

Second Edition

With Additional Questions as on 16-June-24

DECODING CA FINAL- SET A CORPORATE AND ECONOMIC LAWS

**Covered ~200 Repeatedly Asked Questions
with Answers**

Sureshot way to score 50+ marks !!

COMPILED BY VIKALP GUPTA

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of SET A & B (Self-Paced Online Modules)

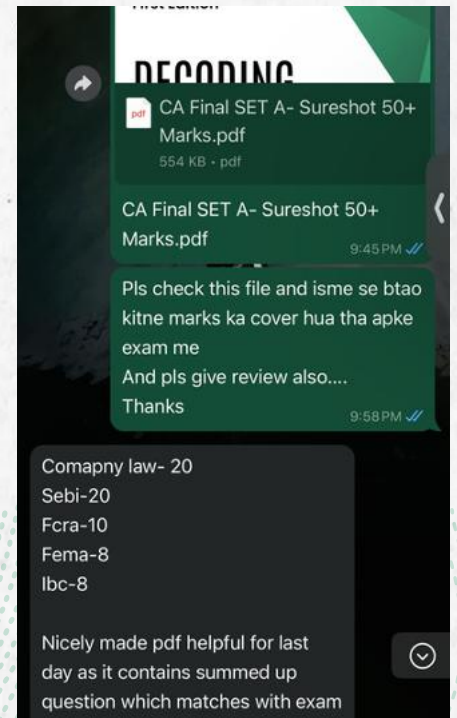
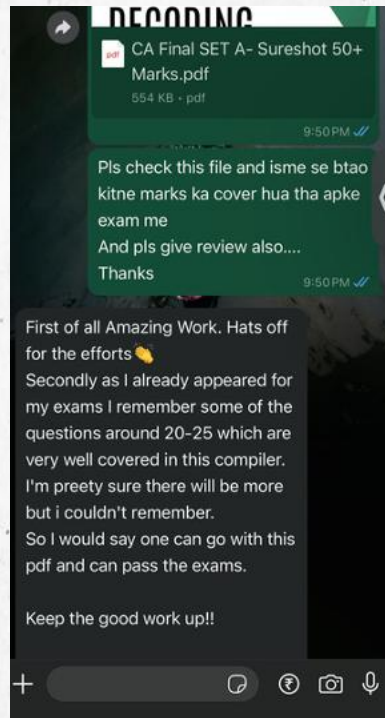
JUST REMEMBER, YOU CAN VERY WELL DO IT

PLANT AND NURTURE TREES THIS MONSOON!! 🌳



TESTIMONIALS

REVIEWS OF THOSE WHO ACE THROUGH THIS



DON'T MISS THIS !!

HOW TO MAKE THE BEST OUT OF THIS COMPILER

- SET-A exam doesn't have any fixed topic wise weightage, thus need to cover atleast 80% of portion.
- This compilation is designed in such as way that it is useful at own for ~50+ marks, but it is advised to read Hemant Somani Sir's time limits and penalties compilation also to prepare for any adverse situation.
- If you have enough time to prepare, it is advised to first go through the revision lectures of Shubham Singhal Sir then read the above two compilers.
- Link for all the required materials for SET A & B (Books, Revision Videos, Latest Compilers, Strategy) is available in the pinned message of telegram group.

[Telegram Group Link-Join](#)

Ace Your Exams, Good Luck !!

After your exams, kindly update the questions in the google form to make this compiler more resourceful. And do share your reviews and suggestions as well.

[Google Form Link- Additions, Reviews and Feedback](#)

Thanks
(Vikalp and Manmohan Gupta)

Company Law		
Sr No.	Questions	Answers
1	Can a SSD eligible for reappointment	Not Eligible
2	Can SSD be appointed in a competing business	No
3	No. of Companies in which person can hold position of SSD	Max. 2 Companies
4	Non Executive Managerial Remuneration if Effective capital is 245 crs	24 Lakhs
5	Can CFLO be given in case of Removal of MD during Winding Up due to default of director	No
6	Is Quorum of Directors should be present in the beginning.(174)	No. through out the meeting
7	Section 174, Quorum vs SEBI Quorum	Normal: 1/3rd or 2 director SEBI: 1/3rd or 3 director including 1 ID
8	Applicability of Secretarial audit (204)	Listed; PUSC >= 50Cr; T/O >= 250Cr; O/s Loan/Borrowing >= 100cr
9	Circumstances where Special Notice by members is required (169)	Removal of Director & Special Notice at least 14 days before meeting Deposit: 1 lakh
10	Is it mandatory for private company to maintain sec 189 register even if it complied with AR & FS?	Yes
11	which resolution pass to increase limit of max no of directors (more than 15 director)	Special Resolution
12	By which resolution, board can exercise power related to sell, lease or dispose of undertaking of company (180)	Special Resolution
13	Can Women director sitting fees lower from other directors?	No
14	Approval regarding borrowing by director. (185)	Member's Special Resolution
15	When RBC considered as deemed passed? (175)	Approved by majority of Directors
16	When resolution of RBC put up in meeting? (175)	>= 1/3 of total director require that resolution decided in meeting
17	Whether Political contribution can be approved by board through resolution by circulation? (175)	No
18	Question related to Proportional representation (163)	2/3 and 3 years
19	Penalty on contravention of duties of Directors(166)	Rs. 1 lakh to 5 Lakh
20	Penalty if director continue to function when office if vacated (167)	Rs. 1 lakh to 5 Lakh
21	No. of days in which office need to vacated from the date of order	30 days
22	Can 2 or more director be appointed by single resolution in GM ? (162)	No unless a proposal is passed without any vote caste against it for that resolution
23	Whether appointment of 3 directors via single resolution is valid if around 90% of members who were present at meeting voted in favour & balance 10 % abstained from voting? (162)	Yes, as complied "without any vote being case against it"
24	Validity of Resolution passed in contravention of sec 162	Void Always
25	Sec 162 applicable to which of these Companies : a) Sec 8 Co., b) Govt Co., c) Subsidiary of govt co, d) Pvt co.	Section 8 Company
26	Notice for meeting sent 15 days before date of meeting & it mentioned the options to vote as - vote by self / proxy - whats validity of notice?	invalid because timelimit is 1 month & notice didn't mention option of post ballot
27	Whether Waiver of the excess remuneration paid is possible & whats time limit ?	By passing Special Resolution & within 2 years
28	Can director hold excess remuneration without necessary approval?	Yes & hold it in trust of Company

Company Law		
Sr No.	Questions	Answers
29	Can Company make alteration in MOA which is inconsistent with alteration already made by tribunal- options	yes with leave of tribunal
30	Class Action (sec 245) is not applicable to whom?	Banking Company
31	If company removed such employee without getting permission from tribunal, is the act valid?	Not valid as the investigation is pending
32	NCLT to reply to the application for removal of employee within how many days	30 days else deemed approval
33	Appeal against order of NCLT to whom & within how many days ?	To NCLAT within 45 days (+45 days extension)
34	Mr. A is director of ABC Ltd. Brother of Mr A holds exactly 2% of PUSC in another company. Whether another company is related party to ABC Ltd?	No
35	Can ID be appointed for 3rd term, any cooling period applicable ?	No & Cooling Period: 3 Years
36	Whether a person related to promoter of a company be appointed as ID in that co. or its subsidiary.	No
37	Calculation of donations to Charitable funds limit	5% of avg 3 yr net profit
38	Minimum no. of director in Top 2000 listed entities	6 Directors
39	Sec 212, Cases when CG will appoint SFIO for investigation	Report of Registrar u/s 208, SR by Co., Public Interest, Request by CG SG Dep.
40	Period of custody of Inspection books vested by civil court	180 days
41	Sec 219, whose prior permission is required for inspector to investigate subsidiary co.?	Central Government
42	Sec 244, minimum requirement for application to Tribunal	Having Share Capital: Lower of - 100 members or 1/10th of total members; or 1/10th of total issued capital Not having share capital: - 1/5th of total members
43	The Registrar of Companies (RoC) suspects a company of fraudulent activities. What powers does the RoC have to conduct an investigation, and where can the RoC approach if further investigation is required?	Central Government
44	Min. No. Of directors in dormant public co	3 Director
45	Form for Getting status of active co.	MSC 4
46	Company didn't have any SAT (ROC fees is not SAT) during last 2 years. Is it active/inactive/ dormant/defunct company?	Inactive Company
47	ROC to strikeoff name of dormant co from register if it remains dormant for how many year?	5 years
48	Sec 247 - Reg. Valuer penalty in both cases	Penalty: 50,000 In case of defraud: Jail upto 1 year & fine: 1 lakh to 5 lakh
49	Sec 421, No. of days in which Appeal can be made to NCLAT & SC	45 days & 60 days respectively
50	sec 420, whether rectification can made by NCLT within 2 yrs if any appeal is preferred	No
51	Submission of report by Company Liquidator to tribunal	within 60 days
52	Liability of contributories who transferred partly paid up shares before 1 yr of WUP	the company has to duly notify the amount due on shares/debentures to the transferee

Company Law

Sr No.	Questions	Answers
73	<p>What a nidhi co can do?</p> <p>A) Open savings acc with members b)open current acc with members,</p> <p>c) accept deposit from non members, d) Buy securities of body corporates</p>	Open savings acc
74	Who can raise Objection to compromise scheme	Member having $\geq 10\%$ PUSC or Crs having O/s debt $\geq 5\%$ of total
75	<p>Case Study:ABC Ltd. has the following financial details: Equity Share Capital: INR 50 crores Preference Share Capital: INR 10 crores Free Reserves: INR 30 crores Securities Premium: INR 20 crores Accumulated Losses: INR 5 crores Preliminary Expenses not written off: INR 2 crores</p> <p>Question:Based on the above information, calculate the effective capital for determining managerial remuneration as per the Companies Act, 2013.</p>	<p>Effective Capital = INR 60 crores + INR 30 crores + INR 20 crores - INR 5 crores - INR 2 crores = INR 103 crores</p>
76	<p>Case Study:XYZ Ltd. has provided the following details: Net Profit (as per Section 198 of the Companies Act, 2013): INR 200 crores</p> <p>Managerial Remuneration limit as per Section 197 of the Companies Act, 2013: 11% of the Net Profit</p> <p>Question: Determine if the provided profit is correct and calculate the permissible managerial remuneration.</p>	<p>Net Profit: INR 200 crores</p> <p>Permissible Managerial Remuneration: 11% of INR 200 crores = INR 22 crores</p>
77	<p>Case Study:PQR Ltd. has incurred a loss and provided the following details: Effective Capital: INR 50 crores</p> <p>As per Schedule V of the Companies Act, 2013, the remuneration can be paid up to INR 60 lakhs if effective capital is between INR 5 crores to INR 100 crores.</p> <p>Question:Based on the above information, calculate the permissible managerial remuneration.</p>	<p>Since the effective capital of PQR Ltd. is INR 50 crores, the permissible managerial remuneration as per Schedule V of the Companies Act, 2013, is INR 60 lakhs.</p>
78	<p>A director has the following directorships: 7 public companies 2 unlisted companies 3 private listed companies (out of which some are subsidiaries or holding of public companies)</p> <p>Question: How many directorships can he accept in public and private companies as per Section 165 of the Companies Act, 2013?</p>	<p>Maximum directorships in public companies (including subsidiaries of public companies): 10</p> <p>Maximum directorships in private companies: 20</p> <p>Given the director already has 7 directorships in public companies, he can accept up to 3 more directorships in public companies.</p>
79	Can a Non resident person become MD of Indian Company?	Yes with approval of CG
80	Penalty in case of violation of provision of political contribution (182)?	Co: 5X amount contributed Officer in default: Jail 6 Month and 5X amt contributed

SEBI ACT, LODR, Insider Trading

Sr No.	Questions	Answers
25	Lead manager to submit post issue report as given in which part & which schedule along with DD certificate in which format & within how many days of allotment?	report - PART A of sch XVII, DD certf - Form F, 7 days
26	When issuer shall arrange for CRAs to monitor the usage of issue proceeds?	issue size > 100 crore
27	Grievance redressal - Company filed with RSE a statement giving the no of investor complaints remaining unresolved AT THE END OF the quarter. Is it right?	Yes but Co should give such details AT EACH STAGE of the quarter - like pending at the beginning, received & disposed of during the quarter & pending at the end
28	Case Study: A CA, who is an auditor of DEF Ltd., learns of significant unpublished price-sensitive information (UPSI) about the company. He passes this information to his friends before it is made public. Question: Determine if this action constitutes insider trading and state the penalty as per SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes, this action constitutes insider trading. Penalty: Rs 10 lakh upto higher of: 25 crore or 3X profit made
29	For a company to be eligible to make an Initial Public Offering (IPO), what should be the minimum net tangible assets?	3 Crore in each of 3 preceeding year
30	Case Study: ABC Ltd. is planning to make a public issue and is considering offering shares to anchor investors. As per SEBI regulations, what should be the price offer to anchor investors?	the price offered to anchor investors should be the same as offered to the public.
31	Mr. X is a director in several companies and is also a member of various committees in these companies. He is currently a member of 12 committees across different companies. Question: As per SEBI regulations, what is the maximum number of committees a director can be part of?	10 committee
32	Case Study: SEBI has ordered the attachment of bank accounts of XYZ Ltd. due to non-compliance with regulatory requirements. Question: Under which circumstances can SEBI attach the bank accounts of a company?	For failure to pay fines
33	PQR Ltd., a listed company, is preparing its quarterly compliance report for submission to SEBI. Question: By what date must the quarterly compliance report be submitted to SEBI?	Within 45 days of the quarter end
34	Penaly of Section 15EB, Where Investment/ research analyst failed to comply regulation	Min 1L & 1L/day Upto Max. ₹1 cr

FCRA		
Sr No.	Questions	Answers
1	Whether Educational Contributions from foreign university to be Considered as Foreign Contribution	Yes
2	Charitable trust applied for registration. Certificate of registration issued on 15.9.23. It is sent via post. Trust received it on 17.9.23. This Reg Certificate is valid upto ?	14.09.2028 (5 year from the date of issue)
3	Cooling period in case of surrender/cancellation of COR	3 years
4	FC from relatives more than 10Lakh in FY then inform to CG in which form?	FC-1 & within 3 months
5	Certificate of registration valid for	5 years
6	Scholarship received from foreign university	Exempt
7	In case of emergency medical aid of more than 1Lakh then intimate to CG within _____	1 month
8	FCRA Account open in which bank for receiving FC	SBI, New Delhi
9	Period of Suspension of COR	180 Days (+180 days extended)
10	Renewal of Certificate of Registration within _____	6month before expiry
11	Person aggrieved from confiscation of FC may appeal to _____	High court within 60 days
12	Fee of compounding or revision of order (only online mode)	Rs. 3000
13	Case Study: Y (India) sold goods to X (Singapore). X came to India. X bought a ring in India for RS 90,000. Y called X for dinner, and X gave that ring to Y. X made payment to Y for the goods, and Y gave a cheque to X for the travel cost. X took that ring to market for its valuation and it was 1,10,000. X's wife is using that ring.	
14	Qs 1. Ring given by X to Y is foreign contribution?	Yes. as per its market value it is more than 1,00,000 and he did the valuation the same day.
15	Qs 2. Money Paid by X to Y is a foreign contribution.	No, as it is payment in normal course for goods and services
16	Qs 3. Is the cheque given by Y Foreign Hospitality?	No as FH is in cash or kind taken outside India
17	Sec 4, Is scholarship provided by foreign university to PRI comes under FC	Yes
18	Sec 14A, If FCRA registration is surrendered, it is deemed to have expired/effective date of surrender on _____	Date of acceptance by CG.
19	Sec 14A, cooling period for fresh reg. once existing registration is surrendered	3 year
20	Sec 15, Upon Surrender/Cancellation Whether banking authority can utilize/dispose the assets of FC.	Yes
21	Bank shall report receipt of FC to whom to within how many hours?	CG (Not RBI) within 48hr
22	Bank report to CG of transaction relating to _____	Receipt & utilisation of FC
23	A person received 25 lakh FC in FCRA acc in delhi sbi & then transferred 10 lakh to his non fcra acc for utilization. He also received 5 lakh FC in his non fcra acc with canara bank. Which of these 3 transactions are violates FCRA Act?	Can receive FC only in FCRA Acc - so 25 lakh valid, but 5 lakh violates Act and one can transfer money to Non FCRA Acc for utilization. So 10 lakh valid

FEMA		
Sr No.	Questions	Answers
1	Approval from which ministry req in case of remittance of prize money/sponsorship	Human Resources Department (Department of Youth Affairs & Sports)
2	P&I club threshold limit exceeded - Permission from which authority?	Ministry of Finance (Insurance Division)
3	Container Detention Charges exceeded - Permission from which authority?	Ministry of Surface Transport (Director General of Shipping)
4	Time taken by AA to dispose complaint from the date of receipt	within 1 year
5	ODI to be made from which channel?	Bank and Financial Institutions
6	Limit for LRS+CAT	\$250,000
7	Time limit of returning unused forex to Government	upto \$2000: No time limit above \$2000: 180 days
8	Domestic company purchase commercial or residential building required permission of whom?	RBI
9	Commission to agent O/s india for sale of residential plot in India	5% or \$25000
10	ABC Ltd. is planning to pay a commission to an agent abroad for facilitating an export transaction What is the maximum commission ABC Ltd. can pay if the inward remittance is USD 10,00,000?	USD 50,000
11	Whether an Indian company can purchase residential property abroad and whether the indian company can purchase office abroad? If yes, then with /without permission of RBI.	Yes, without permission of RBI
12	Whether foreign citizen & Indian citizen can purchase residential house in abroad without permission of RBI if they both are non residents?	Yes
13	Case Study: ABC Ltd. has earned a commission from the sale of real estate property to a foreign entity. Question: Is the commission earned from the sale of real estate to a foreign entity subject to FEMA regulations?	Yes
14	A person resident outside India wishes to invest in real estate in India. What are the limits and prior approvals required as per FEMA regulations?	Prior approval from the Reserve Bank of India (RBI) is required for Certain investments
15	Case Study : ECB	
16	1) minimum average maturity	Normally: 3 years in case of Manufacturing Co: 1 year
17	2) eligible amt of ECB loan	\$750M
18	3) whether rupee ECB used for repayment of loan taken in India	Permitted but refinancing not allowed
19	4) Whether ECB permitted for buying land (or something related to real estate) in india & if permitted whats MAMP?	No
20	5) What exchange rate to be used to convert FCY ECB into INR ECB	at rate prevailing on date of agreement for such change or at a rate less (not more) than that prevailing rate if agreed by lender
21	Sponsorship of Sports activity limit and approval	\$100000 - Human Resources Department (Department of Youth Affairs & Sports)
22	Whether Foreign Office controlled by PRI is PRI/PROI	PRI
23	While importing any product, what is the maximum time limit for making payment without interest? .	3 years.
24	A person has come to India for a job. As per FEMA regulations, what is the maximum amount he can export without permission?	INR 250,000.
25	XYZ Ltd. has contravened the foreign exchange limit by making a payment of USD 3 lakhs without proper authorization under FEMA. Question: What is the penalty for contravention of the foreign exchange limit under FEMA?	3 times the amount involved

IBC		
Sr No.	Questions	Answers
1	In how many days public notice to be given after appointment of IRP	3 days
2	Conduct of CoC meeting within ___ of its Constitution	7 days
3	Time limit to file appeal against order of ED	30 days
4	In how many days NCLT accept the admission of application	14 days
5	Approval or disapproval communication by NCLT in _____	7 days
6	IRP name to be proposed to?	NCLT
7	Deemed approval will be considered if IBBI don't respond in _____	10 days
8	In the case of the replacement of an Interim Resolution Professional (IRP), if the approval of the Insolvency and Bankruptcy Board of India (IBBI) is not received within the stipulated time, what should be the next course of action?	the existing IRP shall continue to function until such approval is received.
9	Quorum of COC	33% of voting right
10	Eligibility of IRP	Same as independent director
11	Time limit of completion of CIRP	within 180 days+ after passing resolution of >66%, extension of 90 days may allowed by AA mandatory complete in 330 days
12	In how many days CD shall bring in notice of dispute after OC deliver Demand Notice	10 days
13	Coc decision taken by vote not less than ___% of voting share of FC	51%
14	Notice period of meeting of COC	5 days
15	Composition of Committee of creditor	All FC's only (in case FC not exist then 18 largest OC, 1 representative each of Workmen & Employee)
16	Whether Date of acceptance of application by NCLT = Date of Insolvency Commencement date	Yes
17	___% voting required for withdrawal of application	90%
18	___% Voting for appointment of IRP as RP	66%
19	How many % vote reqd to replace RP?	66%
20	On CIRP initiated by FC, tribunal to ascertain existence of default in how many days?	14 days
21	There was a related party amongst the FC. Whether that related party is entitled to vote in meeting of CoC?	No right to participate or vote in COC meeting
22	Case Study: GHI Ltd. is undergoing insolvency proceedings, and a resolution professional needs to be appointed. Question: Who appoints the resolution professional in an insolvency case?	Committee of Creditors (CoC)
23	Case Study: JKL Ltd. has filed an insolvency application due to unpaid operational debt owed to various suppliers and service providers. Question: Which of the following qualifies as operational debt under IBC?	Amount owed for supply of goods and services
Other Questions - Company Law		
Effective Capital Calculation+Remuneration based on such calculation		
Calculation of net profit as per sec 198		
Provisions of removal of name of the company		
Sec 248 nothing shall affect power of NCLT		
Calculation of amount of Remuneration for MD when NP was given and adjustment regarding sale of old furniture was there .		