



Compliance Management, Audit & Due Diligence

(Chapter 1)

(5 x 5= 25 Marks).

Time - 1 Hr

Q1. Answer the following question.

(5 marks each)

1. Sames Ltd. is a recently listed company. To cater to the growing reporting requirements, the company recruited various professionals across its finance and secretarial team. The Company Secretary was requested to prepare a Compliance training and education programme for providing training to the new recruits. Briefly explain the objective and contents of such Compliance training programme.
2. ABC Ltd. is having a paid-up capital of Rs.1,000 crore and annual turnover of Rs. 2,500 crores. The company has asked you, as a Company Secretary in Practice, to advise it on preparation and finalization of its Compliance Management Framework. Give your advice.
3. You are the Company Secretary of the newly formed company Star Infrastructure Ltd. Your chairman has asked you to prepare a compliance chart. What are the various points you would mention in the compliance chart?
4. Unique Ltd., a start-up company launched in the year 2019, manufactures electric two-wheelers. Jayco, the Company Secretary was discussing the corporate compliance framework of the company. One of the consultants suggested that the Compliance Chart is a vital part of the framework and the company must at present first focus on preparation of the Compliance Chart. Explain the activities in preparation of a compliance chart and its contents.
5. Z ltd. seeks your opinion on the role of the various levels of management for compliance ownership. Explain the role.

ALL THE BEST



Compliance Management, Audit & Due Diligence

(Chapter 2)

(5 x 5= 25 Marks).

Time - 1 Hr

Q1. Answer the following question.

(5 marks each)

1. Ashok, the Managing Director (MD) of XYZ Ltd., has observed that some confidential information has leaked in the company. MD has called the Company Secretary and asked him to prepare Standard Operating Procedure (SOP) for protecting the confidential information. Suggest the matters for inclusion in the SOP.

2. Records Management provides a professional approach to caring for the records and archives which is governed by certain key concepts. Explain the concepts that govern the care of records and archives.

3. "The strength of a folder and file naming convention under documents in electronic form is dependent on the proposed naming structure and the quality and quantity of the data elements chosen to build it." With reference to this, correct each of the following statements, specifying the basic rules that could serve as a basic guideline in structuring folder and file naming, along with the reason associated with it:

a) C:/Crescent Milky Way/Financial Year 2022-23/Annual Return Form MGT 7.doc

b) Rose Merry TPS 8312 9 POLICY 2022 12 22. pdf II White Paper Structured file naming strategy.doc

4. The Board of Directors (BOD) of CTZ Ltd. thinks that the documents, register, index, agreement, memorandum & minutes maintained by the company in electronic form, after getting it dated and signed digitally are capable of being edited or altered subsequently under their powers, Is the contention of BOD of CTZ Ltd. correct? Explaining the meaning of document and records, elucidate the manner in which the records in electronic form should be maintained as per the provisions contained in the Companies Act. 2013.

5. Differentiate Physical Data Room and Virtual Data Room.

ALL THE BEST



(CS Muskan Gupta)

Compliance Management, Audit & Due Diligence

(Chapter 3)

(5 x 5= 25 Marks).

Time - 1 Hr

Q1. Answer the following question.

(5 marks each)

1. The audit of Financial Statements in respect of Spinex Ltd. for the year ended 31st March, 2021 was not completed due to difference of opinion on certain accounting matters between the Management and the Statutory Auditors. Hence, the company was not able to hold its Annual General Meeting (AGM) within the statutory timelines. As the AGM was not conducted, the Company Secretary was in a dilemma whether to file the Annual return. Advise the Company Secretary.
2. S, a director of VCT Ltd. wants to know from you as an expert of Company Law for consequences for non-filing of Annual Return of the Company. Explain the provisions of the Companies Act, 2013 from the company's point of view.
3. Vijay is the Company Secretary of Gemmy Ltd. which is having an annual turnover of Rs. 500 crore for last three financial years. As part of annual certifications, he asked Mohan, a Practicing Company Secretary (PCS) to sign the latest annual return. Vijay refused to sign the annual return as he thinks that it should be done by Mohan, PCS. What are the requirements for Annual Return Certification by a Company Secretary in Practice? Is Vijay justified in saying so?
4. After passing of the Professional Examinations, A has applied in renowned Company Secretary Practicing Firm. He was selected for 21 months training and assigned Annual Filing relating work. He has successfully registered himself on portal of MCA. A approached his senior, as he is facing other issues during the filing. Being a Company Secretary, list out requirements to overcome common errors noticed in E-Filing for reference of A.
5. Den Ltd. had a paid-up share capital of 275 crore in the previous year 2021-22. Explain how a Practicing Company Secretary can prepare himself for such a big assignment before undertaking the work relating to pre-certification so that the chances of incorrect certification will not be there.

ALL THE BEST



(CS Muskan Gupta)

Compliance Management, Audit & Due Diligence

(Chapter 4)

(5 x 5= 25 Marks).

Time - 1 Hr

Q1. Answer the following question.

(5 marks each)

1. What are the permissible means of advertising for a Company Secretary in Practice according to the ICSI Guidelines for Advertisement, 2020?
2. How is professional misconduct categorized for members of the Institute of Company Secretaries of India (ICSI) as outlined in the Act's Schedules?
3. What is the process for an Associate Member to become a Fellow Member of the Institute of Company Secretaries of India according to Section 5 of the Company Secretaries Act, 1980?
4. According to Regulation 4(1) of The Company Secretaries Regulations, 1982, what are the eligibility criteria for becoming an Associate Member of the Institute of Company Secretaries of India?
5. What are some of the key functions and duties outlined for Company Secretaries according to Section 205 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014?

ALL THE BEST



(CS Muskan Gupta)

Compliance Management, Audit & Due Diligence

(Chapter 5)

(5 x 5= 25 Marks).

Time - 1 Hr

Q1. Answer the following question.

(5 marks each)

1. Distinguished between Meta Ethics and Applied Ethics.
2. Discuss the ICSA (UK) Code of Professional Ethics and Conduct comprises four core principles.
3. Explain the concepts of Integrity and Conflict of interest.
4. What do you mean by Ethical Dilemma?
5. ILFS fraud was the largest corporate fraud in India and triggered a slowdown in the economy. Elucidate the statement covering how fraud was perpetuated in this case.

ALL THE BEST



(CS Muskan Gupta)

Compliance Management Audit & Due Diligence

(Chapter 6)

(5 x 5= 25 marks)

Time - 1 Hr

Answer the following question.

1. Vara was appointed as Company Secretary and Compliance Officer in Aaradhya Textiles Ltd. (ATL). As per the terms of offer, she was provided with a rent free furnished accommodation of 3BHK flat in Borivali (East), Mumbai for her use exclusively, with a condition to surrender the flat to the company within a month after the cessation of service. Since Vara was unmarried, she kept her friend Anushka, as paying guest in the company provided flat for which Vara charged 15,000 per month from Anushka. The company came to know that Vara has kept her friend as paying guest and is also charging rent, which was not meant for subletting. The company issued a show cause notice to Vara, which she did not reply and also remained absent from the company. The company terminated her service and served a legal notice to hand over the possession of the flat. However, Vara did not vacate the flat and alleged wrongful dismissal from service. In light of the above fact whether the company can move an application before the National Company Law Tribunal against Vara for wrongful withholding of a property of the company? Also refer to relevant provisions of the Companies Act, 2013.
2. Nikki joined a retail store run by Jain Daily Needs Ltd. as Manager. After some time she manipulated the accounts of the branch and thus made illegal money amounting to Rs. 15 lakhs. The fraud was unearthed during the regular inspection of accounts and stock check. The Area Manager complained to the Corporate Office of the company and Nikki was put under suspension by the competent authority. What penal action can be taken against Nikki under the provisions of the Companies Act, 2013? What would be your answer, if the fraud amount is Rs 5 lakhs only?
3. Can Registrar of Companies order adjudication proceedings under Section 454 of Companies Act, 2013 ? In what cases can the Central Government appoint him as the Adjudicating Officer ? Also mention the four steps.
4. Arun, an individual shareholder of M/s. BEL Ltd. is holding 2% of the voting rights. He made a complaint before the Adjudicating Authority that investments proposed to be made by the Company are without any adequate security and prayed for injunction to restrain the company from making such investments. Whether Arun will succeed in his attempt ? Explain with decided case law.
5. ABD Limited (listed Company) has failed to redress investors' grievances relating to the Transfer of the share and indulges in fraudulent and unfair trade practices relating to securities. Write down the Procedure and powers of Appellate Tribunal and Special Director (Appeals).

BEST OF LUCK



(CS Muskan Gupta)

Compliance Management, Audit & Due Diligence

(Chapter 7)

(4 x 5= 20 Marks).

Time - 1 Hr

Q1. Answer the following question.

(5 marks each)

1. Section 442 of the Companies Act, 2013 enables settlement of dispute through 'alternate dispute resolution' In this context, highlight the differences between mediation and conciliation.
2. "Mediator or conciliator facilitates in arriving a decision to resolve the dispute and that he shall not and cannot impose any settlement." In background of this statement, explain who is responsible to take decision under Companies (Mediation and Conciliation) Rules, 2016 and what is the time mit for completion of mediation or conciliation.
3. Write notes on the following: Practicing Company Secretary, who is in practice since 2010 with LL.B. degree intends to be empanelled as 'Mediator or Conciliator' under Companies (Mediation and Conciliation) Rules, 2016. Can he be empanelled? If not, why?
4. PQR Ltd. failed to file return of allotment against the 16 lakh shares allotted by the Board of directors at its meeting held on 20th April, 2016 and got order for compounding of offence on 10th June, 2018. The company again failed to file return of allotment against the 11 lakh shares allotted by the Board of directors at its meeting held on 4th March, 2019. What options are available to the company in respect of this default?

ALL THE BEST



(CS Muskan Gupta)

Compliance Management Audit & Due Diligence

(Chapter 8)

(6 x 5= 30 marks)

Time - 1 Hr

Answer the following question.

1. S Ltd. was engaged in the business of providing services of tours & travels. The management of S Ltd. was very much worried, as the amount of resources used were out of proportion to the amount of services provided. Excessive wastes were also noticed. Advise S Ltd. about the audit that should be conducted in order to evaluate such situation. Specify the types of this audit, also explain the need of this audit.
2. Prepare the note on the illustrative checkpoint on the Cyber security Audit.
3. The Board of Directors of Vee Kay Ltd. has received a letter from a whistle blower alleging insider trading by few members amongst the Senior Management. The Board has appointed you to perform the insider trading audit. Explain the essential factors enabling review and reporting of insider trading audit.
4. "A Corporate Social Responsibility (CSR) Audit aims at identifying environmental, social or governance risks faced by the organization and evaluating managerial performance in respect of those". Explain the purpose of CSR Audit.
5. In what areas can internal audit contribute to an Organization's improvement & efficiency ?
6. What are the applicability criteria for Secretarial Audit as per Section 204(1) of the Companies Act, 2013, and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014?

All The Best



(CS Muskan Gupta)

Compliance Management Audit & Due Diligence

(Chapter 9)

(5 x 5= 20 marks)

Time - 1 Hr

Answer the following question.

1. XYZ Ltd. a public limited company appointed R, a practicing professional, as an Internal Auditor of the company. During its audit procedure, he came to know some material information of the company which was revealed, due to incompetency of his audit staff, to the outsiders. The company filed a suit against him stating that due to his unprofessional and irresponsible behaviour, the company has to bear a huge loss. Explain the auditor's responsibility & duties in respect of the information acquired while performing the audit assignment.
2. X, Y and Z are three partners in JK LLP, a firm of Practicing Company Secretaries. X holds 1% paid-up share capital in ABC Ltd. Y holds shares of nominal value of Rs. 70,000/- in ABC Ltd. Referring the provisions relating to ICSI Auditing Standards, advise whether JK LLP can be engaged for the Secretarial Audit of ABC Ltd.
3. The Board of Directors of ATP Ltd. authorized it's one of the Directors X to appoint Secretarial Auditor of the Company. Can X do so as per the provisions of the Companies Act, 2013? Also explain pre-engagement meeting in the Audit Engagement Process.
4. A firm of Company Secretaries is to be engaged as professional experts in due diligence process. What are the preconditions of accepting the professional engagement by the firm to maintain the quality ?
5. P an auditor of SPH Ltd. had conducted the audit for the previous period and is requested to conduct the audit for subsequent period as well. The period of engagement of the audit has not expired and there are no revised terms. So, it is assumed that fresh audit engagement letter will not be required. Is it correct for the recurring audit engagement? Specify the situations when the audit engagement letter will be required. Explain the criteria for declining/withdrawing for an audit engagement.

All The Best



(CS Muskan Gupta)

Compliance Management Audit & Due Diligence

(Chapter 10)

(5 x 5= 25 marks)

Time - 1 Hr

Answer the following question.

1. Mention the activities that auditors typically undertake during the preliminary preparation phase.
2. Discuss in brief about Questionnaire and mention the certain points to be kept in mind as to how a questionnaire may be used in an audit.
3. The main purpose of an interview in context of an audit are orientation , examination and confirmation. An interview can have one or two of these purposes, but normally not all three at the same time. Discuss in brief all three context.
4. R is a new female trainee in your firm, SKK Ltd. Explain her about the permanent file and it's main contents in relation to auditor's working papers.
5. What are the five core testing methods commonly employed by auditors during an audit, and how do they contribute to forming a well-informed opinion?

All The Best



(CS Muskan Gupta)

Compliance Management Audit & Due Diligence

(Chapter 11)

(6 x 5= 30 marks)

Time - 1 Hr

Answer the following question.

1. Explain the Audit documentation is important for several reasons and also Discuss the categories of Audit documentation.
2. Evidence gathering is an iterative process. Comment.
3. Discuss the techniques through which Audit evidence can be obtained.
- 4 The audit process can be broadly grouped in three phases. Prepare a note to substantiate the statement.
5. Discuss in brief Audit Planning and throw light upon: Essentials of Audit Planning.
6. The Auditor shall establish policies and procedures for retention of Audit Documents. Discuss.

All The Best



(CS Muskan Gupta)

Compliance Management Audit & Due Diligence

(Chapter 12)

(5 x 5= 25 marks)

Time - 1 Hr

Answer the following question.

1. A Practicing Company Secretary Firm, while submitting its Secretarial Audit Report, observed that there are lot of non-compliances of the provisions of the Companies Act, 2013. In view of this, explain the process for reporting with qualification.
2. Is there a need to obtain a management representation letter from the Auditee Company? Describe.
3. As an exhaustive list of countervailing factors is not possible, so auditors strive to develop such characteristics in their audit fins, wherever possible to provide safeguards against the threats to objectivity. Enumerate such characteristics. Also explain in brief what do you mean by the Principle of Contradictory Process and Exit Conference.
4. Materiality consists of both quantitative and qualitative factors. Materiality is often considered in terms of monetary value but the inherent nature or characteristics of an item or group of items may also render a matter material. List the issues that may be considered material even if the monetary value is not significant. Is materiality not a matter of professional judgement? Explain.
5. What do you mean by an unqualified/unmodified opinion by an auditor ?

All The Best



(CS Muskan Gupta)

Compliance Management Audit & Due Diligence

(Chapter 13)

(5 x 5= 25 marks)

Time - 1 Hr

Answer the following question.

1. The Company Secretary in employment as well as in practice is entrusted to ensure the compliance of applicable Secretarial Standards and report on compliances. Elucidate

2. A reckless waste of firm's assets by speculating on the stock market and incompetence/negligence in managing business of Lee Ltd., apart from omission, or perversion of truth and failure to file information and report were noticed. The management of Lee Ltd. was in a dilemma whether to treat all these as fraud or non-compliance.

Provide a note to the management of Lee Ltd. as a Practising Company Secretary regarding how to differentiate between Fraud and Non-Compliance.

3. "The Secretarial Audit lays the groundwork for the establishment of an ongoing Secretarial and Legal Compliances." Being a practicing Company Secretary what would you do while:

- i. Communicating to the earlier incumbent and
- ii. Submission of Secretarial Audit Report.

4. FKZ Ltd. is a public limited company carrying business of manufacturing the electric products having a paid-up capital of Rs. 75 crores and turnover of Rs. 250 crores as per latest audited financial statement.

Answer the following:

- (i) Explain the applicability of Secretarial Audit to this company.
- (ii) Define 'Turnover' as per section 2(91) of the Companies Act, 2013.
- (iii) Explain the provision regarding appointment of the Secretarial Auditor.
- (iv) In case, 'S' a Secretarial Auditor, is found involved in the fraud amounting of Rs. 3 lakh (does not involve any public interest), then state the penalty for such action.

5. "A Code of Conduct is a necessary component of any profession to maintain standards for the individuals within that profession to adhere." Discuss.

All The Best



(CS Muskan Gupta)

Compliance Management Audit & Due Diligence

(Chapter 14)

(5 x 5= 25 marks)

Time - 1 Hr

Answer the following question.

1. Appraisal of management decisions involves a number of steps. Enumerate them.
2. Explain the role of an Internal Audit in the Internal control mechanism of a company.
3. The internal audit function greatly assists the Secretarial auditor in determining the extent to which he can place reliance upon the work of the internal auditor. Discuss the important aspects to be considered in this context.
4. Discuss in brief about the Independence of Internal Auditor.
5. FDF Company, an unlisted public company had paid-up share capital of Rs. 1 crore and turnover of Rs. 150 crores during the preceding Financial Year (FY) 2022-23. The company had outstanding loans and borrowings of Rs. 100 crore & outstanding deposits of Rs. 25 crores on 31 March, 2023. The company didn't appoint the internal auditor saying that the loans and borrowings & deposits were not outstanding during the preceding full previous year, but they were outstanding only for 1 day that too on the last day of the FY i.e. on 31st March, 2023. Was the stand of the company correct? You as a Company Secretary in Practice, are asked to examine the applicability of the appointment of internal auditor considering the provisions of the Companies Act, 2013.

All The Best



(CS Muskan Gupta)

Compliance Management Audit & Due Diligence

(Chapter 15)

(5 x 5= 25 marks)

Time - 1 Hr

Answer the following question.

1. "The methodological approach involved in peer review can be described in 4 stages". Explain the planning process of the peer review.
2. Explain "Statement of Confidentiality" in Peer Review in detail. Who is required to file it and what are the consequences of non-compliance in this regard?
3. Jai is a Fellow Member of the Institute of Company Secretaries of India and he was convicted by a competent court of USA. He is applying for Peer Reviewer Advise him as an expert for empanelment of peer reviewers whether he is eligible to apply for Peer reviewer.
4. Outline the various Attestation and Audit Services currently covered under the purview of Peer Review, as per the information provided. Explain the scope of conducting Peer Review.
5. What are the benefits which a practice unit will obtain in undergoing a peer review?

All The Best



(CS Muskan Gupta)

Compliance Management Audit & Due Diligence

(Chapter 16)

(6 x 5= 30 marks)

Time - 1 Hr

Answer the following question.

1. Examine and comment on the following: "The SWOT Analysis of Target business is carried out as part of Due diligence".
2. Critically examine and comment on the following:
"A key step in any due diligence exercise is to develop an understanding of the purpose for the transaction".
3. Merger and Amalgamation aims at stability, development and expansion of business prospects, the decision being based on a prudent Due Diligence process. Draft a Due diligence Process in a tabular form involving buyer and seller.
4. Critically examine and comment on the following:
"During the diligence, care should be taken to adhere to certain hospitality issues".
5. Discuss in brief about Legal due diligence and transactions to be covered under legal due diligence.
6. M/s S. Core Advisory Services Pvt. Ltd. has submitted its bid invited through International Bidding Process by RE Textiles & Yarns Ltd. Being a lowest bid, the letter of award was issued in favour of M/s S. Core Advisory Services Pvt. Ltd. for providing consultancy services to set up a Knitting Fabric Plant at Maharashtra. M/s S. Core Advisory Services Pvt. Ltd. is already providing consultancy services to various organizations in India and outside India. RE Textiles & Yarns Ltd. asks M/s S. Core Advisory Services Pvt. Ltd. to enter into a Non-Disclosure Agreement. The Agreement is proposed to be signed at Mumbai
The Management of RE Textiles & Yarns Ltd. wants to include the following clauses in the Agreement:
 1. No Title to Use
 2. No Obligation to Disclose, No RepresentationsPrepare a brief note on above two clauses required to be included in the Non- Disclosure Agreement.

All The Best

Yes Academy