the procedure of winding up of banking companies. [7]