



FINAL EXAMINATION
MODEL QUESTION PAPER
PAPER – 13
CORPORATE AND ECONOMIC LAWS

SET - 2
TERM – DEC 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. (a) Choose the correct option:

[15 x 2 = 30]

Keena Limited is a company with paid up capital of ₹62.5 crore and turnover of ₹387.5 crore. 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.

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

- (i) What is the compliance issue in the composition of its Board?
- A. The Company must appoint at least three independent directors.
 - B. The company must appoint at least one-woman director.
 - C. The company must have a minimum of six directors.
 - D. There is no compliance issue; the Board is properly constituted.
- (ii) Can Mr. Nirmal Kumar, who is related to the promoter, be considered an independent director under the Companies Act, 2013?
- A. Yes, since he is a full-time executive director.
 - B. Yes, if the Board approves his independence.
 - C. No, because being a relative of the promoter disqualifies him.
 - D. No, unless he holds less than 2% shareholding.
- (iii) If SBI nominates a director to the Board of ABC Limited as part of its loan conditions, what will be the status of that director?
- A. Alternate Director
 - B. Additional Director
 - C. Nominee Director
 - D. Independent Director



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- (iv) If the SBI-nominated director happens to be a woman, can she also satisfy the requirement for appointment of a woman director under the Companies Act, 2013?
- A. No, only a non-executive woman director appointed by the company can fulfil the requirement.
 - B. Yes, the woman nominee director shall be considered to fulfil the requirement of a woman director in terms of the Act.
 - C. No, a nominee director cannot be counted for the purpose of meeting gender diversity requirements.
 - D. Only if the woman nominee also qualifies as an independent director can she fulfil the requirement.
- (v) A company shall inform the auditor concerned of his or its appointment, and also file a notice in the Form _____
- A. ADT-4
 - B. ADT-1
 - C. ADT-6
 - D. ADT-3
- (vi) If _____ of the directors require that a resolution under circulation be placed in the Board meeting for decision, it has to be complied with.
- A. All director
 - B. Two-third
 - C. One-third
 - D. Three-fourth
- (vii) As per section 22(1) the first meeting of the COC will be held within _____ days of constitution
- A. 5
 - B. 6
 - C. 7
 - D. 8
- (viii) Which will not qualify as CSR expenditure
- A. Direct donation to a unrecognised charitable organisation
 - B. Contribution to fund under schedule VII of the Act
 - C. Any activity under schedule VII
 - D. Direct implementation of a CSR project by the company
- (ix) Corporate Governance ratings are done by:
- A. Commercial banks
 - B. RBI
 - C. SEBI
 - D. Credit Rating Agencies



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- (x) A hostile takeover is defined as:
- A. Takeover supported by the board of directors
 - B. Takeover without the consent of the promoters
 - C. Acquisition through stock exchange block deals
 - D. Acquisition initiated with shareholder approval
- (xi) Selling products/services below the cost is called _____.
- A. Undercut pricing
 - B. Under invoicing
 - C. Predatory pricing
 - D. Introductory pricing
- (xii) SEBI has three functions rolled into one body. Which of the following is not the function of SEBI?
- A. Quasi-legislative
 - B. Quasi-judicial
 - C. Quasi-executive
 - D. Quasi-official
- (xiii) The judicial authority under SARFESI is:
- A. SEBI
 - B. RBI
 - C. DRT
 - D. MCA
- (xiv) NSIC stands for:
- A. National Social Institute Corporation
 - B. National Small Institute Corporation
 - C. National Scheme for Industries and companies
 - D. National Small Industries Corporation.
- (xv) Where two persons claim for the same Domain Name either by claiming that they had registered the name first on by right of using it before the other or using something similar to that previously. Which type of Cybercrime it is?
- A. Squatting
 - B. Vandalism
 - C. Trespass
 - D. None of the above



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SECTION – B

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

[5x14=70]

2. (a) Explain the provisions relating to the appointment of Trustees for Depositors under Rule 7 and the duties of such Trustees as prescribed under Rule 8. [7]
- (b) Describe the legal provisions under Section 152 of the Companies Act, 2013 concerning the appointment of directors and the manner of filling vacancies caused by retiring directors. [7]
3. (a) Explain the provisions of Section 174 of the Companies Act, 2013 relating to the quorum requirements for meetings of the Board of Directors. [7]
- (b) Explain the provisions of Section 232 of the Companies Act, 2013 relating to the merger and amalgamation of companies. [7]
4. (a) Three Board meeting of A Ltd. were held on 01.01.2024, 01.04.2024, 01.07.2024. In the fourth Board meeting scheduled for 27.10.2024, no matter could be discussed since the required quorum was not present, and so it was adjourned till 03.11.2024. In the adjourned Board meeting held on 03.11.2024, 5 matters were discussed and voted upon. Assess the situation, has the company contravened any of the provisions of the Companies Act, 2013? [7]
- (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 3/4th 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]
5. (a) Examine the provisions under the Insolvency and Bankruptcy Code, 2016 relating to the appointment and remuneration of a liquidator, and discuss the powers and duties vested in the liquidator. [7]
- (b) KBC Private Limited (Corporate Debtor) is a company incorporated on 01.01.2020 under the provisions of Companies Act, 1956, having its registered office at Mumbai. The Authorised Share Capital of the company is Rs. 10,00,00,000/- and Paid up Share Capital of the company is ₹ 9,90,00,000/-. UGC Private Limited (Operational Creditor) is a company incorporated on 01.01.2021 under the provisions of Companies Act, 1956 having its registered office at Kolkata.
KBC Private Limited approached UGC Private Limited for purchase of inputs for his production. It was specifically agreed that upon procuring the inputs by KBC Private Limited and raising of invoices by UGC Private Limited, the entire payment for such invoices shall be made in a timely manner. As per the arrangement, the KBC Private Limited placed various purchase orders for supply of inputs. UGC Private



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Limited supplied the goods as per the orders placed by KBC Private Limited and raised invoices against the said supply. The invoices were duly acknowledged by KBC Private Limited and an amount as part payments were also made. But thereafter, inspite of various requests made and reminders sent by UGC Private Limited, the KBC Private Limited had neither responded nor repaid the remaining claim. On failure to pay the outstanding dues by the KBC Private Limited, the UGC Private Limited sent a demand notice dated 01.01.2025 under Section 8 of the Insolvency and Bankruptcy Code, 2016 to the respondent asking them to make the entire outstanding payments of Rs. 20,00,000/- (Rupees Twenty Lakhs) inclusive of interest within 15 days from receipt of the notice, failing which the UGC Private Limited shall initiate the Corporate Insolvency Resolution process against the KBC Private Limited. Despite the demand notice, the KBC Private Limited did not pay the amount demanded, neither raised any notice of dispute nor replied to the said notice. As a next action UGC Private Limited filed an application before National Company Law Tribunal (NCLT), seeking to unfold the process of Corporate Insolvency Resolution Process (CIRP).

Based on the above fact, answer the following:

- (i) Can UGC Private Limited make application before the Adjudicating Authority and where to file such application to initiate the Corporate Insolvency process in the given case.
 - (ii) Examine who is authorized to appoint an Interim Resolution Professional in case Resolution Professional is not appointed by the UGC Private Limited? Discuss the moratorium as envisaged under the provisions of Section 14(1) to (4) of the Insolvency and Bankruptcy Code, 2016 in relation to the Corporate Debtor. [7]
6. (a) Corporate governance is important in a family business also. Discuss the key points in evolving corporate governance in family businesses. [7]
- (b) Explain the benefits of business intelligence and identify the various types of business intelligence tools and applications. [7]
7. (a) Discuss “connected person” in context of insider trading. [7]
- (b) Examine the concepts of “Abuse of Dominant Position” and “Predatory Pricing” under the Competition Act, 2002. [7]
8. (a) Examine the key features of the Prevention of Money Laundering Act (PMLA), 2002, and Discuss any seven significant points. [7]
- (b) Discuss the procedure for registration of an Asset Reconstruction Company. [7]