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Question 1: [RTP NOV 2023]

ABHI Limited, a listed company, proposed Mr. Arun and Mr. Raj, before the Board to appoint one of them as a Small Shareholder Director (SSD).

Particulars about proposed SSD's

Mr. Arun	He holds 50 preferential shares of ABHI Limited. Also, currently working as Small Shareholder's Director in Sona Limited, which is not competing in business to ABHI Limited.
Mr. Raj	He is not holding any shares of ABHI Limited. He is currently representing two different companies, one as a director and another as a Small Shareholder Director.

Requirement: Examine in the light of the given facts as per the Companies Act, 2013, the correct statement on the validity of the proposal of appointment of Mr. Arun and Mr. Raj as a Small Shareholder Director in ABHI Limited?

- (i) Proposal to appoint Mr. Arun is only valid and he can be appointed as Small Shareholder Director as he is holding shares of ABHI Limited though he is a SSD in Sona Ltd.
 - (ii) Proposal to appoint Mr. Raj is invalid as he is not eligible to be appointed as a SSD as already he is holding a directorship in two different companies and also having no shares in ABHI Ltd.
 - (iii) Proposal of appointment of Mr. Raj and Mr. Arun, both is valid as they are eligible to be appointed as SSD's in ABHI Ltd., irrespective of their holding as a Small Shareholder Directorship in one of the companies.
 - (iv) Proposal of appointment of Mr. Raj and Mr. Arun in invalid as both are ineligible to be appointed as SSD's as they are being a director in more than two companies.
- (a) Statement (i) only (b) Statements (i) & (ii)
 (c) Statement (iii) only (d) Statement (iv) only


Question 2: [Section:149(1),Rule3] [ICAI Module Paper 4 Law MCQs]

As per the audited financial statements of immediately preceding FY 2020-21, the paid-up capital of Aastha Metal Products Limited was Rs. 75 crores (much below the threshold limit) which did not require appointing a woman director. However, the turnover during the same period was Rs. 334 crores i.e., above the threshold limit which required appointing a woman director. Choose the correct option from those given below as to whether Aastha Metal Products Limited is required to bring on the Board a woman director or not.

- a) The company is not required to appoint a woman director since only one of the parameters and not both have crossed the threshold limit.
- b) The company is required to appoint a woman director since any one parameter out of the two exceeding the threshold limit shall necessitate such appointment.
- c) The requirement of appointing a woman director arises only when paid up capital exceeds the threshold limit and therefore, the company is not required to appoint a woman director.
- d) In a situation where one parameter is below and the other is above the threshold limit, the company, as per its discretion, may or may not appoint a woman director.

Q. No.	Answer	Q. No.	Answer
1.	(c)	2.	(b)

Question 3: [RTP MAY 2020]

Blue Rose Agri-Products Limited, which is inter-alia listed on National Stock Exchange, has called an extra-ordinary general meeting (EGM) of the shareholders on 29th January, 2019 at its Head Office in New Delhi to seek approval in respect of certain matters. It so happened that the company received a notice on 25th January, 2019 from the requisite number of small shareholders who proposed appointment of Shivank as their director but it refused to entertain the notice as the same was served quite late. Advise the latest date by which the small shareholders must have given the notice for the appointment of Shivank so that it was not refused by the company.

- (a) The notice should have been served latest by 24th January, 2019.
- (b) The notice should have been served latest by 15th January, 2019.
- (c) The notice should have been served latest by 22nd January, 2019.
- (d) The notice should have been served latest by 19th January, 2019.

Question 4: [RTP MAY 2019]

All the three directors of Cygnus Wires Limited generally remain out of India for developing connections and securing business opportunities on behalf of the company. However, the company must strictly follow the legal requirement that at least one of its directors must stay for the specified statutory period in India. To reckon as 'resident director' for the financial year 2018-19, advise the company as to which period spent in India shall count towards statutory period.

- (a) Period spent in India during the previous financial year 2017-18.
- (b) Total of fifty percent each of the period spent in India during the FY 2016- 17 and 2017-18.
- (c) Period spent in India during the financial year 2018-19.
- (d) Total of fifty percent each of the period spent in India during the FY 2017 - 18 and 2018-19.

Question 5: [RTP MAY 2019]

Mr. Roop was appointed as an Additional Director of XYZ Limited in July, 2018. Immediately after his appointment, on behalf of the Company he entered into an agreement with NY Private Limited for supplies of raw material. In the ensuing meeting, he was regularized as a Director. He signed Contract with Laxmi vendors. At the end of the December 2018, management came to know that his appointment was not valid as he was disqualified to act as a Director of any Company. He signed one more agreement in January 2019 with Saraswati vendors. In such scenario, what will be the status of contract/agreements he signed on behalf of XYZ Limited?

- (a) All agreement/ contracts will become invalid;
- (b) All agreement/ contracts will be valid;
- (c) All agreement/ contracts before December 2018 will be valid;
- (d) All agreement/ contracts before December 2018 will be invalid.

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
3.	(b)	4.	(c)	5.	(c)


Question 6: [MTP MAY 2022]

A public company should have minimum of:

- (a) 3 Members and 3 Directors
- (b) 3 Members and 7 Directors
- (c) 7 Members and 3 Directors
- (d) 7 Members and 7 Directors


Question 7: [MTP MAY 2023]

Supriya holds shares worth ₹13,50,000 in the capacity as one of the directors of Paridhi Tours and Travels Limited (PTTL) whose paid-up share capital is ₹4,50,00,000. Swikriti Bus Suppliers Limited (SBSL) with paid-up capital of ₹2,00,00,000 is in the business of supplying tourist buses. Being in need of adding three more tourist buses in its existing fleet of ten buses, PTTL through Supriya approached SBSL for the purpose of purchasing the required buses knowing fully well that Supriya holds certain amount of shares in SBSL making her an interested director. Out of the following four options, which one is applicable in the given situation

- (a) Supriya, as interested director, holds shares of SBSL of the value exceeding ₹1,00,000 but not exceeding Rs. 1,50,000
- (b) Supriya, as interested director, holds shares of SBSL of the value exceeding ₹1,50,000 but not exceeding Rs. 2,00,000
- (c) Supriya, as interested director, holds shares of SBSL of the value exceeding ₹2,00,000 but not exceeding Rs. 3,00,000
- (d) Supriya is not an interested director as in order to be considered as an interested director Supriya was required to have holding of shares exceeding Rs. 4,00,000 in SBSL.


Question 8: [MTP MAY 2023]

Mr. D holds directorship in 10 Public Companies and 11 Private Companies as on 31.05.2022. One of the above Private Company is a dormant Company. Further on 30.06.2022 a Private Company has become a subsidiary of a Public Company.

In the light of the provisions of the Companies Act, 2013 examine and decide the validity of holding directorship of Mr.D with reference to number of directorship as on 31.05.2022 and as on 30.06.2022.

- (a) Holding of directorship of Mr. D as on 31.05.2022 is invalid whereas holding of directorship of Mr. D as on 30.06.2022 is valid
- (b) Holding of directorship of Mr. D as on 31.05.2022 is valid whereas holding of directorship of Mr. D as on 30.06.2022 is not valid
- (c) Holding of directorship of Mr. D as on 31.05.2022 is valid whereas holding of directorship of Mr. D as on 30.06.2022 is also valid
- (d) Holding of directorship of Mr. D as on 31.05.2022 is invalid whereas holding of directorship of Mr. D as on 30.06.2022 is also invalid.

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
6.	(c)	7.	(d)	8.	(b)



Question 9: [MTP MAY 2023]

Neelima was an interested director when her company Sagar Suppliers Limited entered into a supply contract worth Rs. 20,00,000 with Srinivas Tubes and Pipes Limited under which the latter company would supply requisite items for full one year to the former company. However, Neelima did not disclose her interest at the time when Board Meeting of Sagar Suppliers Limited where the issue of supply contract was discussed and even participated in the discussion. Which of the following options is applicable in the given situation:

- (a) Since Neelima did not disclose her interest, the contract is voidable at the option of Srinivas Tubes and Pipes Limited
- (b) Since Neelima did not disclose her interest, the contract is voidable at the option of Sagar Suppliers Limited
- (c) Since Neelima did not disclose her interest, the contract can be enforced only upto 50% of its value i.e. maximum upto Rs. 10,00,000
- (d) Since Neelima did not disclose her interest, the whole contract is void and cannot be enforced



Question 10: [MTP NOV 2022]

Mr. Q, a Director of PQR Limited, is proceeding on a foreign tour covering entire Europe for four months. He proposes to appoint Mr. Y as an alternate Director to act on his behalf during his absence. The Articles of Association of PQR Limited provide for the appointment of alternate Directors. Mr. Q claims that he has a right to appoint alternate Director of his choice. Which of the following options is applicable in the given situation:

- (a) Claim made by Mr. Q to appoint Mr. Y as alternate Director is valid as the Articles of Association of PQR Limited provide for such appointment.
- (b) Claim made by Mr. Q to appoint Mr. Y as alternate Director is not valid as the authority to appoint alternate Director has been vested in the Board of Directors only and that too subject to empowerment by the Articles of Association.
- (c) Mr. Y cannot be appointed as an alternate Director in place of Mr. Q since Mr. Q is proceeding on a foreign tour covering entire Europe for four months only which is less than the required absence of minimum six months.
- (d) Mr. Y cannot be appointed as an alternate Director in place of Mr. Q since Mr. Q is proceeding on a foreign tour covering entire Europe for four months which is more than the required absence of maximum three months.

Q. No.	Answer	Q. No.	Answer
9.	(b)	10.	(b)

Question 11: [Section:161(1)] [ICAI Module Paper 4 Law MCQs]

The Board of Directors of MNO Pharma Limited is willing to appoint Mr. R, a qualified Cost Accountant having fifteen years of rich industrial experience, as Additional Director but the Articles of Association are silent about such appointment. Mr. M, the Managing Director of MNO Pharma Limited, is of the view that the Board does not have the power to appoint an Additional Director and therefore, if any such appointment is made, it shall be invalid. From the following four options, choose the one which is applicable in the given situation:

- An ordinary resolution in general meeting needs to be passed by MNO Pharma Limited for appointment of Mr. R as Additional Director.
- A special resolution in general meeting needs to be passed by MNO Pharma Limited for appointment of Mr. R as Additional Director.
- An enabling provision in the Articles of Association is needed which confers requisite power on the Board of Directors of MNO Pharma Limited for appointment of Additional Director.
- The Board of Directors of MNO Pharma Limited has the power to appoint Mr. R as an Additional Director irrespective of whether any clause finds place in the Articles of Association for such appointment or not.

Question 12: [Section:165] [ICAI Module Paper 4 Law MCQs]

Mr. Z is proposed to be appointed as the Director in RLP Mechanics Limited. It is noteworthy that Mr. Z already holds directorship in 1 dormant company, 2 Section 8 companies, 8 public limited companies and 9 Private Ltd. companies. However, out of nine private limited companies, two are subsidiaries of public limited companies. In the given circumstances, is it possible for Mr. Z to accept another directorship in RLP Mechanics Limited without attracting any invalidity:

- It is not possible for Mr. Z to accept another directorship in RLP Mechanics Limited since he is already holding directorships in twenty companies.
- It is not possible for Mr. Z to accept another directorship in RLP Mechanics Limited since he is already holding directorships in eight public limited companies and two such private limited companies which are subsidiaries of public limited companies.
- It is possible for Mr. Z to accept another directorship in RLP Mechanics Limited since Section 8 companies and dormant companies are excluded while calculating the limit of twenty companies.
- It is possible for Mr. Z to accept another directorship in RLP Mechanics Limited since there is no limit on holding any number of directorships.

Q. No.	Answer	Q. No.	Answer
11.	(c)	12.	(b)



Question 13: [Section:149(1), Rule3] [ICAI Module Paper 4 Law MCQs]

In compliance with the Companies Act, 2013, at least one woman director shall be on the Board of the prescribed class or classes of companies. Ms. Riya is keen to seek the office of woman director in a company. Which of the following companies is mandatorily required to appoint a woman director where Ms. Riya can hold such office:

- PQR Limited, an unlisted co., whose paid-up share capital is 150 crore rupees as per the last date of latest audited financial statements is mandatorily required to appoint a woman dir.
- ABC Limited, a listed company, whose turnover is 150 crore rupees as per the last date of latest audited financial statements is mandatorily required to appoint a woman director.
- XYZ Limited, an unlisted company, whose turnover is 350 crore rupees as per the last date of latest audited financial statements is mandatorily required to appoint a woman director.
- All of the above

Question 14: [MTP NOV 2019]

Rachna, Ridhdi, Ruby and Rakhi are directors in Zippona Tours and Travellers Private Limited whose equity shares are partly paid-up. The company required the shareholders to make payment of Rs. 3 per share (FV Rs. 10 per share) being the final call in respect of shares held by them latest by 30 th June, 2018. As director, Ruby held individually 2,00,000 shares and also at the same time held jointly 1,00,000 shares along with her brother Rajesh whose name appeared first in the Register of Members. In respect of 2,00,000 shares held individually by her, Ruby duly made the payment before the last date; however, in respect of joint shareholding of 1,00,000 shares, Rajesh was unable to make payment even though six months also expired from the last day i.e. 30th June, 2018. Advise whether Ruby incurs any disqualification regarding her directorship in the company.

- Since Rajesh's name appears first in the Register of Members, he is primarily responsible for making payment and therefore Ruby incurs no disqualification regarding her directorship in the company for non-payment of required amount in respect of joint shareholding; moreover, she has already discharged her liability in respect of shares individually held by her.
- In case of joint shareholding, if Ruby earlier made payment of Rs. 7 per share from her personal bank account then she is also liable to pay Rs. 3 per share before the expiry of six months from the last date of payment i.e. 30th June, 2018; otherwise she is disqualified to be a director in the company irrespective of discharging her liability in respect shares individually is held by her.
- In case of joint shareholding, Ruby as director is equally liable to get the payment made similar to her individual shareholding before the expiry of six months from the last date of payment i.e. 30th June, 2018; otherwise she is disqualified to be a director in the company.
- In case of joint shareholding, Ruby as director is liable to get the payment made in respect of 50% of the joint holding and if that is done before the expiry of six months from the last date of payment i.e. 30th June, 2018, she incurs no disqualification regarding her directorship in the company irrespective of whether the remaining 50% is received by the company or not.

Question 15: [ICAI BoS Portal]

The maximum number of unlisted public companies in which a person can be appointed as a dir.:

- Shall not exceed 7
- Shall not exceed 10
- Shall not exceed 15
- Shall not exceed 20

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
13.	(d)	14.	(c)	15.	(b)



Question 16: [ICAI BoS Portal]

Mr. Z is proposed to be appointed as the Director in RLP Mechanics Limited. It is noteworthy that Mr. Z already holds directorship in one dormant company, two Section 8 companies, eight public limited companies and nine private limited companies. However, out of nine private limited companies, two are subsidiaries of public limited companies. In the given circumstances, is it possible for Mr. Z to accept another directorship in RLP Mechanics Limited without attracting any invalidity:

- It is not possible for Mr. Z to accept another directorship in RLP Mechanics Limited since he is already holding directorships in twenty companies.
- It is not possible for Mr. Z to accept another directorship in RLP Mechanics Limited since he is already holding directorships in eight public limited companies and two such private limited companies which are subsidiaries of public limited companies.
- It is possible for Mr. Z to accept another directorship in RLP Mechanics Limited since Section 8 companies and dormant companies are excluded while calculating the limit of twenty companies.
- It is possible for Mr. Z to accept another directorship in RLP Mechanics Limited since there is no limit on holding any number of directorships.



Question 17: [Section: 152] [ICAI BoS Portal]

Kutumb Agro Limited (KAL), a newly incorporated company, has not mentioned the names of the first Directors in its Articles of Association. There are eight subscribers to the Memorandum of Association including Parivaar Agro Private Limited. From the following four options, choose the one which indicates as to who shall be deemed to be the first Directors of KAL when nothing is mentioned in the Articles?

- All the eight subscribers to the Memorandum of Association of KAL shall be deemed to be the first Directors.
- Except Parivaar Agro Private Limited, all other subscribers to the Memorandum of Association of KAL shall be deemed to be the first Directors.
- The shareholders shall appoint the first Directors in the General Meeting of KAL.
- Out of the eight subscribers to the Memorandum of Association, the first Directors being three individuals shall be nominated by Srinivas, the Chartered accountant who has signed the Memorandum as witness and they shall be deemed to be the first Directors of KAL.



Question 18: [ICAI BoS Portal]

A person cannot be appointed as Alternate Director for:

- Woman Director
- Independent Director
- Promoter Director
- Whole-time Director

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
16.	(b)	17.	(b)	18.	(b)

Question 19: [ICAI BoS Portal]

Which among the following is not a disqualification for appointment as a director:

- a) An order disqualifying him for appointment as a director has been passed by a Tribunal
- b) He has been convicted of the offence dealing with related party transactions at any time during the last preceding 5 years
- c) He has not been allotted DIN
- d) The company in which he had been a director, has not filed annual returns for the previous year

Question 20: [ICAI BoS Portal]

Seva Hospitality Services Limited having registered office in South Delhi is providing various kind of services, major components of which are tours and travels, both in India and abroad. In addition to six directors, Andrezj, a resident of Warsaw, Poland also held directorship in the company as foreign director. However, due to his extremely busy schedule at Warsaw, he resigned and requested the company to relieve him from the directorship w.e.f. 23rd July, 2023. With a view to intimate the Registrar regarding resignation of Andrezj, the company filed DIR-12 on 26th July, 2023. In respect of signing and filing of DIR-11, which of the following persons in India can be authorised by Andrezj in addition to a practising Chartered Accountant, a Cost Accountant in practice and a Company Secretary in practice who can sign and file the said Form DIR-11 on his behalf:

- a) His professional friend Shailja, an advocate practising in Delhi High Court
- b) His cousin Bartek residing in India and holding directorship in an unlisted company, namely, Mithila Dairy Products Limited His co-director Kritika, a resident director of Seva Hospitality Services Limited who filed DIR-12 on behalf of the company intimating the Registrar regarding resignation of Andrezj
- c) His cousin Bartek residing in India and holding directorship in an unlisted company, namely, Mithila Dairy Products Limited
- d) His close friend Devansh, Managing Director of Sunshine Travels Limited which is a listed company

Question 21: [ICAI BoS Portal]

Which among the following person is not eligible for appointment as director in a company:

- a) Mr. P, an angry young man
- b) Mr.Q, a lazy person
- c) Mr. R, a poor person
- d) Mr. S who has been sentenced by a court for a period of One year

Question 22: [ICAI BoS Portal]

ABC Ltd is a listed entity. The total number of directors in the company is 10. Out of 10, how much directors should be the Independent Directors:

- a) At least One
- b) Two
- c) Three
- d) Four

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
19.	(d)	20.	(b)	21.	(d)	22.	(d)

? **Question 23:** [Section: 149(1)] [ICAI BoS Portal]

The turnover of XYZ Components Limited as on the last date of latest audited financial statements is 400 crore rupees. An intermittent vacancy of a woman Director arose on June 15, 2021 due to the resignation of Ms. Swati. The immediate Board Meeting after the resignation of Ms. Swati was held on October 10, 2021. From the following options, choose the one which indicates the date by which the vacancy of the woman Director must be filled by XYZ Components Limited.

- a) July 14, 2021
- b) August 14, 2021
- c) September 14, 2021
- d) October 10, 2021

? **Question 24:** [ICAI BoS Portal]

Mr. Nagarjuna, one of the directors of MGT Mechanics Limited, due to his own business interests, decided to resign as director and accordingly, sent his resignation letter dated 12th June, 2021 to the company stating that he intends to resign w.e.f. 15th June, 2021. Since no communication in relation to his resignation was received from MGT Mechanics Limited, he sent an e-mail on 17th June, 2021 enquiring about the receipt of his resignation letter by the company but there was no response. However, MGT Mechanics Limited received his resignation letter on 18th June, 2021. Out of the following four options, choose the one which indicates the correct date from which his resignation will be effective:

- a) 12th June, 2021
- b) 15th June, 2021
- c) 17th June, 2021
- d) 18th June, 2021

? **Question 25:** [Section: 149] [ICAI BoS Portal]

A person along with his son holds exactly 2% of VP in a company. Is he qualified to become Independent Director?

- a) No, where a person with his relatives hold not less than 2% of VP of a company, such person is disqualified to be appointed as ID
- b) No, as ID is not allowed to hold any shares in the Company.
- c) Yes, as shareholding of relative is not to be considered for this purpose.
- e) Yes, where a person with his relatives holds more than 2% of VP of a company, such person is qualified to be appointed as ID

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
23.	(d)	24.	(d)	25.	(a)

? **Question 26:** [Section:161(4)] [ICAI Module Paper 4 Law MCQs]

The Board of Directors of Pristine Pharmaceuticals Limited, which was incorporated under the Companies Act, 2013, consists of seven directors. It so happened that one of the directors Mr. Avinash who was appointed in the immediately previous Annual General Meeting (AGM) met with a serious accident which ultimately resulted in his untimely death after a couple of days of this mis-happening. Consequently, a casual vacancy in the office of director arose which needs to be filled up. The Board of Directors of Pristine Pharmaceuticals Limited is contemplating to appoint Mr. Rakesh in place of Mr. Avinash to fill the casual vacancy so originated. From the given options which one you would have chosen as a CA if you were to advise the Board of Directors regarding the time limit within which Mr. Rakesh could be appointed to fill such casual vacancy in the light of applicable provisions of the Companies Act, 2013:

- The casual vacancy created due to the untimely death of Mr. Avinash needs to be filled by the Board of Directors of Pristine Pharmaceuticals Limited within 3 months from the date of creation of such vacancy.
- The casual vacancy created due to the untimely death of Mr. Avinash needs to be filled by the Board of Directors of Pristine Pharmaceuticals Limited by passing a board resolution at its meeting and such appointment of Mr. Rakesh shall be subsequently approved by the members in the immediate next general meeting.
- The casual vacancy created due to the untimely death of Mr. Avinash needs to be filled by the Board of Directors of Pristine Pharmaceuticals Limited within one month from the date of creation of such vacancy.
- The casual vacancy created due to the untimely death of Mr. Avinash needs to be filled by the Board of Directors of Pristine Pharmaceuticals Limited within two months from the date of creation of such vacancy.

? **Question 27:** [Section:165] [ICAI Module Paper 4 Law MCQs]

Prince is holding directorships in 20 companies of which 7 are public companies and out of 7, 3 have been categorized as dormant companies. Further, in 2 of these 7 public companies, he is holding alternate directorships. He has been offered directorships in 8 more public companies. Choose the correct alternative from the following options whether he can legally hold directorships in all these newly offered 8 public companies:

- Along with existing 20 directorships he can be director in all the 8 new companies which have offered him directorship.
- Being already director in twenty companies, he cannot accept further directorship in any other company.
- Along with existing twenty directorships he can be director only in six new companies.
- Along with existing twenty directorships he can be director only in three new companies.

Q. No.	Answer	Q. No.	Answer
26.	(b)	27.	(d)

Question 28: [Section:168(1) + Rule 15] [ICAI Module Paper 4 Law MCQs]

Ritika Hospitality Services Limited, having its registered office in Bhikaji Cama Place, New Delhi, is providing various kind of services, major components of which are tours and travels, both in India and abroad. In addition to six directors, Andrej, a resident of Warsaw, Poland also held directorship in the company as foreign director. However, due to his extremely busy schedule at Warsaw, he resigned and requested the company to relieve him from the directorship w.e.f. 23rd July, 2021. With a view to intimate the Registrar regarding resignation of Andrej, the company filed DIR-12 on 26th July, 2021. In respect of signing and filing of DIR-11, which of the following persons in India can be authorised by Andrej in addition to a practising Chartered Accountant, a Cost Accountant in practice and a Company Secretary in practice who can sign and file the said Form DIR-11 on his behalf:

- His professional friend Shailja, an advocate practising in Delhi High Court.
- His cousin Bartek residing in India and holding directorship in an unlisted company, namely, Mithila Dairy Products Limited.
- His earlier co-director Kritika, a resident director of Ritika Hospitality Services Limited who filed DIR-12 on behalf of the company intimating the Registrar regarding resignation of Andrej.
- His close friend Devansh, Managing Director of Sunshine Travels Limited which is a listed company

Question 29: [Section:167] [ICAI Module Paper 4 Law MCQs]

Mr. Anand, Mr. Bipin, Mrs. Carol, Mr. Dhruv and Mr. Eknath are 5 Directors of the Elite Transporters Ltd. The Board of Directors of Elite Transporters Ltd. conducted 5 Board Meetings in the FY 2020-21 which were attended by Mr. Anand, Mrs. Carol and Mr. Dhruv in full whereas Mr. Bipin attended only 4 meetings. However, it was noticed that Mr. Eknath failed to attend any of the Board Meetings and therefore, was liable to vacate the office of directorship but he did not vacate the office despite attracting the disqualification. You are required to choose the correct option from the following 4 which indicates the quantum of punishment that is applicable in case of Mr. Eknath for attracting the disqualification but not vacating the office of directorship as a consequence thereof:

- Mr. Eknath shall be punishable with fine which shall not be less than Rs 1,00,000 but which may extend to Rs 5,00,000.
- Mr. Eknath shall be punishable with fine which shall not be less than Rs 50,000 but which may extend to Rs 5,00,000
- Mr. E shall be punishable with fine which shall not be less than Rs 1,00,000 but which may extend to Rs 3,00,000.
- Mr. Eknath shall be punishable with fine which shall not be less than Rs 1,50,000 but which may extend to Rs 3,00,000.

Q. No.	Answer	Q. No.	Answer
28.	(c)	29.	(a)

Question 30: [Section:151] [ICAI Module Paper 4 Law MCQs]

Amar Furniture and Fixtures Limited is a listed company engaged in the production of furniture and fittings at its factory located in Pune. There are 50,000 small shareholders of which some want to elect a small shareholders' Director so that due representation to the small shareholders is accorded by the company and the issues relating to them are resolved during the Board Meetings at the earliest. Accordingly, 750 small shareholders served a notice on the company for the appointment of Vishal, a small shareholder, who, if elected, shall hold the office of Director on behalf of the small shareholders. From the following four options, choose the one which is applicable in the given situation:

- Notice served by 750 small shareholders is valid and therefore, Amar Furniture and Fixtures Limited shall appoint Vishal as a small shareholders' Director.
- Notice served by 750 small shareholders is not valid and therefore, Amar Furniture and Fixtures Limited shall appoint Vishal as a small shareholders Director only on the requisition of 1000 small shareholders
- Notice served by 750 small shareholders is not valid and therefore, Amar Furniture and Fixtures Limited shall appoint Vishal as a small shareholders Director only on the requisition of 5000 small shareholders.
- Notice served by 750 small shareholders is not valid and therefore, Amar Furniture and Fixtures Limited shall appoint Vishal as a small shareholders Director only on the requisition of 7500 small shareholders.

Question 31: [Section:149(6)] [ICAI Module Paper 4 Law MCQs]

HCQ Pharma Ltd., a company listed with the Bombay Stock Exchange, was incorporated on January 20, 2002. The Directors of the company want to appoint Mr. Sanjay who is a Managing Partner of Sanjay and Associates LLP, firm of Lawyers, as an Independent Director of the company at the forthcoming Annual General Meeting (AGM) to be held on September 24, 2021. Mr. Sanjay is acting as a legal advisor to Genesis Laboratory Ltd., Associate Company of HCQ Pharma Ltd. It is to be noted Adv. Sanjay charged consultation fees as given below:

Year	Fees	Gross turnover of Sanjay and Associates
2018-19	2,00,00,000	40,00,00,000
2019-20	10,00,00,000	50,00,00,000
2020-21	0	45,00,00,000

You are required to identify the correct statement from those given below:

- HCQ Pharma Ltd. can appoint Mr. Sanjay as an Independent Director irrespective of the fact that he is Legal Advisor to Genesis Laboratory Ltd. which is its Associate Company.
- HCQ Pharma Ltd. cannot appoint Mr. Sanjay as an Independent Director as he is Managing Partner of the firm which is legal advisor to Genesis Laboratory Ltd., its Associate Company, irrespective of the amount of fees charged by Mr. Sanjay from its Associate Company.
- HCQ Pharma Ltd. cannot appoint Mr. Sanjay as an Independent Director as he is Managing Partner of the firm which is Legal Advisor to Genesis Laboratory Ltd., its Associate Company, and the fees charged by Mr. Sanjay exceeds the percentage as specified in the Companies Act, 2013, during one year out of the three immediately preceding FYs.
- HCQ Pharma Ltd. can appoint Mr. Sanjay as an Independent Director even though he is the Managing Partner of the firm which is Legal Advisor to Genesis Laboratory Ltd., its Associate Company, as Mr. Sanjay did not charge any fee during the immediately preceding FY.

Q. No.	Answer	Q. No.	Answer
30.	(b)	31.	(c)

**Question 32:** [Section:149(1)] [ICAI Module Paper 4 Law MCQs]

National Software Limited, a government company with 14 Directors, is desirous of appointing two more Directors to enable good governance and to manage its affairs more efficiently and effectively. However, Mr. X, the Managing Director of National Software Limited, is of the view that the company can validly appoint only one more director and therefore, appointment of two more Directors would be a violation of the statutory provisions. Out of the following four options, choose the one which is applicable in the given situation:

- a) The contention of Mr. X, the Managing Director of National Software Limited, that the appointment of two more Directors in the company, thus raising the number of directors to more than fifteen, is valid since such action shall violate the statutory provisions.
- b) Appointment of more than fifteen Directors can be validly made by National Software Limited by passing an ordinary resolution in the general meeting.
- c) Appointment of more than fifteen Directors can be validly made by National Software Limited by passing a special resolution in the general meeting.
- d) In view of the fact that government companies are exempt from the provision which limits the maximum number of Directors in a company, National Software Limited can appoint two more directors, thus raising the total number of directors to sixteen from the present fourteen.

Q. No.	Answer
32.	(d)

Question 1: [SECTION 180] [RTP MAY 2023]

Modern Furniture Limited is in expansion mode. Recently it has established the branches and showroom in 25 different cities of India. Following are the balances shown on 9 th December 2022 when board of Modern Furniture is considering to borrow money for expansion activities:

Particulars	Amount (in 'crore)
Share Capital	50000
Free Reserves	116000
Capital Redemption Reserve	28000
Revaluation Reserve	59400
Security Premium	32000
Secured Debt/Loans	98500
Unsecured Debt/Loan	33200

Unsecured Debt/Loan includes temporary loans of 30 lakhs, out which 13 lakhs raised for the purpose of financial expenditure of a capital nature, whereas 8 lakhs repayable on demand and remaining 9 lakhs will be repayable in three equal installment starting from next month. Advice the board of directors how much they can borrow, with board resolution only.

- (a) 3.60 Crore
- (b) 3.73 Crore
- (c) 6.80 crore
- (d) 6.93 crore

Question 2: [SECTION 173] [RTP MAY 2020]

In case of Topica Sugar Mills Limited, necessary arrangements are in place for conducting of Board Meetings through the means of video conferencing, a facility which Vaibhav and Yukta, the two directors out of six intend to utilize by participating in such meetings through it. During which part of the year they should intimate the company about their participation in Board Meetings through video conferencing?

- (a) At the beginning of the Financial Year
- (b) At the beginning of the Calendar Year
- (c) On 1st day of any month falling in the Financial Year
- (d) Before the Board Meeting.

Q. No.	Answer	Q. No.	Answer
1.	(c)	2.	(b)

Question 3: [SECTION 173] [RTP MAY 2020]

Beauti Fashion Garments Limited has three independent directors besides eight others of its own. Due to the urgency of transacting certain important business, a Board Meeting was called by giving a shorter notice than the legally required. However, none of the independent directors was present at the Meeting to deliberate upon the motion related to that business. Despite absence of all the independent directors, a board resolution was passed for operationalizing the business by the directors personally present at that Meeting who were much more than the required quorum. Advise, whether the resolution passed at the Board Meeting called at a shorter notice was valid.

- (a) The resolution so passed is valid, for it was passed at the Board Meeting where the required quorum was present.
- (b) To be valid the resolution so passed needs to be circulated to all the directors and further, it is required to be ratified by all the three independent directors.
- (c) To be valid the resolution so passed needs to be circulated to all the directors and further, it is required to be ratified by at least two independent directors.
- (d) To be valid the resolution so passed needs to be circulated to all the directors and further, it is required to be ratified by at least one independent director.

Question 4: [SECTION 167] [RTP MAY 2019]

Ruby is a woman director in ABC Ltd. The Company held four meetings of the Board in the financial year 2022-23, but Ruby remained absent in all such meetings. However, she sought leave of absence in all such meetings and mentioned the person reasons. Based on this facts, which among the following statement is correct:

- (a) Ruby's office as a director shall become vacant.
- (b) Since Ruby is a woman director, she can ask for leave of absence.
- (c) Ruby is close to the promoter of the company, hence if the promoter wish, she may continue to hold the office of director.
- (d) If Ruby joins the immediate next meeting, she can continue to hold the directorship

Question 5: [SECTION 179] [MTP MAY 2023]

Out of the total strength of six Directors of SQ Transformers Limited, five are attending a Board Meeting to consider the investment of funds of the company. The resolution relating to investment shall be taken as passed in which of the following cases:

- (a) When all the five Directors of SQ Transformers Limited attending the meeting consent to such investment of funds.
- (b) When any four Directors of SQ Transformers Limited out of five attending the meeting consent to such investment of funds.
- (c) When any three Directors of SQ Transformers Limited out of five attending the meeting consent to such investment of funds.
- (d) Investment proposal must be consented to by the total strength of six Directors of SQ Transformers Limited.

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
3.	(d)	4.	(a)	5.	(a)

Question 6: [SECRETERIAL STANDARDS] [MTP MAY 2022]

One of the director, who is actually residing at Nagpur, but his address as recorded with the company and in the DIN is of Mumbai. The director wish to receive the notice / agenda papers at Nagpur. At which address the notice for Board meeting and agenda papers may be sent?

- (a) The notice/ agenda papers be sent as per the wish of the concerned director.
- (b) The notice / agenda papers se sent at Nagpur address.
- (c) The notice / agenda papers be sent at Mumbai address.
- (d) The notice/ agenda papers be sent at both the addresses i.e. at Nagpur as well as at Mumbai.

Question 7: [SECTION 182] [MTP NOV 2022]

Chetan Motorboats Limited, incorporated on 25th June, 2021 is desirous of making donations to a reputed political party. Out of the following options, choose the one which correctly depicts as to when Chetan Motorboats Limited shall be eligible to make such donations to a political party:

- (a) Chetan Motorboats Limited shall be eligible to make donations to a political party after one year from the date of its incorporation.
- (b) Chetan Motorboats Limited shall be eligible to make donations to a political party after two years from the date of its incorporation.
- (c) Chetan Motorboats Limited shall be eligible to make donations to a political party after three years from the date of its incorporation.
- (d) Chetan Motorboats Limited shall be eligible to make donations to a political party after five years from the date of its incorporation.

Question 8: [SECTION 173] [MTP NOV 2019]

Three directors, namely Samiksha, Santosh and Santa intimated Pluto Plastic & Mechanical Toys Limited about their participation in the Board Meetings through video conferencing at the appropriate time of the year. However, after attending the first Board Meeting held in the Financial Year 2019-20 by means of video conferencing, Santosh wants to participate in the next Meeting to be held at a future date in person. Is it possible for him to do so when consent given for participation in meetings through video conferencing remains valid for full one year.

- (a) No, Santosh cannot attend future Board Meetings in person even if the company is intimated of such intention sufficiently in advance.
- (b) Yes, Santosh can attend future Board Meetings in person if he intimates the company of his intention sufficiently in advance.
- (c) Yes, Santosh can attend future Board Meetings in person only if all the remaining directors consent to such request.
- (d) Yes, Santosh can attend future Board Meetings in person but at least seventy five percent of the remaining directors (rounded off to next higher figure in case of a fraction) consent to such request.

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
6	(c)	7.	(c)	8.	(b)



Question 9: [SECTION 184][ICAI BoS Portal]

Zinkoo Made-Ups Private Limited, having committed no default in filing its financial statements or annual returns, has six directors of which Roshni looks after different kinds of operations including sourcing of raw materials from other companies/firms. Recently, she convinced other Board Members to enter into a long-term contract with Joktaa Fine Clothing Limited for the supply of diverse varieties of unstitched clothes worth Rs. 90.00 lakh in a span of next three years. However, it was disclosed by her that she was a shareholder of Joktaa Fine Clothing Limited holding five percent of its paid-up capital. Of the following four options, which one is applicable in the given scenario:

- (a) Being interested director, she cannot participate in the Board Meeting in which such contract with Joktaa is deliberated upon.
- (b) Despite being interested director, she can still participate in the Board Meeting in which such contract with Joktaa is deliberated upon.
- (c) Being interested director, she can participate in the Board Meeting in which such contract with Joktaa is deliberated upon if minimum two directors of the company give consent for such participation.
- (d) Being interested director, she can participate in the Board Meeting in which such contract with Joktaa is deliberated upon if minimum three directors of the company give consent for such participation.



Question 10: [SECTION 173] [ICAI BoS Portal]

A meeting of the Board may be called by giving not less than 7 days notice in writing. However, the meeting may be called at shorter notice to transact urgent business subject to the condition that _____ if any, shall be present at the meeting:

- (a) A woman director
- (b) A nominee director
- (c) A whole-time director
- (d) At least one independent director



Question 11: [SECTION 173] [ICAI BoS Portal]

A One Person Company, small company and dormant company shall be deemed to have complied with the provisions of section 173 if at least one meeting of the Board of Directors has been conducted in each half of a calendar year and the gap between the two meetings is:

- (a) not less than 60 days
- (b) not less than 90 days
- (c) not less than 120 days
- (d) not less than 180 days

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
9.	(b)	10.	(d)	11.	(b)

? **Question 12:** [SECTION 173] [ICAI BoS Portal]

A meeting of the Board shall be called by giving not less than 7 days notice in writing to every director notice shall be sent by hand delivery or by post or by electronic means:

- (a) at his last known address
- (b) at his address registered with the company
- (c) at his address where he usually resides
- (d) at his permanent address

? **Question 13:** [SECTION 174] [ICAI BoS Portal]

ABC Ltd. is having 10 directors in its Board. What shall the quorum for the Board Meeting:

- (a) 2 directors
- (b) 3 directors
- (c) 4 directors
- (d) 5 directors

? **Question 14:** [SECTION 173] [ICAI BoS Portal]

In ABC Ltd a resolution by circulation was circulated among the directors. However, some of the director expressed that the resolution should be decided at the meeting of the Board. How many directors are required to put the resolution in a Board Meeting, if the number of directors in the company are 15:

- (a) Two Directors
- (b) Five Directors
- (c) Eight Director
- (d) Ten Directors

? **Question 15:** [Section:197] [ICAI Module Paper 4 Law MCQs]

Lockworth Safety Gears Limited which pays remuneration to its directors on yearly basis, has Harsha as Whole-time Director (WTD). Recently, the company appointed Mr. Raviyansh as Managing Director (MD). While paying remuneration, Lockworth Safety Gears Limited needs to keep in view that the overall remuneration payable to the Directors including Managing Director, Whole-time Director and Manager shall not exceed maximum limit prescribed under the relevant provisions. After the appointment of Mr. Raviyansh as Managing Director, since the company has both Whole-time Director as well as Managing Director, select the appropriate option from those given below which indicates the maximum remuneration that is allowed in a FY:

- a) 3% of net profits.
- b) 5% of net profits.
- c) 10% of net profits.
- d) 11% of net profits.

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
12.	(b)	13.	(c)	14.	(b)	15.	(c)



Question 16: [SECTION 174] [ICAI BoS Portal]

A seven days notice of the Board Meeting was served on all the ten directors of Goodluck Publishers Limited by sending it on their registered postal addresses. However, before the holding of scheduled Board Meeting, some unavoidable happenings took place. Mr. M was hospitalised because of serious stomach pain just two days before the Meeting. Mr. Y proceeded to London since his son met with an accident and the incidence required his immediate presence. As scheduled earlier, Mr. X and Mr. B went to Australia for attending a technical seminar that would help improving the existing publishing techniques. Mr. A, extremely busy in finalizing the arrangements relating to his daughter s marriage, was also unable to attend the impending board meeting. A day before the board meeting, Mr. Es grand-mother got hospitalised and therefore, he was involved in taking care of her but he assured to attend the meeting through video conferencing. Mr. P was scheduled to arrive for the meeting by 2 p.m. on the same day of the meeting but his flight got delayed by eight hours. Mr. D, Mrs. G and Mr. H were in the town and were available for the Board Meeting. Could the Board Meeting be held as per the scheduled time?

- (a) The Board Meeting cannot be held because minimum sixty percent directors (i.e. 6 out of 10) must attend it at the scheduled time to complete the quorum.
- (b) The Board Meeting cannot be held because minimum fifty percent directors (i.e. 5 out of 10) must attend it at the scheduled time to complete the quorum.
- (c) Since the quorum is complete, the available directors can hold the Board Meeting as per the schedule.
- (d) The Board Meeting cannot be held because minimum seventy percent directors (i.e. 7 out of 10) must attend it at the scheduled time to complete the quorum.

Answer-



Question 17: [SECTION 184] [ICAI BoS Portal]

Reeta, one of the directors of Lima SuperMarts Limited altered her declaration regarding shareholding in Sunehri Supplies Limited which after alteration stands at 2% and along with co-director Soumesh, it is 2.75%. It so happened that recently Sunehri Supplies proposed to enter into a supply contract worth Rs. one crore with Lima SuperMarts which shall continue for next two years. Which of the following options is applicable in the given situation:

- (a) Reeta and Soumesh cannot participate in the Board Meeting in which the supply contract is being discussed.
- (b) Reeta and Soumesh can participate in the Board Meeting in which the supply contract is being discussed since their individual shareholding in Sunehri Supplies does not exceed 2%.
- (c) Reeta and Soumesh can participate in the Board Meeting in which the supply contract is being discussed since their combined shareholding in Sunehri Supplies does not exceed 3%.
- (d) Reeta and Soumesh can participate in the Board Meeting in which the supply contract is being discussed since their combined shareholding in Sunehri Supplies does not exceed 4%.

Q. No.	Answer	Q. No.	Answer
16.	(c)	17.	(a)

? **Question 18:** [SECTION 173] [ICAI BoS Portal]

Every director shall at the first meeting of the Board in which he participates as a director disclose:

- (a) His Director's Identification Number
- (b) His Permanent Account Number
- (c) His Bank Account details for credit of sitting fees
- (d) His concern or interest in any company

Answer-

? **Question 19:** [SECTION 182] [ICAI BoS Portal]

Which of the following statement is correct:

- (a) A Government Company may contribute any amount to any political party
- (b) A company which was incorporated a year before can contribute any amount to any political party
- (c) A public company may contribute any amount to the any political party
- (d) A Private Company is not allowed to contribute any amount to any political party

Answer-

? **Question 20:** [SECTION 173] [ICAI BoS Portal]

In the very first Board Meeting held in the Financial Year 2022-23, Prerna, Sandhya, Jay and Rhitam being directors in Star Traders Limited gave separate notices dated 15th April, 2022 in the specified Form disclosing their shareholding interest in different body corporates. Rhitam, also the Managing Director of the company, wants them to be kept at his residence. Select the suitable option from those stated below as to where to keep such notices disclosing the interest of directors:

- (a) Such notices shall be kept at the Registered Office of the company.
- (b) As per the direction of Rhitam, Managing Director of the company, such notices shall be kept at his residence.
- (c) Prerna's notice shall be kept at the Branch Office of the company where she is working and all other notices shall be kept at the Registered Office.
- (d) Such notices shall be kept at the Head Office which is located at a place different from Registered Office of the company.

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
18.	(d)	19.	(c)	20.	(a)



Question 21: [SECTION 173] [ICAI BoS Portal]

Seafood Marketing Limited, incorporated on 1st April, 2019, conducted four Board Meetings during the Financial Year 2019- 20 i.e. on 6th April, 2019, 28th August, 2019, 30th September, 2019 and 30th March, 2020. Select the correct option from those given below as to whether there is contravention of provisions or not regarding frequency of holding the Board Meetings by Seafood Marketing Limited:

- (a) There is no contravention of the provisions relating to holding of Board Meetings because four Board Meetings have been held by Seafood Marketing Limited during the FY 2019-20.
- (b) There is no contravention of the provisions relating to holding of Board Meetings by Seafood Marketing Limited because the first Board Meeting was held within 30 days of the incorporation of the company.
- (c) There is contravention of provisions in respect of conduct of the Board Meetings by Seafood Marketing Limited because gap between initial two consecutive Board Meetings (held on 6th April, 2019 and 28th August, 2019) is 143 days and further, gap between next two consecutive Board Meetings (held on 30th September, 2019 and 12th March, 2020) is 163 days.
- (d) There is contravention of provisions in respect of conduct of the Board Meetings by Seafood Marketing Limited because gap between initial two consecutive Board Meetings (held on 6th April, 2019 and 28th August, 2019) is 123 days and further, gap between next two consecutive Board Meetings (held on 30th September, 2019 and 12th March, 2020) is 143 days.



Question 22: [SECTION 184] [ICAI BoS Portal]

Supriya holds shares worth Rs. 13,50,000 in the capacity as one of the directors of Paridhi Tours and Travels Limited (PTTL) whose paid-up share capital is Rs. 4,50,00,000. Swikriti Bus Suppliers Limited (SBSL) with paid-up capital of Rs. 2,00,00,000 is in the business of supplying tourist buses. Being in need of adding three more tourist buses in its existing fleet of ten buses, PTTL through Supriya approached SBSL for the purpose of purchasing the required buses knowing fully well that Supriya holds certain amount of shares in SBSL making her an interested director. Requirement: Out of the following four options, which one is applicable in the given situation:

- (a) Supriya, as interested director, holds shares of SBSL of the value exceeding Rs. 1,00,000 but not exceeding 1,50,000.
- (b) Supriya, as interested director, holds shares of SBSL of the value exceeding Rs. 1,50,000 but not exceeding 2,00,000
- (c) Supriya, as interested director, holds shares of SBSL of the value exceeding Rs. 2,00,000 but not exceeding 3,00,000
- (d) Supriya, as interested director, must be holding shares exceeding Rs. 4,00,000

Q. No.	Answer	Q. No.	Answer
21.	(c)	22.	(d)


Question 23: [SECTION 182] [ICAI BoS Portal]

Chetan Motorboats Limited, incorporated on 25th June, 2019 is desirous of making donations to a reputed political party. Out of the following options, choose the one which correctly depicts as to when Chetan Motorboats Limited shall be eligible to make such donations to a political party:

- (a) Chetan Motorboats Limited shall be eligible to make donations to a political party after one year from the date of its incorporation.
- (b) Chetan Motorboats Limited shall be eligible to make donations to a political party after two years from the date of its incorporation.
- (c) Chetan Motorboats Limited shall be eligible to make donations to a political party after three years from the date of its incorporation.
- (d) Chetan Motorboats Limited shall be eligible to make donations to a political party after five years from the date of its incorporation.


Question 24: [SECTION 184] [ICAI BoS Portal]

Neelima was an interested director when her company Sagar Suppliers Limited entered into a supply contract worth Rs. 20,00,000 with Srinivas Tubes and Pipes Limited under which the latter company would supply requisite items for full one year to the former company. However, Neelima did not disclose her interest at the time when Board Meeting of Sagar Suppliers Limited where the issue of supply contract was discussed and even participated in the discussion. Which of the following options is applicable in the given situation:

- (a) Since Neelima did not disclose her interest, the contract is voidable at the option of Srinivas Tubes and Pipes Limited.
- (b) Since Neelima did not disclose her interest, the contract is voidable at the option of Sagar Suppliers Limited.
- (c) Since Neelima did not disclose her interest, the contract can be enforced only upto 50% of its value i.e. maximum upto Rs. 10,00,000.
- (d) Since Neelima did not disclose her interest, the whole contract is void and cannot be enforced.


Question 25: [SECTION 177] [ICAI BoS Portal]

Which of the following company is not required to establish a vigil mechanism:

- (a) Companies which accept deposits from public
- (b) Companies which have borrowed from banks in excess of 50 crore rupees
- (c) A Listed Public Company
- (d) A Private Limited Company

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
23.	(c)	24.	(b)	25.	(d)

Question 26: [SECTION 2] [Section:2(54)] [ICAI Module Paper 4 Law MCQs]

The Board of Directors of Capable Hospitality Services Limited has entrusted Mr. Vikas, the newly appointed Managing Director (MD) of the company, with some powers. However, Mr. Vikas is not interested in discharging administrative functions as authorised by the Board of Directors, since he is of the view that he should have been entrusted with substantial powers of the management. Out of the following four options, which one is correctly applicable in relation to the functions which Mr. Vikas, the MD of Capable Hospitality Services Limited, can undertake:

- To draw and endorse any cheque on the account of Capable Hospitality Services Limited maintained with National Commercial Bank Limited, the main banker of the company.
- To sign the financial statements of Capable Hospitality Services Limited.
- To draw and endorse any bill of exchange when it exceeds R s 1,00,000.
- To draw and endorse any bill of exchange when it exceeds R s 5,00,000.

Question 27: [Section: 196 and 203] [ICAI Module Paper 4 Law MCQs]

Murlidhar Masala Enterprises Limited, incorporated under the Companies Act, 2013, is into the business of trading of different kinds of spices used in the cooking of daily food items. Mr. Vinayak was appointed as the Chief Financial Officer (CFO) of the company on July 2, 2018 by the Board of Directors for a period of five years. In the Board Meeting held on July 30, 2021, Mr. Rinkesh aged 55 years was appointed as Managing Director of the company. In this meeting itself, the Board of Directors also made re-appointment of Mr. Vinayak as the Chief Financial Officer (CFO) for another term of 3 years and it was resolved that the new term of 3 years will start after the completion of the first term of five years. Further, in the Annual General Meeting of the company held on September 29, 2021, the appointment of Mr. Rinkesh as Managing Director was approved by the company and the members also noted the re-appointment of Mr. Vinayak as Chief Financial Officer (CFO) for another term of 3 years which would start after completion of the first term of five years. You are required to choose the correct option from the following four whether the re- appointment of Mr. Vinayak is valid or not:

- The re-appointment of Mr. Vinayak as Chief Financial Officer (CFO) for another term of 3 years is valid since the Board of Directors may appoint him for any term as it may think fit.
- The re-appointment of Mr. Vinayak as Chief Financial Officer (CFO) for another term of 3 years is not valid since no Key Managerial Personnel (KMP) shall be re-appointed earlier than one year before the expiry of his term.
- The re-appointment of Mr. Vinayak as Chief Financial Officer (CFO) for another term of 3 years is not valid since his re- appointment has not been subsequently approved by the company in the Annual General Meeting held on September 29, 2021.
- Both (b) and (c) above.

Q. No.	Answer	Q. No.	Answer
26.	(b)	27.	(a)



Question 28: [Section:199] [ICAI Module Paper 4 Law MCQs]

Due to non-compliance of certain requirements under the Companies Act, 2013 not amounting to fraud, Shikha Super-Market Limited was required to re-state its financial statements for the FY 2017-18 during the current year. After the financial statements were re-stated, it was found that Mr. Kumar, the Managing Director (MD) of that period, who is now retired, was paid excess remuneration to the extent of Rs. 5,00,000.

In the given situation, choose the correct option out of those given below, which indicates whether such excess remuneration paid to ex-MD Mr. Kumar is recoverable or not.

- Excess remuneration of Rs 5,00,000 paid to Mr. Kumar, ex-MD of Shikha Super-Market Limited, cannot be recovered since such recovery after retirement is invalid.
- Excess remuneration of Rs 5,00,000 paid to Mr. Kumar, ex-MD of Shikha Super-Market Limited, shall be recovered irrespective of his retirement from the company.
- Only Rs 2,50,000, being 50% of excess remuneration of Rs 5,00,000, paid to Mr. Kumar, ex-MD of Shikha Super-Market Limited, is validly recoverable because no fraud implicating him is involved.
- Only Rs 1,25,000, being 25% of excess remuneration of Rs 5,00,000, paid to Mr. Kumar, ex-MD of Shikha Super-Market Limited, is validly recoverable because no fraud implicating him is involved.



Question 29: [Section: 203] [ICAI Module Paper 4 Law MCQs]

Go Dairy Products Limited, incorporated under the Companies Act, 2013, is into the business of selling dairy products through online mode. Mr. Dhaval was holding the office of the Whole-time Director in the Company. However, by the end of the FY 2020-21, Mr. Dhaval had to vacate the office of Whole-time Director after attracting one of the disqualifications prescribed under Section 164 of the Companies Act, 2013. You are required to select the correct option from those given below as to the time period within which the Board of Directors are required to fill the vacancy of Whole-time Director created by the resignation of Mr. Dhaval considering the applicable provisions of the Companies Act, 2013:

- The vacancy of Whole-time Director created by the resignation of Mr. Dhaval shall be filled by the Board of Directors at a meeting of the Board within a period of three months from the date of creation of such vacancy.
- The vacancy of Whole-time Director created by the resignation of Mr. Dhaval shall be filled by the Board of Directors at a meeting of the Board within a period of six months from the date of creation of such vacancy.
- The vacancy of Whole-time Director created by the resignation of Mr. Dhaval shall be filled by the Board of Directors at a meeting of the Board within a period of two months from the date of creation of such vacancy.
- The vacancy of Whole-time Director created by the resignation of Mr. Dhaval shall be filled by the Board of Directors at a meeting of the Board within a period of one month from the date of creation of such vacancy.

Q. No.	Answer	Q. No.	Answer
28.	(b)	29.	(b)

Question 30: [Section:196(3)] [ICAI Module Paper 4 Law MCQs]

Mr. Joseph Daniel, holding the office of Whole-time Director (WTD) in Tasty Choco-Chips Limited, is desirous of appointing Mr. Vanilla Sequera, who has attained the age of 72 years, as the Managing Director (MD) of the company. However, the Board of Directors is of the opinion that no company shall appoint or continue the employment of any person as Managing Director, Whole-time Director or Manager who is below the age of twenty-one years or has attained the age of seventy years. From the following four options, select the one which is applicable in relation to the validity or invalidity of appointing Mr. Vanilla Sequera as the Managing Director (MD) of Tasty Choco-Chips Limited:

- a) In spite of the fact that Mr. Vanilla Sequera has attained the age of 72 years, he can be validly appointed as Managing Director by the Board of Directors of Tasty Choco-Chips Limited when the recommendation has been made by Mr. Joseph Daniel, the Whole-time Director.
- b) Since Mr. Vanilla Sequera has attained the age of 72 years, he cannot be validly appointed as Managing Director of Tasty Choco-Chips Limited.
- c) In spite of the fact that Mr. Vanilla Sequera has attained the age of 72 years, he can be validly appointed as Managing Director by the shareholders of Tasty Choco-Chips Limited through passing a Special Resolution in general meeting.
- d) In spite of the fact that Mr. Vanilla Sequera has attained the age of 72 years, he can be validly appointed as Managing Director of Tasty Choco-Chips Limited if an application is made to the jurisdictional NCLT and its permission is received for such appointment.

Question 31: [Section:196(2)] [ICAI Module Paper 4 Law MCQs]

On June, 20, 2017, Mr. Anil Mehra was appointed as Manager of PQR Music Systems Limited for a period of five years. Considering his performance and dedication towards the company, the management of PQR Music Systems Limited decided to re-appoint him as Manager before the completion of his tenure. Out of the following four options, choose the one which indicates the date on which his re-appointment will be considered valid?

- (a) June 24, 2021.
- (b) February 1, 2021.
- (c) March 12, 2020.
- (d) September 10, 2020.

Q. No.	Answer	Q. No.	Answer
30.	(c)	31.	(a)

Question 32: [Section:203] [ICAI Module Paper 4 Law MCQs]

M&N Limited whose more than 51% of the paid-up share capital is held by F&I Limited. After considering the applicable provisions, you are required to choose the correct option from the following four which indicates whether Mr. Abhishek can validly proceed or not with the offer of Whole-time Director extended by M&N Limited while also continuing as Chief Financial Officer (CFO) of F&I Limited:

- Mr. Abhishek can validly proceed with the offer of Whole-time Director at M&N Limited while also continuing as Chief Financial Officer (CFO) because being a Key Managerial Personnel he shall not be disentitled from accepting the offer of Whole-time Director in any other company after obtaining the permission of Board of Directors of his parent company i.e., F&I Limited.
- Mr. Abhishek will not be able to proceed with the offer of Whole-time Director at M&N Limited since a whole time Key Managerial Personnel cannot hold office in more than one company at the same time.
- Mr. Abhishek can proceed with the offer of Whole-time Director at M&N Limited while also continuing as Chief Financial Officer (CFO) since M&N Limited is a subsidiary of F&I Limited.
- Mr. Abhishek will not be able to proceed with the offer of Whole-time Director at M&N Limited since a whole time Key Managerial Personnel cannot hold office in more than one company at the same time including its subsidiary company.

Question 33: [Section:196] [ICAI Module Paper 4 Law MCQs]

Hasmukh Entertainment Limited, incorporated under the Companies Act, 2013, appointed Mr. Ram Kishore, a well-qualified and experienced person, as Whole-time Director (WTD) for a period of five years in the Annual General Meeting (AGM) held on August 28, 2019. In order that Mr. Ram Kishore continues with the company as Whole-time Director (WTD), he was re-appointed in advance as Whole-time Director (WTD) for another term of five years in the Annual General Meeting which was held on September 28, 2021. The second term of five years will start after the expiry of first term in August, 2024. From the following alternatives, choose the one which indicates the validity or otherwise of re-appointment of Mr. Ram Kishore for the second term of five years by the company:

- The re-appointment of Mr. Ram Kishore in advance as Whole-time Director (WTD) for another term of five years is valid because re-appointment can be made for a period not exceeding 5 years at any time provided the Articles of Association of the company provide for such re-appointment before one year from the completion of his 'yet-to-expire' term.
- The re-appointment of Mr. Ram Kishore in advance as Whole-time Director (WTD) for another term of five years is invalid because his re-appointment as Whole-time Director (WTD) cannot be made earlier than one year before the expiry of his first term.
- The re-appointment of Mr. Ram Kishore in advance as Whole-time Director (WTD) for another term of five years is valid provided the resolution for such re-appointment had earlier been passed with the consent of all the Directors present at the Board Meeting and thereafter, such re-appointment was taken up at the Annual General Meeting for approval.
- The re-appointment of Mr. Ram Kishore in advance as Whole-time Director (WTD) for another term of five years is invalid because no special resolution for his re-appointment was passed at the Annual General Meeting for approval.

Q. No.	Answer	Q. No.	Answer
32.	(c)	33.	(b)

? **Question 34:** [Section:188] [ICAI Module Paper 4 Law MCQs]

In case of a company where minimum_____per cent members (in number) are relatives of promoters or are related parties, they are not precluded from voting on a resolution for approving any related party transaction.

- a) 80 b) 85 c) 90 d) 95

? **Question 35:** [Section:186] [ICAI Module Paper 4 Law MCQs]

Out of the total strength of six Directors of SQ Transformers Limited, five are attending a Board Meeting to consider the investment of funds of the company. The resolution relating to investment shall be taken as passed in which of the following cases:

- a) When all the five Directors of SQ Transformers Limited attending the meeting consent to such investment of funds.
 b) When any four Directors of SQ Transformers Limited out of five attending the meeting consent to such investment of funds.
 c) When any three Directors of SQ Transformers Limited out of five attending the meeting consent to such investment of funds.
 d) Investment proposal must be consented to by the total strength of six Directors of SQ Transformers Limited.

? **Question 36:** [Section:180] [Category B] [Section:180] [ICAI Module Paper 4 Law MCQs]

In order to make Robotics Toys Private Limited as its subsidiary, Golden Rays Robots Limited raised its investment in Robotics Toys from 40% to 60% of its paid-up capital. From the options given below, choose the one which correctly indicates as to when the Robotics Toys shall be considered the undertaking of Golden Rays Robots Limited.

- a) In order that Robotics Toys is considered as one of its undertaking, Golden Rays is required to invest more than 10% of its 'net worth' calculated as per the audited balance sheet of the preceding year or the Robotics Toys must have contributed in generation of 10% of the total income of Golden Rays during the previous Financial Year.
 b) In order that Robotics Toys is considered as one of its undertaking, Golden Rays is required to invest more than 20% of its 'net worth' calculated as per the audited balance sheet of the preceding year or the Robotics Toys must have contributed in generation of 20% of the total income of Golden Rays during the previous Financial Year.
 c) In order that Robotics Toys is considered as one of its undertaking, Golden Rays is required to invest more than 25% of its 'net worth' calculated as per the audited balance sheet of the preceding year or the Robotics Toys must have contributed in generation of 25% of the total income of Golden Rays during the previous Financial Year.
 d) In order that Robotics Toys is considered as one of its undertaking, Golden Rays is required to invest more than 30% of its 'net worth' calculated as per the audited balance sheet of the preceding year or the Robotics Toys must have contributed in generation of 30% of the total income of Golden Rays during the previous Financial Year.

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
34.	(c)	35.	(a)	36.	(b)

Question 37: [Section:173(3)] [ICAI Module Paper 4 Law MCQs]

Rachit, Sanchit, Devshikha, Niharika, Vaishnavi, Mohit and Somesh are the directors of Vrinda Plants Limited. Sanchit was appointed as an alternate director on 25th August, 2021, in place of Mohit who had gone out of India for five months and also on the same date Somesh was appointed as an additional director. It is to be noted that whenever a board meeting is held after the above date it shall be the first meeting to be attended by both Sanchit and Somesh. Devshikha was an interested director who was required to disclose her interest at the immediate Board Meeting to be held any time after 25th August, 2021 though her presence would not be counted when a discussion takes place on the proposal in which she was interested. Rachit expressed his inability to attend any Board meeting if it was to be held within two months from 25th August, 2021. A Board meeting is scheduled to be held on 20th September, 2021. Legally speaking, which of the directors need not be served a notice of this Board meeting.

- Mohit need not be served a notice of the board meeting to be held on 20th September, 2021.
- Rachit need not be served a notice of the board meeting to be held on 20th September, 2021.
- Devshikha need not be served a notice of the board meeting to be held on 20th September, 2021.
- None of the above.

Question 38: [Section:184] [ICAI Module Paper 4 Law MCQs]

Roopali is one of the directors in Superfast Vehicles Limited. She gave a written notice dated 10th June, 2021 in the specified Form disclosing her shareholding interest in Vixen Traders (Pvt.) Limited and caused its disclosure at the Board Meeting held immediately thereafter on 17th June, 2021. From which of the given dates, eight years are to be counted for preserving her 'notice of disclosure of interest':

- From the date of notice i.e., 10th June, 2021.
- From the end of the FY 2021-22.
- From the date of the Board Meeting (i.e., 17th June, 2021) in which the interest was disclosed.
- From the date of the forthcoming Annual General Meeting AGM) to be held on 27th September, 2021.

Question 39: [Section:173] [Rule 3 (Meeting of board & its powers)] [ICAI Module Paper 4 Law MCQs]

In case of a Board Meeting which is conducted through the means of video conferencing, the draft minutes shall be circulated among all the Directors within ___ days of the meeting either in writing or in the electronic mode as may be decided by the Board of Directors of the company.

- 5
- 10
- 15
- 20

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
37.	(d)	38.	(b)	39.	(c)

Question 40: [Section:177] [ICAI Module Paper 4 Law MCQs]

Audit Committee may make omnibus approval for:

- a) Making of investment in other companies.
- b) Related party transactions proposed to be entered into by the company.
- c) Transferring of non-functional undertaking.
- d) All of the above.

Question 41: [Section: 177(8)] [ICAI Module Paper 4 Law MCQs]

Ruby Diamonds Limited is required to establish 'Vigil Mechanism' though it is neither a listed company nor a company which has accepted deposits from the public. Name the third criterion because of which it is necessitated that the company needs to create 'Vigil Mechanism'.

- a) As per the last audited financial statements, Ruby Diamonds Limited has borrowed money from banks and public financial institutions in excess of Rs.50 crores.
- b) As per the last audited financial statements, the subscribed capital of Ruby Diamonds Limited is in excess of Rs.50 crores.
- c) As per the last audited financial statements, the paid-up capital of Ruby Diamonds Limited is in excess of Rs.50 crores.
- d) As per the last audited financial statements, the turnover of Ruby Diamonds Limited is in excess of Rs.50 crores.

Question 42: [Section: 173] [ICAI Module Paper 4 Law MCQs]

Three directors, namely Samiksha, Santosh and Samta intimated PlutoPlastic & Mechanical Toys Limited about their participation in the Board Meetings through video conferencing at the appropriate time of the year. However, after attending the first Board Meeting held in the FY 2021-22 by means of video conferencing, Santosh wants to participate in the next Meeting to be held at a future date in person. Is it possible for him to do so when consent given for participation in meetings through video conferencing remains valid for full one year? Choose the correct A Answer from the options stated below:

- a) Santosh cannot attend future Board Meetings in person even if the company is intimated of such intention sufficiently in advance.
- b) Santosh can attend future Board Meetings in person if he intimates the company of his intention sufficiently in advance.
- c) Santosh can attend future Board Meetings in person only if all the remaining directors consent to such request.
- d) Santosh can attend future Board Meetings in person but at least seventy five percent of the remaining directors (rounded off to next higher figure in case of a fraction) consent to such request.

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
40.	(b)	41.	(a)	42.	(b)

? **Question 43:** [Section:182] [ICAI Module Paper 4 Law MCQs]

Chetan Motorboats Limited, incorporated on 25th June, 2019 is desirous of making donations to a reputed political party. Out of the following options, choose the one which correctly depicts as to when Chetan Motorboats Limited shall be eligible to make such donations to a political party:

- a) Chetan Motorboats Limited shall be eligible to make donations to a political party after one year from the date of its incorporation.
- b) Chetan Motorboats Limited shall be eligible to make donations to a political party after two years from the date of its incorporation.
- c) Chetan Motorboats Limited shall be eligible to make donations to a political party after three years from the date of its incorporation.
- d) Chetan Motorboats Limited shall be eligible to make donations to a political party after five years from the date of its incorporation.

? **Question 44:** [Section 174(3)] [ICAI Module Paper 4 Law MCQs]

Where at any time the number of interested Directors exceeds or is equal to ----- of the total strength of the Board of Directors of a company, the quorum shall be the number of non-interested Directors who are present at the meeting and not less than two.

- (a) 1/2
- (b) 2/3
- (c) 1/3
- (d) None of the above

? **Question 45:** [Section:173(1)] [ICAI Module Paper 4 Law MCQs]

Seafood Marketing Limited, incorporated on 1st April, 2019, conducted four Board Meetings during the FY 2019-20 i.e., on 6th April, 2019, 28th August, 2019, 30th September, 2019 and 30th March, 2020. Select the correct option from those given below as to whether there is contravention of provisions or not regarding frequency of holding the Board Meetings by Seafood Marketing Limited:

- a) There is no contravention of the provisions relating to holding of Board Meetings because four Board Meetings have been held by Seafood Marketing Limited during the FY 2019-20.
- b) There is no contravention of the provisions relating to holding of Board Meetings by Seafood Marketing Limited because the first Board Meeting was held within 30 days of the incorporation of the company.
- c) There is contravention of provisions in respect of conduct of the Board Meetings by Seafood Marketing Limited because gap between initial two consecutive Board Meetings (held on 6th April, 2019 and 28th August, 2019) is 143 days and further, gap between next two consecutive Board Meetings (held on 30th September, 2019 and 12th March, 2020) is 163 days.
- d) There is contravention of provisions in respect of conduct of the Board Meetings by Seafood Marketing Limited because gap between initial two consecutive Board Meetings (held on 6th April, 2019 and 28th August, 2019) is 123 days and further, gap between next two consecutive Board Meetings (held on 30th September, 2019 and 12th March, 2020) is 143 days.

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
43.	(c)	44.	(b)	45.	(c)

Question 46: [Section:181] [ICAI Module Paper 4 Law MCQs]

The Board of Directors of Very Well Hospitality Services Limited is desirous of contributing certain amount to Janta Vikas Sewa Samiti, a bona fide charitable organization operating in the National Capital Region, during the FY 2020-2021. The profits and losses of the earlier five FYs are as under:

Year	Profit/ (Loss)
2019-2020	(30,00,000)
2018-2019	1,80,00,000
2017-2018	2,10,00,000
2016-2017	1,85,00,000
2015-2016	1,40,00,000

From the following four options, select the appropriate one which indicates the amount that the Board of Dirs. of Very Well Hospitality Services Limited can contribute to Janta Vikas Sewa Samiti:

- The Board of Directors of Very Well Hospitality Services Limited cannot contribute any amount to Janta Vikas Sewa Samiti in the FY 2020-2021 since it suffered losses of Rs. 30,00,000 in the immediate previous FY 2019-2020.
- The Board of Directors of Very Well Hospitality Services Limited can contribute maximum of Rs. 9,00,000 to Janta Vikas Sewa Samiti in the FY 2020-2021.
- The Board of Directors of Very Well Hospitality Services Limited can contribute maximum of Rs. 6,00,000 to Janta Vikas Sewa Samiti in the FY 2020-2021.
- The Board of Directors of Very Well Hospitality Services Limited can contribute maximum of Rs. 3,00,000 to Janta Vikas Sewa Samiti in the FY 2020-2021.

Question 47: [Section:174] [ICAI Module Paper 4 Law MCQs]

A 7 days' notice of the Board Meeting was served on all the 10 directors of Goodluck Publishers Limited by sending it on their registered postal addresses. However, before the holding of scheduled Board Meeting, some unavoidable happenings took place. Mr. M was hospitalised because of serious stomach pain just two days before the Meeting. Mr. Y proceeded to London since his son met with an accident and the incidence required his immediate presence. As scheduled earlier, Mr. X and Mr. B went to Australia for attending a technical seminar that would help improving the existing publishing techniques. Mr. A, extremely busy in finalizing the arrangements relating to his daughter's marriage, was also unable to attend the impending board meeting. A day before the board meeting, Mr. E's grand-mother got hospitalised and therefore, he was involved in taking care of her but he assured to attend the meeting through video conferencing. Mr. P were scheduled to arrive for the meeting by 2 p.m. on the same day of the meeting but his flight got delayed by eight hours. Mr. D, Mr. G and Mr. H were in the town and were available for the Board Meeting. Could the Board Meeting be held as per the scheduled time?

- The Board Meeting cannot be held because minimum sixty percent directors (i.e., 6 out of 10) must attend it at the scheduled time to complete the quorum.
- The Board Meeting cannot be held because minimum fifty percent directors (i.e., 5 out of 10) must attend it at the scheduled time to complete the quorum.
- Since the quorum is complete, the available dirs can hold the Board Meeting as per the schedule.
- The Board Meeting cannot be held because minimum seventy percent directors (i.e., 7 out of 10) must attend it at the scheduled time to complete the quorum.

Q. No.	Answer	Q. No.	Answer
46.	(c)	47.	(c)

Question 48: [Section:173(5)] [ICAI Module Paper 4 Law MCQs]

In the FY. 2021-22, Roshni Electricals Private Limited for the first time is treated as a 'small company' according to the prescribed norms. It held its first Board Meeting on 15th June, 2021 and another one on 9th July, 2021. As two board meetings have already been held in 1st half and 2nd half of the calendar year, 2021, the directors do not intend to hold any other Board Meeting during rest of the year 2021-22. Select the correct statement from those given below as to whether the directors of Roshni Electricals Private Limited are at fault or not.

- A 'small company' needs to hold only two Board Meetings in a calendar year and therefore, the directors of Roshni Electricals Private Limited are absolutely not at fault.
- As the gap between two Board Meetings should be 'not less than 60 days', the directors of Roshni Electricals Private Limited need to hold another Board Meeting on a date which must be after 60 days from 15th June 2021, so that no fault is committed.
- As the gap between two Board Meetings should be 'not less than 90 days', the directors of Roshni Electricals Private Limited need to hold another Board Meeting on a date which must be after 90 days from 15th June 2021, so that no fault is committed.
- There is no need to observe gap of more than 60 or 90 days if the directors of Roshni Electricals Private Limited hold another board meeting in the month of July, 2021 itself, totalling number of meetings to three.

Question 49: [Section:182] [ICAI Module Paper 4 Law MCQs]

Jupiter Shopping Mall Limited was incorporated on 3rd December, 2019. As on 31st March 2021, it had free reserves of Rs 50.00 lacs and its Securities Premium Account showed a balance of Rs 7.50 lacs. One of its Directors Raha has a leaning towards a particular political party in which his other family members are actively involved. Raha convinced the other two Directors of the company i.e. Promila and Rana to contribute a sum of Rs. 10.00 lacs to this political party. Accordingly, the Board of Dirs. held a meeting on 16th December, 2021 and passed a resolution to contribute the decided amount. Out of the following four options, select the appropriate one, which indicates the amount that Jupiter Shopping Mall Limited can contribute to a political party in the FY 2021-22.

- According to the above-stated facts, Jupiter Shopping Mall Limited cannot contribute any amount to a political party in the FY 2021-22.
- According to the above-stated facts, Jupiter Shopping Mall Limited can contribute maximum Rs 2.50 lacs to a political party in the FY 2021-22.
- According to the above-stated facts, Jupiter Shopping Mall Limited can contribute maximum Rs.3.75 lacs to a political party in the FY 2021-22.
- According to the above-stated facts, Jupiter Shopping Mall Limited can contribute maximum Rs.5.00 lacs to a political party in the FY 2021-22.

Q. No.	Answer	Q. No.	Answer
48.	(c)	49.	(a)

? **Question 1:** [Section:199] [RTP NOV 2022]

Due to non-compliance of certain requirements under the Companies Act, 2013 not amounting to fraud, Shikha Super-Market Limited was required to re-state its financial statements for the financial year 2017-18 during the current year. After the financial statements were restated, it was found that Mr. Kumar, the Managing Director (MD) of that period, who is now retired, was paid excess remuneration to the extent of Rs. 5,00,000. In the given situation, choose the correct option out of those given below, which indicates whether such excess remuneration paid to ex-MD Mr. Kumar is recoverable or not.

- (a) Excess remuneration of Rs. 5,00,000 paid to Mr. Kumar, ex-MD of Shikha Super-Market Limited, cannot be recovered since such recovery after retirement is invalid.
- (b) Excess remuneration of Rs. 5,00,000 paid to Mr. Kumar, ex-MD of Shikha Super-Market Limited, shall be recovered irrespective of his retirement from the company.
- (c) Only Rs. 2,50,000, being 50% of excess remuneration of Rs. 5,00,000, paid to Mr. Kumar, ex-MD of Shikha Super-Market Limited, is validly recoverable because no fraud implicating him is involved.
- (d) Only Rs. 1,25,000, being 25% of excess remuneration of Rs. 5,00,000, paid to Mr. Kumar, ex-MD of Shikha Super-Market Limited, is validly recoverable because no fraud implicating him is involved.

? **Question 2:** [Section:203] [RTP MAY 2020]

Sunila Interior Decorators and Furnishers Limited which has not accessed the primary market so far, is required to appoint whole-time Key Managerial Personnel (KMPs) in view of the fact that it has surpassed the threshold limit which necessitates such appointment. Out of the three whole-time KMPs which it is obligated to keep on roll, it has already appointed a Managing Director (MD) and a Company Secretary. From the given options, choose the third KMP which needs to be appointed by the company under the given circumstances.

- (a) Chief Executive Officer (CEO)
- (b) Chief Financial Officer (CFO)
- (c) Whole-time Director (WTD)
- (d) Chief Manager (CM)

? **Question 3:** [Section:197] [MTP MAY 2023]

Mr. X, a Director of a company, was appointed as Managing Director on 1st April 2021. One of the terms of appointment was that in the absence of adequacy of profits or if the company had no profits in a particular year, he will be paid remuneration in accordance with Schedule V. For the financial year ended 31st March 2023, the company suffered heavy losses. The company was not in a position to pay any remuneration but he was paid 100 lakhs for the year. The effective capital of the company is 150 crore. Referring to the provisions of the Companies Act, 2013, as contained in Schedule V, examine the validity of the above payment of remuneration to Mr. X.

- (a) Payment of 100 lakhs being made to Mr. X is within the prescribed limit and can be validly made to him.
- (b) Payment of 100 lakhs being made to Mr. X is not within the prescribed limit and cannot be validly made to him.
- (c) Payment of 100 lakhs being made to Mr. X is less than the prescribed limit and so cannot be validly made to him.
- (d) Payment of 100 lakhs being made to Mr. X is not the prescribed limit and can be validly made to him.

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
1.	(b)	2.	(b)	3.	(a)

Question 4: [Section:196] [MTP NOV 2022]

On June, 20, 2017, Mr. Anil Mehra was appointed as Manager of PQR Music Systems Limited for a period of five years. Considering his performance and dedication towards the company, the management of PQR Music Systems Limited decided to re-appoint him as Manager before the completion of his tenure. Out of the following four options, choose the one which indicates the date on which his re-appointment will be considered valid?

- (a) June 24, 2021.
- (b) February 1, 2021.
- (c) March 12, 2020.
- (d) September 10, 2020

Question 5: [Section:196] [MTP NOV 2022]

Shrenik Ltd. is a listed entity and comes under the top 2000 listed entities (as of 1st April, 2020). The Board consists of 10 directors. Abhijit, one of the directors of the company has celebrated his 75 th Birthday on 10th June 2022. By virtue of his rich qualifications and experiences, the company want to continue him. What procedure is to be followed by the company:

- (a) The Company has to pass a special resolution to this effect.
- (b) The Company has to pass a resolution in its Board's Meeting.
- (c) The requirement of passing a special resolution is only in case of Managing Director and not for the any other Director.
- (d) A person can continue to hold the directorship, as far as he is of good health and have willingness to continue.

Question 6: [MTP MAY 2021]

The members of H Limited apply to the National Company Law Tribunal under section 241 of the Companies Act, 2013 on grounds of oppression and mismanagement by the Board of Directors. The NCLT passed an order removing the Managing Director of the Company, Mr. M. One year later, Mr. M is now a changed man and the Board of Directors want Mr. M back, as Manager of the company. The Board of Directors seek your expert opinion as to what they should do to get Mr. M appointed as the Manager of the Company. State your opinion, in light of the relevant provisions of the Companies Act, 2013.

- (a) Mr. M cannot be appointed as the Manager of the company for a period of 5 years from the date of order of the NCLT and the only solution available in this regard to the Board is to wait for 4 more years.
- (b) Mr. M can be appointed as Manager if the special approval of the Central Government is obtained.
- (c) Mr. M can be appointed by way of making an application to the NCLT.
- (d) None of the above.

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
4.	(a)	5.	(a)	6.	(d)

? **Question 7:** [Section:204] [MTP MAY 2022]

Who can be appointed as Secretarial Auditor?

- (a) Any person, who have the audit experience, can be appointed as Secretarial Auditor.
- (b) Any person who is a member of the Institute of Chartered Accountants of India and holding a certificate of practice, can be appointed as Secretarial Auditor.
- (c) Any person who is a member of the Institute of Company Secretaries of India and holding a certificate of practice, can be appointed as Secretarial Auditor.
- (d) Any person who is a member of the Institute of Cost Accountants of India and holding a certificate of practice, can be appointed as Secretarial Auditor.

? **Question 8:** [Section:197] [ICAI BoS Portal]

Pawan Limited appointed Mr. Vir, a person resident in India, as a Managing Director who has taken a charge of the post on 1st June, 2022. The remuneration package sanctioned to him is as follows:1. Salary- Rs. 60,00,000 2.Rent free accommodation- Rs. 6,00,000 3. Children education allowance- Rs. 3,00,000 4. Leave Travel Concession Package- Rs. 3,00,000 5. Premium in respect of insurance taken for indemnification- Rs.5,00,000 What would be the amount of yearly remuneration for FY 2022-23 paid by Pawan Limited to Mr. Vir, the Managing Director who is appointed on 1st June, 2022?

- (a) Rs. 65,50,000
- (b) Rs. 60,50,000
- (c) Rs. 60,00,000
- (d) Rs. 77,00,000

? **Question 9:** [Section:197(12) and rule 5] [ICAI BoS Portal]

Srihari was employed as Manager (a KMP) throughout the financial year 2021-22 in Unique Logistics Limited (a listed company) which connects shippers and transporters pan India carrying and storing any perishable cargo. In which of the following situations, his name shall be shown in the Boards Report:

- (a) If Srihari is in receipt of remuneration for the financial year 2021-22 not less than Rs. one crore and one lakh.
- (b) If Srihari is in receipt of remuneration for the financial year 2021-22 not less than Rs. one crore and two lakhs.
- (c) If Srihari is in receipt of remuneration for the financial year 2021-22 not less than Rs. one crore and three lakhs.
- (d) If Srihari is in receipt of remuneration for the financial year 2021-22 not less than Rs. one crore and four lakhs.

? **Question 10:** [Section:203] [ICAI BoS Portal]

Which among the following company is not required to appoint a Company Secretary:

- (a) A listed company having a paid-up share capital of 10 crore rupees
- (b) An unlisted public company having a paid-up share capital of 10 crore rupees or more
- (c) Any company having a paid-up share capital not exceeding 10 crore rupees
- (d) A private company having a paid-up capital of 10 crore or more

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
7.	(c)	8.	(b)	9.	(b)	10.	(c)

Question 11: [Section:197] [ICAI BoS Portal]

Lockworth Safety Gears Limited which pays remuneration to its Directors on yearly basis, has Harsha as Whole-time Director (WTD). Recently, the company appointed Mr. Raviyansh as Managing Director (MD). While paying remuneration, Lockworth Safety Gears Limited needs to keep in view that the overall remuneration payable to the Directors including Managing Director, Whole-time Director and Manager shall not exceed maximum limit prescribed under the relevant provisions. After the appointment of Mr. Raviyansh as Managing Director, since the company has both Whole-time Director as well as Managing Director, select the appropriate option from those given below which indicates the maximum remuneration that is allowed in a Financial Year:

- (a) 3% of net profits. (b) 5% of net profits.
(c) 10% of net profits. (d) 11% of net profits.

Question 12: [Section:203] [ICAI BoS Portal]

Mr. Abhishek has been in full time employment at F&I Limited (a listed company) working as Chief Financial Officer (CFO). He has been given the offer to hold the office of Whole-time Director at M&N Limited whose more than 51% of the paid-up share capital is held by F&I Limited. After considering the applicable provisions, you are required to choose the correct option from the following four which indicates whether Mr. Abhishek can validly proceed or not with the offer of Whole-time Director extended by M&N Limited while also continuing as Chief Financial Officer (CFO) of F&I Limited:

- (a) Mr. Abhishek can validly proceed with the offer of Whole-time Director at M&N Limited while also continuing as Chief Financial Officer (CFO) because being a Key Managerial Personnel he shall not be disentitled from accepting the offer of Whole-time Director in any other company after obtaining the permission of Board of Directors of his parent company i.e., F&I Limited.
(b) Mr. Abhishek will not be able to proceed with the offer of Whole-time Director at M&N Limited since a whole time Key Managerial Personnel cannot hold office in more than one company at the same time.
(c) Mr. Abhishek can proceed with the offer of Whole-time Director at M&N Limited while also continuing as Chief Financial Officer (CFO) since M&N Limited is a subsidiary of F&I Limited.
(d) Mr. Abhishek will not be able to proceed with the offer of Whole-time Director at M&N Limited since a whole time Key Managerial Personnel cannot hold office in more than one company at the same time including its subsidiary company.

Question 13: [Section:197 and 198] [ICAI BoS Portal]

The company is an investment company:

Net Profit 100 cr. after considering the following:

Share premium received of Rs. 60 crores from trading of securities, Income Tax provision of Rs. 20 crores.

Director remuneration - Rs. 6 crores.

Compute the maximum remuneration of managerial personnel as per Sec. 197 where there is only 1 MD.

- a) 13.68 crore b) 5 crores c) 6.3 crores d) 6 crore

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
11.	(c)	12.	(c)	13.	(d)

Question 14: [Section:196] [ICAI BoS Portal]

Hasmukh Entertainment Limited, incorporated under the Companies Act, 2013, appointed Mr. Ram Kishore, a well-qualified and experienced person, as Whole-time Director (WTD) for a period of five years in the Annual General Meeting (AGM) held on August 28, 2019. In order that Mr. Ram Kishore continues with the company as Wholetime Director (WTD), he was re-appointed in advance as Whole-time Director (WTD) for another term of five years in the Annual General Meeting which was held on September 28, 2021. The second term of five years will start after the expiry of first term in August, 2024. From the following alternatives, choose the one which indicates the validity or otherwise of re-appointment of Mr. Ram Kishore for the second term of five years by the company:

- (a) The re-appointment of Mr. Ram Kishore in advance as Wholetime Director (WTD) for another term of five years is valid because re-appointment can be made for a period not exceeding 5 years at any time provided the Articles of Association of the company provide for such re-appointment before one year from the completion of his “yet-to-expire” term.
- (b) The re-appointment of Mr. Ram Kishore in advance as Wholetime Director (WTD) for another term of five years is invalid because his re-appointment as Whole-time Director (WTD) cannot be made earlier than one year before the expiry of his first term.
- (c) The re-appointment of Mr. Ram Kishore in advance as Wholetime Director (WTD) for another term of five years is valid provided the resolution for such re-appointment had earlier been passed with the consent of all the Directors present at the Board Meeting and thereafter, such re-appointment was taken up at the Annual General Meeting for approval.
- (d) The re-appointment of Mr. Ram Kishore in advance as Wholetime Director (WTD) for another term of five years is invalid because no special resolution for his re-appointment was passed at the Annual General Meeting for approval

Question 15: [Section:197(12)] [ICAI BoS Portal]

The Board Report of Smart Quizzers and Solutions Limited (a listed company having global presence) whose aim is to foster curiosity and inquisitiveness through fun and engaging quiz questions for kids shall include a statement showing the names of certain number of its top employees in terms of remuneration drawn by them in the financial year 2021-22. From the following options choose the one which correctly indicates such number of top employees:

- (a) The Board Report of Smart Quizzers and Solutions Limited shall include a statement showing the names of top five employees in terms of remuneration drawn by them in the financial year 2021-22.
- (b) The Board Report of Smart Quizzers and Solutions Limited shall include a statement showing the names of top ten employees in terms of remuneration drawn by them in the financial year 2021-22.
- (c) The Board Report of Smart Quizzers and Solutions Limited shall include a statement showing the names of top fifteen employees in terms of remuneration drawn by them in the financial year 2021-22.
- (d) The Board Report of Smart Quizzers and Solutions Limited shall include a statement showing the names of top twenty employees in terms of remuneration drawn by them in the financial year 2021-22.

Q. No.	Answer	Q. No.	Answer
14.	(b)	15.	(b)

? **Question 16:** [ICAI BoS Portal]

Every whole-time key managerial personnel of a company shall be appointed appointment including the remuneration:

- (a) by means of a resolution of the Nomination Committee of Board
- (b) by means of a resolution of the Board
- (c) by means of an Ordinary Resolution of the shareholders
- (d) by means of a Special Resolution of the shareholders

? **Question 17:** [Section: 2(54)] [ICAI BoS Portal]

The Board of Directors of Capable Hospitality Services Limited has entrusted Mr. Vikas, the newly appointed Managing Director (MD) of the company, with some powers. However, Mr. Vikas is not interested in discharging administrative functions as authorised by the Board of Directors, since he is of the view that he should have been entrusted with substantial powers of the management. Out of the following four options, which one is correctly applicable in relation to the functions which Mr. Vikas, the MD of Capable Hospitality Services Limited, can undertake:

- (a) To draw and endorse any cheque on the account of Capable Hospitality Services Limited maintained with National Commercial Bank Limited, the main banker of the company.
- (b) To sign the financial statements of Capable Hospitality Services Limited.
- (c) To draw and endorse any bill of exchange when it exceeds 1,00,000.
- (d) To draw and endorse any bill of exchange when it exceeds 5,00,000.

? **Question 18:** [Section: 196] [ICAI BoS Portal]

Delhi Touristers Limited convened a Board Meeting and appointed Ripudaman as an additional director in terms of the powers given by the Articles of Association. In the same Board Meeting he was also appointed as Managing Director of the company. You are required to choose the correct option from those stated below keeping in view the given situation:

- (a) The appointment of Ripudaman as Managing Director of Delhi Touristers Limited in the same Board Meeting in which he was appointed as an additional director is not valid.
- (b) The appointment of Ripudaman as Managing Director of Delhi Touristers Limited in the same Board Meeting in which he was appointed as an additional director is valid,
- (c) The appointment of Ripudaman as Managing Director of Delhi Touristers Limited shall be valid only if he is appointed as Managing Director in another Board Meeting which is convened after the expiry of minimum 15 days from the Board Meeting in which he was appointed as an additional director.
- (d) The appointment of Ripudaman as Managing Director of Delhi Touristers Limited shall be valid only if he is appointed as Managing Director in another Board Meeting which is convened after the expiry of minimum 30 days from the Board Meeting in which he was appointed as an additional director.

? **Question 19:** [Section 204] [ICAI BoS Portal]

Which among the following company is required to undergo secretarial auditor:

- (a) An unlisted public company having paid-up share capital of less than 50 crore
- (b) An unlisted public company having a turnover of less than 250 crore
- (c) An unlisted public company having outstanding loans from banks of less than 100 crore
- (d) A private limited company having outstanding borrowings from Fls of 100 crore or more

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
16.	(b)	17.	(b)	18.	(b)	19.	(d)


Question 1: [Section:212] [RTP NOV 2022]

Under the garb of cement business, some of the directors of Royal Cement Limited, a company incorporated in the year 2001 and having its factories at Rohtak and Bhiwani, were involved in several illegal activities. In such a situation, on receipt of a report of the Registrar of Companies or inspector under Section 208 or in the public interest or on request from any Department of the Central Government or a State Government, the Central Government may, by order, assign the investigation into the affairs of Royal Cement Limited to the Serious Fraud Investigation Office (SFIO). In addition to the above bases, there is one more basis which may prompt the Central Government to assign the investigation to the Serious Fraud Investigation Office (SFIO). From the following four options, choose such appropriate basis for assigning the investigation to the SFIO.

- On intimation through an Ordinary Resolution passed by the shareholders of Royal Cement Limited that the affairs of the company are required to be investigated.
- On intimation through a Special Resolution passed by the shareholders of Royal Cement Limited that the affairs of the company are required to be investigated.
- On an intimation received from certain senior employees of Royal Cement Limited that the affairs of the company are required to be investigated.
- On an intimation received from certain ex-directors of Royal Cement Limited that the affairs of the company are required to be investigated.


Question 2: [Section:219] [MTP MAY 2023]

Mr. Ravi, an Inspector appointed under the Companies Act, 2013, started investigations into the affairs of A Innovative Solutions Ltd. During the process of investigation, Mr. Ravi came across certain facts and information regarding the transactions made by A Innovative Solutions Ltd. with its subsidiary company B InfoTech Solutions Ltd. Based on the information so collected from the investigation, Mr. Ravi wanted to investigate the affairs of B InfoTech Solutions Ltd. also. Find the correct answer from the provided options, whether Mr. Ravi can proceed with the investigation of the affairs of subsidiary company B InfoTech Solutions Ltd. in the light of the applicable provisions of the Companies Act, 2013.

- Mr. Ravi shall be able to proceed with the investigation of the affairs of B InfoTech Solutions Ltd. after obtaining the prior approval of the Director, Serious Fraud Investigation Office (SFIO).
- Mr. Ravi shall not be able to proceed with the investigation of the affairs of B InfoTech Solutions Ltd. since it is not within his powers to undertake investigation of any other entity.
- Mr. Ravi shall be able to proceed with the investigation of the affairs of B InfoTech Solutions Ltd. after obtaining the prior approval of the National Company Law Tribunal in whose jurisdiction the registered office of the subsidiary company is located.
- Mr. Ravi shall be able to proceed with the investigation of the affairs of B InfoTech Solutions Ltd. after obtaining the prior approval of the Central Government.

Q. No.	Answer	Q. No.	Answer
1.	(b)	2.	(d)

Question 3: [Section: 213] [MTP NOV 2022]

Innovations Ltd. is a company engaged in the business of manufacturing and selling of electronic goods which are used for domestic purpose. The company is having its registered office at Mumbai with 500 members. Some of the members came to know that the business of the company is being conducted with intent to defraud its members. The promoters of the company are actually enjoying with the public money, siphoned the shareholders capital in purchasing the real estate in the names of the promoters.

During the course of the AGM of company in Mumbai, the members assembled there, planned to have an investigation of the affairs of its business.

In order to make an application to the National Company Law Tribunal, how many members are required?

- (a) Not less than 50 members or members holding not less than one-fifth of the total voting power
- (b) Not less than 100 members or members holding not less than one-tenth of the total voting power
- (c) Not less than 150 members or members holding not less than one-tenth of the total voting power
- (d) Not less than 200 members or members holding not less than one-tenth of the total voting power

Question 4: [Section: 209] [MTP NOV 2021]

During the investigation, Inspector has reasonable ground to believe that the books and papers of a company, are likely to be destroyed. He filed application for the same to the special court and seized such books and papers. State which of the following statement is valid in terms of the returning of such books and papers of a company by the Inspector:

- (a) It can returned any time after the investigation is over
- (b) within 180th day after such seizure
- (c) After 180th day any time
- (d) Anytime once the inspector is satisfied that no such the books and papers are likely to be destroyed.

Question 5: [Section: 210] [MTP NOV 2020]

Ultra Ltd. was incorporated on 13th May 2019. After one year of its incorporation the shareholders of company came to know that some transaction inside the company was not in accordance with the provision of Companies Act and also prejudicial in the interest of company and its members, so some shareholder decided to make application to Central Government to conduct investigation into affairs of the company by appointing inspector under the provision of Companies Act, 2013. Does application of shareholder can be acceptable under the provision of Companies Act, 2013.

- (a) No, shareholder didn't have right to make application under Section 210 of Companies Act, 2013.
- (b) Yes, shareholder after passing special resolution can make application to Central government to conduct the investigation under section 210 of Companies Act, 2013.
- (c) Yes, shareholder can make application without special resolution as company business is not in interest of company and member.
- (d) No, shareholder even after passing special resolution cannot make application under Section 210 of Companies Act, 2013.

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
3.	(b)	4.	(b)	5.	(b)

Question 6: [Section:206] [MTP NOV 2019]

Mr. K, a Manager of XYZ Ltd. retired on 12th May 2019. On examination of the final accounts of the company for the year ended on 31st March 2019, the Registrar of Companies found some serious irregularities in writing off of the huge amounts of bad debts and no satisfactory explanation was provided for the same from the company. In such a situation the Registrar of Companies wants some explanation from the company and Mr. K. Can the ROC seek explanation from Mr. K ? Advice –

- No, Mr. K can't be called upon, as he does not hold the position or any office in the company any more.
- Mr. K can be called upon within a period of one year from the date of completion of his service.
- Mr. K can be called upon for necessary explanation within a period of 180 days from the date of leaving his office through a written notice served upon him.
- Mr. K can be called upon by the Registrar through a written notice served on him without any time period limit.

Question 7: [Section:208] [ICAI BoS Portal]

After the inspection of the books of account, the Inspector shall submit a report in writing to:

- The Registrar of Companies
- The Regional Director
- The Special Court
- The Central Government

Question 8: [Section:210] [ICAI BoS Portal]

At an Extra-ordinary General Meeting of Ravi Share-brokers Limited, held at its Registered Office situated at Rajendra Place, New Delhi, the shareholders passed a special resolution to the effect that the affairs of the company ought to be investigated. Ravi Share- brokers Limited, thereafter, submitted the special resolution so passed to the Central Government for further action. Under the given situation, you are required to select the appropriate option from those given below:

- Power of the Central Government to order an investigation into the affairs of Ravi Share-brokers Limited as requested in the special resolution so submitted by the company is discretionary and therefore, it may or may not order an investigation.
- Power of the Central Government to order an investigation into the affairs of Ravi Share-brokers Limited as requested in the special resolution so submitted by the company is mandatory and therefore, it shall order an investigation.
- Central Government is not empowered to pass order of investigation in case of non-government companies and therefore, no order of investigation into the affairs of Ravi Share-brokers Limited as requested in the special resolution so submitted by the company shall be ordered.
- Power of the Central Government to order an investigation into the affairs of Ravi Share-brokers Limited can be initiated just on request by the company.

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
6.	(d)	7.	(d)	8.	(a)

? **Question 9:** [Section: 206] [ICAI BoS Portal]

Sunder Cosmetics Limited was served a notice by the jurisdictional Registrar of Companies to produce at his office for inspection of certain more books of accounts, other books, papers and explanations, etc. at 11 A.M. on January 5, 2022. Choose the applicable option from those given below that indicates the reason for such inspection by the concerned Registrar of Companies:

- (a) Since no information or explanation was furnished by Sunder Cosmetics Limited to the Registrar of Companies within the time specified in the earlier notice issued by him.
- (b) Since Registrar of Companies, on an examination of the documents furnished by Sunder Cosmetics Limited, was of the opinion that the information or explanation furnished by the company was inadequate.
- (c) Since Registrar of Companies was satisfied on a scrutiny of the documents furnished by Sunder Cosmetics Limited, that an unsatisfactory state of affairs existed in the company and the information or documents so furnished did not disclose a full and fair statement of the information required.
- (d) In all of the situations given above in option (a), (b) and (c), inspection can be preferred.

? **Question 10:** [Section: 209] [ICAI BoS Portal]

Where, the Registrar has reasonable ground to believe that the books and papers of a company, are likely to be destroyed, mutilated, altered, falsified or secreted, he may, after obtaining an order from for the seizure of such books and papers, seize such books and papers as he considers necessary:

- (a) The Regional Director
- (b) The Central Government
- (c) The Special Court
- (d) The National Company Law Tribunal

? **Question 11:** [Section: 212] [ICAI BoS Portal]

Where an investigation into the affairs of a company has been assigned to Serious Fraud Investigation Office, it shall conduct the investigation and submit its report to:

- (a) The Registrar of Companies
- (b) The Audit Committee of Board
- (c) The Central Government
- (d) The Special Court

? **Question 12:** [Section:210] [ICAI BoS Portal]

Which among the following is not a ground for Central Government to make an investigation into the affairs of a company:

- (a) on the receipt of a report of the Registrar or inspector under section 208
- (b) on intimation of a special resolution passed by a company that the affairs of the company ought to be investigated
- (c) in public interest, it may order an investigation into the affairs of the company
- (d) Any reference made by a Whistle Blower

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
9.	(d)	10.	(c)	11.	(c)	12.	(d)

Question 13: [Section:224] [ICAI BoS Portal]

After perusal of the inspector's report made under Section 223 of the Companies Act, 2013, it appears to the Central Government that some action is required to be taken against a company, it may cause to be presented to the Tribunal:

- (a) A petition for the winding up of the company on the ground that it is just and equitable that it should be wound up.
- (b) An application under Section 241 of the Companies Act, 2013.
- (c) Both (a) and (b)
- (d) A petition for the merger of the company on the ground that it is just and equitable that it should be merged.

Question 14: [Section:222] [ICAI BoS Portal]

Sanchita Tech Mart Limited is in the grip of serious apprehensions that its shares might be cornered by a group of unscrupulous persons and if it happens, it would certainly result in change in the Board of Directors which might be prejudicial to the public interest. With a view to impose restrictions, Ramneek, one of the directors of Sanchita TechMart Limited, seeks your advice as to how the company can impose restrictions on the transfer of shares of the company. Choose the correct option from those given below:

- (a) Sanchita Tech Mart Limited can make an application to the National Company Law Tribunal (NCLT) under Section 222 for imposition of restrictions on securities.
- (b) Sanchita Tech Mart Limited can make an application to the Central Government under Section 222 for imposition of restrictions on securities.
- (c) Sanchita Tech Mart Limited can make an application to the National Company Law Tribunal (NCLT) under Section 216 for investigation into the ownership of company.
- (d) Sanchita Tech Mart Limited can make an application to the Central Government under Section 216 for investigation into the ownership of the company.

Question 15: [Section:212] [ICAI BoS Portal]

An Inspection was going on by an Inspector. Later CG directed SFIO to do the investigation. Whether both, Inspector and SFIO, will continue investigation parallelly?

- a) Inspector to hold and SFIO to continue
- b) SFIO will proceed on the basis of report of inspector
- c) SFIO to hold and inspector appointed to continue
- d) Both, SFIO and inspector to continue parelly

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
13.	(c)	14.	(a)	15.	(b)

Question 16: [Section:209] [ICAI Module Paper 4 Law MCQs]

Some of the creditors of Alpha Tyres Limited made a complaint to the jurisdictional RoC pleading that the management of the company is indulged in destruction and falsification of the accounting records. The complainants request the RoC to take immediate steps to stop the management to tamper with the records. The complaint was received in the morning on 1st January, 2022 and the RoC entered the premises of Alpha Tyres Limited, the same day when the complaint from the creditors was received for the search. From the options given below, choose the one that correctly indicates the course of action that the RoC may take in such a situation:

- The RoC may enter the premises of Alpha Tyres Limited and search the place where such books or papers are kept and seize them.
- The RoC may enter the premises of Alpha Tyres Limited and search the place where such books or papers are kept and seize them only after obtaining an order from the Special Court.
- RoC may enter the premises of Alpha Tyres Limited and search the place where such books or papers are kept only after obtaining the order to this effect from the NCLT.
- RoC may enter the premises of Alpha Tyres Limited, search the place where such books or papers are kept and give an opportunity to the company to represent why such documents may not be seized.

Question 17: [Section:218] [ICAI Module Paper 4 Law MCQs]

The CG appointed Mr. Rishikesh as an inspector to conduct investigation into the affairs of Oriental Threads Ltd. in accordance with relevant provisions of the Companies Act, 2013. During the course of investigation of Oriental Threads Ltd., Mr. Rishikesh found that company had reduced the position of Mr. Gopal Prasad (who was a senior employee) from Joint Manager to Assistant Manager within a few days after the commencement of investigation. No permission, whatsoever, was obtained from any authority but it was a sole decision of the company based on the recommendation of the Recruitment Committee to demote Mr. Gopal Prasad. Select the appropriate option from those given below as to whether Oriental Threads Ltd. is within its rights to reduce the rank of Mr. Gopal Prasad from Joint Manager to Assistant Manager during investigation:

- It being an internal matter of the company, Oriental Threads Ltd. is very much within its rights to reduce the rank of Mr. Gopal Prasad from Joint Manager to Assistant Manager during investigation and no authority, whatsoever, can interfere in the matter.
- Irrespective of whether there is investigation or not, if a company finds that an employee is not suitable for the position he is holding, then it can demote such employee.
- Oriental Threads Ltd. cannot reduce the rank of Mr. Gopal Prasad from Joint Manager to Assistant Manager during the period when investigation is continuing without seeking approval of the NCLT for which an appln. needs to be made which shall be disposed of within next 30 days.
- Oriental Threads Ltd. cannot reduce the rank of Mr. Gopal Prasad from Joint Manager to Assistant Manager during the period when investigation is continuing without seeking approval of the CG for which an application needs to be made which shall be disposed of within next 30 days.

Q. No.	Answer	Q. No.	Answer
16.	(b)	17.	(c)

Question 18: [Section:223] [ICAI Module Paper 4 Law MCQs]

While conducting an inspection of JupiterRise Portraits Ltd. under Section 207 of the Companies Act, 2013, the inspector, Mr. Suneet Prabhu noticed various irregularities which were committed while handling business affairs of the company. Mr. Suneet Prabhu sought necessary explanations from the Directors of JupiterRise Portraits Ltd. regarding those irregularities who furnished necessary explanations. Thereafter, Mr. Suneet Prabhu prepared the Inspection Report under Section 208 for onwards submission. You are required to choose the correct option from those given below as to whom the inspection report shall be submitted and whether Mr. Suneet Prabhu, as inspector has the right to make recommendations for further investigation?

- The Inspection Report as prepared by Mr. Suneet Prabhu shall be submitted to the NCLT and he, as Inspector, has a right to make recommendations for further investigation provided he has given his reasons in support for such recommendations.
- The Inspection Report as prepared by Mr. Suneet Prabhu shall be submitted to the RoC and he, as Inspector, has a right to make recommendation for further investigation provided he has given his reasons in support for such recommendations.
- The Inspection Report as prepared by Mr. Suneet Prabhu shall be submitted to the CG and he, as Inspector, has a right to make recommendations for further investigation provided he has given his reasons in support for such recommendation.
- The Inspection Report as prepared by Mr. Suneet Prabhu shall be submitted to the Serious Fraud Investigation Office (SFIO) and he, as Inspector, has a right to make recommendations for further investigation provided he has given his reasons in support for such recommendation.

Question 19: [Section:206] [ICAI Module Paper 4 Law MCQs]

Prakash, the Production Manager of Saharanpur based Garima Sugar Mills Limited, a company incorporated in the year 2001, proceeded on superannuation on October 30, 2019, handing over charge of his department to Aniket, the newly appointed Production Manager. It so happened that after his retirement Prakash received a notice from the jurisdictional RoC requiring him to furnish certain information and explanation regarding production of sugar pertaining to the FYs 2017-18 and 2018-19. However, Prakash did not furnish any information to the RoC since he was no more an employee of Garima Sugar Mills Ltd. Choose the appropriate option from the four givens below:

- Since the information required by the RoC relates to the FYs 2017-18 and 2018-19 when Prakash was serving Garima Sugar Mills Limited as Production Manager, he is liable to furnish the requisite information.
- Though the information required by the RoC relates to the FYs 2017-18 and 2018-19 but at the time of seeking information, Prakash is not serving Garima Sugar Mills Limited as Production Manager and therefore, he is not liable to furnish the requisite information.
- Though the information required by the RoC relates to the FYs 2017-18 and 2018-19 but at the time of seeking information, Prakash is not serving Garima Sugar Mills Ltd. as Production Manager and therefore, Aniket, the current Production Manager, is liable to furnish the requisite information.
- Though the information required by the RoC relates to the FYs 2017-18 and 2018-19 but at the time of seeking information, Prakash is not serving Garima Sugar Mills Limited as Production Manager and therefore, Vignesh who worked as foreman under Prakash and is still in employment, is liable to furnish the requisite information instead of Aniket, the newly appointed Production Manager.

Q. No.	Answer	Q. No.	Answer
18.	(c)	19.	(b)


Question 1: [Section:230] [RTP MAY 2022]

A-One Software Limited is facing continuous losses and financial crunch for the last four years or so. In order to save company from the impending liquidation, it proposed a scheme of compromise to its creditors worth Rs. 1,50,00,000 and accordingly filed the said Scheme with the jurisdictional Tribunal. Minimum how many creditors in value must agree and confirm to the scheme of compromise so that Tribunal may dispense with calling of a meeting of the creditors:

- In order that the Tribunal may dispense with calling of a meeting of the creditors, it is required that creditors having value of minimum Rs. 1,35,00,000 must agree and confirm to the scheme of compromise.
- In order that the Tribunal may dispense with calling of a meeting of the creditors, it is required that creditors having value of minimum Rs. 1,20,00,000 must agree and confirm to the scheme of compromise.
- In order that the Tribunal may dispense with calling of a meeting of the creditors, it is required that creditors having value of minimum Rs. 1,27,50,000 must agree and confirm to the scheme of compromise.
- In order that the Tribunal may dispense with calling of a meeting of the creditors, it is required that creditors having value of minimum Rs. 1,42,50,000 must agree and confirm to the scheme of compromise.


Question 2: [Section:233] [RTP NOV 2021]

Kiara Limited holds 77% of the shares of Sunny Limited. Kiara Limited makes an application for merger of Holding and Subsidiary Company under section 233 – Fast Track Merger of the Companies Act, 2013. The legal counsel of Kiara Limited states that company cannot apply for merger under section 233 of the said Act. He further stated that company shall have to apply for merger as per section 232 of the Act i.e. Merger and Amalgamation of Companies. State the correct statement in terms of the validity of the difference in the opinion of the legal counsel.

- Opinion of the legal counsel of Kiara Limited is valid as the provisions given for fast track merger in section 233 can be made between only small companies.
- Opinion of the legal counsel of Kiara Limited is invalid as merger shall be possible only as per section 233 between Holding and Subsidiary Company.
- Opinion of the legal counsel of Kiara Limited is valid as the provisions given for fast track merger in section 233 can be made between Holding and wholly owned subsidiary.
- Opinion of the legal counsel of Kiara Limited is invalid as merger of Holding and Subsidiary company is possible under both section 232 and section 233.

Q. No.	Answer	Q. No.	Answer
1.	(a)	2.	(c)

Question 3: [Section:239] [RTP MAY 2020]

X Ltd. amalgamated with Y Ltd. The transferee company decided to dispose of the books and papers of the X Ltd. in order to come up with maintenance of revised book and papers under the name of the transferee company to bring all the financial details of the amalgamated company also in the records. State the correct statement as to decision of the transferee company on the disposal of the Books and papers of the X Ltd.

- (a) Decision of Transferee Company is invalid, as books and papers of the amalgamated company shall be maintained for atleast three years.
- (b) Decision of Transferee Company is invalid, as books and papers of amalgamated company shall be maintained for at least eight years.
- (c) Decision of Transferee Company will be valid only on the sanction of the prior permission of the Central Government.
- (d) Decision of Transferee Company will be valid only after seeking prior permission of the requisite number of the creditors/shareholders of the amalgamated company.

Question 4: [Section:232] [MTP MAY 2023]

Vinayak Pharmaceuticals Limited decided to amalgamate Super Medicines Limited and accordingly, an application for amalgamation was submitted to the jurisdictional National Company Law Tribunal (NCLT). If the Tribunal is satisfied that the specified procedure has been complied with, it may, by order, sanction the scheme of arrangement leading to amalgamation and may make provision for various matters. From the following options, choose the one which may find place in the order of arrangement leading to amalgamation made by the Tribunal:

- (a) Vinayak Pharmaceuticals Limited shall discontinue its legal proceedings pending against Super Medicines Limited after amalgamation
- (b) Super Medicines Limited shall be dissolved, without winding up
- (c) On dissolution of Super Medicines Limited, the fee paid by it on its authorised capital shall not be set off against any fees payable by Vinayak Pharmaceuticals Limited on its authorised capital subsequent to the amalgamation
- (d) Super Medicines Limited shall be dissolved, after winding up

Question 5: [Section:230] [MTP NOV 2021]

Somnath Ltd. proposed a scheme of compromise and arrangement with the creditors and members of the company on 22.03.2021. On the application, Tribunal ordered for the meeting to be conducted. Majority agreed to the scheme and was sanctioned by the Tribunal by an order passed on 23.4.2021 indicating a date 1.05.2021 for making effective the scheme. Identify the correct effective date for the said scheme.

- (a) From the proposed date of the scheme
- (b) From the date of application filed before the Tribunal
- (c) From the date of order passed by the Tribunal
- (d) From the appointed date given in the Scheme

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
3.	(c)	4.	(b)	5.	(d)

Question 6: [Section:230] [MTP NOV 2021]

An amalgamation has been proposed between Magnum Limited and Micro Limited. A meeting of members of Micro Limited was convened under the orders of the Tribunal for the purpose of considering the scheme of amalgamation. The company has a paid up share capital of Rs. 1.50 crore consisting of 15,00,000 shares of Rs. 10 each. The meeting was attended by 500 members holding 10,00,000 shares. 300 members holding 7,00,000 shares in the aggregate voted for the scheme. 150 members holding 2,00,000 shares in aggregate voted against the scheme. 50 members holding 1,00,000 shares walked out of the meeting in protest from voting. Choose the correct statement regarding the validity of the approval of the Scheme based on the provisions of the Companies Act, 2013.

- (a) The scheme has not been validly approved because the requisite majority in number has not voted in favour of the scheme
- (b) The scheme has not been validly approved because the members who voted in favour of the scheme do not hold 7,50,000 shares (3/4ths in value)
- (c) The scheme has not been validly approved because 50 members walked out in protest
- (d) The scheme has been validly approved.

Question 7: [Section:233]

Orange Communications Limited is planning to merge with itself its Wholly-owned Subsidiary (WoS) Vaartalaap Tech Limited under the scheme of fast track merger. After due approval of the Merger Scheme, the same was filed with the Central Government for its approval. However, the Central Government is of the opinion that the said Merger Scheme is not in the public interest. In case such an opinion is formed, then with which authority the Central Government can file an application stating its objections?

- (a) The Central Government cannot file an application in this respect except to decide the matter on its own.
- (b) The Central Government can file an application before the National Company Law Tribunal (NCLT) stating its objections.
- (c) The Central Government can file an application before the Delhi High Court stating its objections.
- (d) The Central Government can file a Special Leave Petition before the Honorable Supreme Court stating its objections.

Question 8: [Section:236] [ICAI BoS Portal]

The acquirer, person or group of persons under section 236(1) shall offer to the minority shareholders of the company for buying the equity shares held by such shareholders at a price determined on the basis of valuation by:

- (a) An Authorised Valuer
- (b) A Specified Valuer
- (c) A Chartered Valuer
- (d) A Registered Valuer

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
6.	(d)	7.	(b)	8.	(d)

Question 9: [Section:230] [ICAI BoS Portal]

In respect of a scheme of compromise submitted by Neon Colour Prints Limited to the jurisdictional National Company Law Tribunal (NCLT), a meeting of the shareholders was held on the specified date and time and at the designated place. The company had 1200 shareholders holding equity shares of 1,20,00,000 (12,00,000 equity shares of 10 each) who all voted using the prescribed modes. However, 100 shareholders holding 36,00,000 worth of shares voted against the approval of the scheme of compromise. Choose the correct option from those stated below as to whether the scheme of compromise submitted by Neon Colour Prints Limited to the jurisdictional National Company Law Tribunal (NCLT) is to be considered as approved or not:

- (a) The scheme of compromise submitted by Neon Colour Prints Limited to the jurisdictional National Company Law Tribunal (NCLT) is to be considered as approved since shareholders holding more than one-half worth of shares in value voted in favour of the scheme.
- (b) The scheme of compromise submitted by Neon Colour Prints Limited to the jurisdictional National Company Law Tribunal (NCLT) is to be considered as approved since shareholders holding more than fifty-five percent worth of shares in value voted in favour of the scheme.
- (c) The scheme of compromise submitted by Neon Colour Prints Limited to the jurisdictional National Company Law Tribunal (NCLT) is to be considered as approved since shareholders holding more than sixty percent worth of shares in value voted in favour of the scheme.
- (d) The scheme of compromise submitted by Neon Colour Prints Limited to the jurisdictional National Company Law Tribunal (NCLT) is not to be considered as approved by the shareholders.

Question 10: [Section:230] [ICAI BoS Portal]

In case of listed companies, takeover offer shall be:

- (a) As per provisions of the Companies Act, 2013
- (b) As per the regulations framed by the SEBI
- (c) As per the regulations framed by the IBBI
- (d) As per the regulations framed by the Competition Commission of India

Question 11: [Section:239] [ICAI BoS Portal]

Sectoral Regulators shall make representation, if any, within from the date of receipt of Notice of the Meeting to be called, held and conducted by the National Company Law Tribunal (NCLT) in respect of a scheme of compromise or arrangement.

- (a) 45 days.
- (b) 30 days.
- (c) 60 days.
- (d) 90 days.

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
9.	(d)	10.	(b)	11.	(b)

Question 12: [Section:236] [ICAI BoS Portal]

Mr. Aman is a registered holder of 15,000 equity shares of Kanha Textiles Limited whose issued capital is 1,00,00,000 divided into 10,00,000 equity shares of 10 each. He was offered a price, as determined by the registered valuer, for purchase of his shares by the majority shareholders. Since he has agreed to the proposal of selling his shares at the offered price, you are required to select the correct option from those given below that indicates the period within which such amount shall be disbursed to him:

- (a) Maximum within 15 days, such offered amount shall be disbursed to him.
- (b) Maximum within 30 days, such offered amount shall be disbursed to him.
- (c) Maximum within 60 days, such offered amount shall be disbursed to him.
- (d) Maximum within 90 days, such offered amount shall be disbursed to him.

Question 13: [Section:230] [ICAI BoS Portal]

The specified strength of creditors (in value) of Cymbark Food Products Limited agreed to the scheme of compromise which the company proposed and accordingly, the said scheme was filed with the jurisdictional Tribunal. In order that the Tribunal may not call a meeting of creditors, by filing which document the creditors need to indicate their intention to Tribunal that they agree and confirm to the scheme of compromise?

- (a) By signing individual declarations which indicate that they agree to not calling a meeting.
- (b) By signing an affidavit which indicate that they agree to not calling a meeting.
- (c) By signing an affidavit duly supported by individual declarations which indicate that they agree to not calling a meeting.
- (d) By appending signatures against their names on a declaration made on the Letter-head of the co..

Question 14: [Section:230] [ICAI BoS Portal]

Navneet Textiles Limited, with a view to save itself from the looming liquidation, proposed a scheme of compromise to its creditors which valued 75,00,000. In the process, the company filed the said Scheme with the jurisdictional National Company Law Tribunal (NCLT). From the following options, select the one which correctly depicts the minimum strength of creditors in value that must confirm to the scheme of compromise so that Tribunal may dispense with calling of a meeting of the creditors:

- (a) The strength of creditors in value of Navneet Textiles Limited that must confirm to the scheme of compromise so that Tribunal may dispense with calling of a meeting of the creditors is minimum 70%.
- (b) The strength of creditors in value of Navneet Textiles Ltd that must confirm to the scheme of compromise so that Tribunal may dispense with calling of a meeting of the creditors is minimum 80%.
- (c) The strength of creditors in value of Navneet Textiles Ltd that must confirm to the scheme of compromise so that Tribunal may dispense with calling of a meeting of the creditors is minimum 90%.
- (d) The strength of creditors in value of Navneet Textiles Ltd that must confirm to the scheme of compromise so that Tribunal may dispense with calling of a meeting of the creditors is minimum 95%

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
12.	(c)	13.	(b)	14.	(c)



Question 15: [Section:233] [ICAI BoS Portal]

Abhik Trading and Marketing Company Limited is wholly owned subsidiary (WOS) of Eternal Cosmetics Limited. Keeping in view the expansion plans, Swapna and Shilpa, the two Directors of latter company are contemplating to make an application before the appropriate forum for merger of the subsidiary company Abhik Trading and Marketing Company Limited with holding company Eternal Cosmetics Limited under Section 232 of the Companies Act, 2013. However, Vibha Kumar, the Company Secretary of Eternal Cosmetics Limited is of the opinion that the merger between a holding and subsidiary company should have been undertaken as per the provisions of Section 233 which state procedure for fast-track merger and not under Section 232. Which statement, out of the four given below, is applicable in the above stated situation:

- (a) The opinion of Vibha, the Company Secretary of the Eternal Cosmetics Limited, holds ground since merger between a holding and subsidiary company should have been undertaken as per the provisions of Section 233 of the Companies Act, 2013 which states procedure for fast track merger.
- (b) The opinion of Vibha, the Company Secretary of the Eternal Cosmetics Limited, does not hold ground since merger between a holding and subsidiary company is validly possible only as per Section 232 of the Companies Act, 2013.
- (c) The opinion of Vibha, the Company Secretary of the Eternal Cosmetics Limited, does not hold ground since the provisions given for fast track merger under Section 233 of the Companies Act, 2013 are of the optional nature.
- (d) The opinion of Vibha, the Company Secretary of the Eternal Cosmetics Limited, does not hold ground since the provisions given for fast track merger under Section 233 of the Companies Act, 2013 can be applied for merging only small companies.



Question 16: [Section230] [ICAI BoS Portal]

It is imperative that the Scheme of Compromise or Arrangement needs to be approved by the members or class of members or creditors or class of creditors. From the given options, select the one which correctly indicates the minimum requirement for such approval:

- (a) The Scheme of Compromise or Arrangement shall be approved by more than 50% majority in number of members or class of members or creditors or class of creditors, as the case may be, who are present and voting at the meeting.
- (b) The Scheme of Compromise or Arrangement shall be approved by more than 75% majority in value of members or class of members or creditors or class of creditors, as the case may be, who are present and voting at the meeting.
- (c) The Scheme of Compromise or Arrangement shall be approved by more than 75% majority in number of members or class of members or creditors or class of creditors, as the case may be, who are present and voting at the meeting.
- (d) Both (a) and (b) together.

Q. No.	Answer	Q. No.	Answer
15.	(c)	16.	(d)

Question 17: [Section:232] [Section:232] [ICAI Module Paper 4 Law MCQs]

NCLT has passed an order on January 25, 2021 approving the merger of two companies, namely, RGL Engineers Private Limited and RVGL Machines Limited. The merger order of the NCLT, which shall become effective from March 2, 2021, has been received by RGL Engineers Private Limited on January 27, 2021. Out of the following four options which one is the most appropriate as regards filing of the certified copy of the order by RGL Engineers Private Limited with the jurisdictional Registrar of Companies?

- RGL Engineers Private Limited shall file the certified copy of the order with the jurisdictional RoC latest by February 24, 2021, being one month from the date of passing of order by the NCLT.
- RGL Engineers Private Limited shall file the certified copy of the order with the jurisdictional RoC latest by February 26, 2021, being thirty days from the date of receipt of the order passed by the NCLT.
- RGL Engineers Private Limited shall file the certified copy of the order with the jurisdictional RoC latest by April 1, 2021, being thirty days from March 1, 2021, i.e. the date from which the order of the NCLT shall be effective.
- RGL Engineers Private Limited shall file the certified copy of the order with the jurisdictional RoC by April 26, 2021, being three months from the date of receipt of order passed by the NCLT.

Question 18: [Section:230] Question:63 [Section: 230] [ICAI Module Paper 4 Law MCQs]

PentoCure Laboratories Limited, a service provider of diagnostic tests and having paid-up capital of Rs 3,00,00,000 (30,00,000 shares of Rs 10 each), filed a scheme of arrangement with the NCLT. After considering the scheme, NCLT passed an order directing PentoCure Laboratories Limited to conduct a meeting of the shareholders of the company. A notice of meeting was sent to all the 1000 shareholders holding total paid-up capital of Rs 3,00,00,000 i.e., 30,00,000 lakh shares of Rs 10 each. On the date of meeting which was held at the Registered Office of the company, only 580 shareholders holding 21 lakh shares (paid-up value Rs 2,10,00,000) attended the meeting. Out of 580 shareholders, 400 shareholders holding 16 lakh shares (paid-up value Rs 1,60,00,000) voted in favour of the scheme of arrangement as proposed by PentoCure Laboratories Limited and remaining 180 shareholders holding 5 lakh shares (paid-up value Rs 50,00,000) voted against the said scheme. From the following 4 options which one correctly indicates whether the scheme of arrangement gets the required approval of the shareholders of PentoCure Laboratories Limited or not:

- The scheme of arrangement gets valid approval of the shareholders with requisite majority.
- The scheme of arrangement does not get valid approval of the shareholders since minimum 60% of shareholders (i.e., minimum 600 shareholders out of total 1000) did not attend the meeting for approving the scheme.
- The scheme of arrangement does not get valid approval of the shareholders since minimum 70% of shareholders (i.e., minimum 700 shareholders out of total 1000) did not attend the meeting for approving the scheme.
- The scheme of arrangement does not get valid approval of the shareholders since minimum 80% of shareholders (i.e. minimum 800 shareholders out of total 1000) did not attend the meeting for approving the scheme.

Additional MCQs - Must Solve [From RTP and MTP - May'21, Dec'21 and May'22]

Q. No.	Answer	Q. No.	Answer
17.	(b)	18.	(a)

? **Question 1:** [Section:244] [MTP NOV 2021]

ABC Private Limited is a company with 10 shareholders. Mr. X, a member holding less than 1/10th of the share capital applied to the Tribunal for relief against oppression and mismanagement. State the correct answer according to the provisions of the Companies Act, 2013.

- (a) Mr. X singly cannot apply for relief against oppression and mismanagement.
- (b) Mr. X holding less than 1/10th of share capital, cannot apply for relief against oppression and mismanagement
- (c) Mr. X , being single and holding less than 1/10th of share capital, therefore cannot apply for relief against oppression and mismanagement
- (d) Mr. X can apply for relief as condition of the requirement of holding of 1/10th of the total number of members is satisfied.

? **Question 2:** [Section:241
] [MTP NOV 2020]

“Allotment of shares by the directors of the company by which the existing majority is reduced to minority.” As per provisions of the Companies Act, 2013, the above act of the company should be classified as..?

- (a) Oppression
- (b) Mismanagement
- (c) Material change in the company
- (d) All of the above

? **Question 3:** [Section:244] [ICAI BoS Portal]

ABC Ltd. is a company limited by shares. It has 700 members. For an application under Section 241 relating to the relief in case of Oppression, the minimum members required for making an application before the Tribunal is:

- (a) At least 70 members
- (b) At least 100 members
- (c) At least 300 members
- (d) At least 500 members

? **Question 4:** [Section:245] [ICAI BoS Portal]

Class Action as specified in Section 245 of the Companies Act, 2013 shall not be applicable on:

- (a) An Insurance Company
- (b) A Non-Banking Finance Company
- (c) An Asset Reconstruction Company
- (d) A Banking Company

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
1.	(d)	2.	(a)	3.	(a)	4.	(d)

Question 5: [Section:241] [ICAI BoS Portal]

Any member of a company who complains that the affairs of the company are being conducted in a manner prejudicial to public interest he may apply to for relief in case of Oppression:

- (a) The Registrar of Companies
- (b) The Regional Director
- (c) The Tribunal
- (d) The Central Government

Question 6: [Section:241] [ICAI Module Paper 4 Law MCQs]

The shareholders of Viable Plastic Industries Limited passed a special resolution at the Extraordinary General (EGM) of the company to alter the Articles of Association and empower Board of Directors to transfer the shares of any shareholder who competes with the business of the company. Mr. Akshat, one of the minority shareholders of Viable Plastic Industries Limited who was carrying on a competing business of manufacturing plastic bottles and containers as well as marketing them, challenged the validity of the alteration to be made in the Articles of Association and claimed such action as oppression against minority. Which of the option from the following four is applicable in the given situation?

- a) The action of Mr. Akshat challenging the validity of the alteration to be made in the Articles of Association and claiming such action as oppression against minority is not valid since the Articles are being altered after following the due process of law.
- b) The action of Mr. Akshat challenging the validity of the alteration to be made in the Articles of Association and claiming such action as oppression against minority is not valid since the Articles are being altered in the interest of the company.
- c) The action of Mr. Akshat challenging the validity of the alteration to be made in the Articles of Association and claiming such action as oppression against minority is valid since the act complained of is oppressive and prejudicial to the interest of the company.
- d) Both (a) and (b)

Question 7: [Section: 241/244] [ICAI Module Paper 4 Law MCQs]

Mr. Derek Jonathan, a majority shareholder, represented himself to be the Managing Director of Floyd Ceramics Ltd., and also discharged the functions in the capacity as Managing Director. However, he was not formally appointed as Managing Director of Floyd Ceramics Ltd. A group of 6 members, holding 1/12th of the issued share capital, which amounted to 1/10th of paid-up share capital of the company filed an application with the NCLT claiming that such an act of Mr. Derek Jonathan constituted oppression. The total number of members of Floyd Ceramics Ltd. are 72. Which of the following statements is the most appropriate one in the above-mentioned situation?

- a) The group of 6 members cannot file an application with NCLT as the strength of members is less than 1/10th of total number of members of Floyd Ceramics Ltd. However, after filing the application with NCLT, it is within the discretion of NCLT to allow the application to be filed even with fewer number of members.
- b) The group of 6 members cannot file an application with NCLT since the members hold less than 1/10th of the issued share capital of the company.
- c) The group of 6 members cannot file an application with the NCLT since the given fact pattern does not constitute oppression.
- d) Since the group of six members holds 1/10th of the paid-up share capital of the company, they can file an application with the NCLT.

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
5.	(c)	6.	(d)	7.	(c)

Question 8: [Section: 244] [ICAI Module Paper 4 Law MCQs]

Meenu Automotive Private Limited, whose issued and paid-up share capital is Rs 1,00,00,000 consisting of 1,00,000 lakh equity shares of Rs 100 each, has 150 shareholders as per its Register of Members. Some of the shareholders are contemplating to file an application before the NCLT alleging various acts of fraud and mismanagement. Which of the following options correctly indicates as to who can apply to the NCLT for relief against oppression and mismanagement happening in a company having share capital:

- Minimum 125 or not less than 1/5th of the total number of members, whichever is more, or any member or members holding at least 1/5th of the issued share capital on which all the calls have been paid.
- Minimum 50 or not less than 1/10th of the total number of members, whichever is more, or any member or members holding at least 1/15th of the issued share capital on which all the calls have been paid.
- Minimum 75 or not less than 1/5th of the total number of members, whichever is less, or any member or members holding at least 1/20th of the issued share capital on which all the calls have been paid.
- Minimum 100 or not less than 1/10th of the total number of members, whichever is less, or any member or members holding at least 1/10th of the issued share capital on which all the calls have been paid.

Question 9: [Section: 241+ Worldwide Agencies Pvt Ltd] [ICAI Module Paper 4 Law MCQs]

For the past 5 years Mr. Rohtash was the holder 5,500 shares of Delta Software Solutions Ltd. which has issued share capital of Rs. 5,00,000 divided into 50,000 shares of Rs. 10 each. Mr. Rohtash was in the knowledge of some material changes that had taken place in Delta Software Solutions Ltd. and according to him they were prejudicial to the interest of members as well as the company. To contain the directors from continuing with unjustified changes, he wanted to make an application to the jurisdictional NCLT under Section 241 of the Companies Act, 2013. However, before Mr. Rohtash could proceed further and file the application with NCLT, he expired within one hour because of severe heart attack. Immediately thereafter, his only son Umang, a child specialist working in the Government Hospital, inherited his 5,500 shares. Is it possible for Umang to file an application with the jurisdictional NCLT highlighting the conduct of the affairs of the company in a manner which is prejudicial to the interest of members as well as the company Choose the correct option from those given below whether Umang can proceed further:

- Though Mr. Rohtash was eligible under Sec. 244 of the Cos. Act, 2013 to make an appln. to the jurisdictional NCLT but his son Umang cannot file the appln. because he has not yet completed six months as holder of the shares which he inherited after the death of his father Mr. Rohtash.
- Though Mr. Rohtash was eligible under Sec. 244 of the Cos Act, 2013 to make an appln. to the jurisdictional NCLT but his son Umang cannot file the appln. because he has not yet completed four months as holder of the shares which he inherited after the death of his father Mr. Rohtash.
- Though Mr. Rohtash was eligible under Sec. 244 of the Cos. Act, 2013 to make an appln. to the jurisdictional NCLT but his son Umang cannot file the appln. because he has not yet completed three months as holder of the shares which he inherited after death of his father Mr. Rohtash.
- Since Mr. Rohtash was eligible under Section 244 of the Companies Act, 2013 to make an application to the jurisdictional NCLT, his son Umang can also file the application because he has inherited the 5,500 shares after the death of his father Mr. Rohtash.

Q. No.	Answer	Q. No.	Answer
8.	(d)	9.	(d)

Question 10: [Section: 245] [ICAI Module Paper 4 Law MCQs]

The requisite members of Shukla Stationers Limited filed a class action suit to restrain the company from taking action contrary to a resolution passed by the company in the Extra-ordinary General Meeting (EGM). After following the due process of law, the NCLT passed an order restraining the company from taking action contrary to the resolution. Instead of complying with such order of NCLT, Shukla Stationers Limited took action which was contrary to the said resolution. From the following options, choose the one which indicates the fine that can be levied on Shukla Stationers Limited:

- a) Fine which shall not be less than Rs. 5 lakh but which may extend to Rs. 25 lakh.
- b) Fine which shall not be less than Rs. 1 lakh but which may extend to Rs. 5 lakh.
- c) Fine which shall not be less than Rs. 50,000 but which may extend to Rs. 5 lakh.
- d) Fine which shall not be less than Rs. 25,000 but which may extend to Rs. 1 lakh

Question 11: [Case Law: Thomas Veddon Vs Kuttanad Rubber Ltd] [ICAI Module Paper 4 Law MCQs]

Due to the impending recession, the profits of Super Star Car Manufacturers Limited nosedived considerably for the FY 2020-2021 and therefore, its Board of Directors did not recommend any dividend for the year. At the Annual General Meeting of Super Star Car Manufacturers Limited, a group of shareholders objected to the Board's decision of not recommending any dividend and coerced the directors to reverse such decision. On refusal by the Board, the disappointed members felt oppressed and filed a complaint with the NCLT against the action of the Board. In the given scenario, which option out of the four mentioned below, is the most appropriate:

- a) The contention of the shareholders shall be tenable.
- b) The action of the Board of Directors, not to recommend any dividend shall amount to oppression and mismanagement.
- c) The action of the Board of Directors who acted in the interest of the company by not recommending any dividend shall not amount to oppression and mismanagement.
- d) Both (a) and (b).

Question 12: [Category A] [Section 243] [ICAI Module Paper 4 Law MCQs]

The members of H Limited apply to the NCLT under section 241 of the Companies Act, 2013 on grounds of oppression and mismanagement by the Board of Directors. The NCLT passed an order removing the Managing Director of the Company, Mr. M. One year later, Mr. M is now a changed man and the Board of Directors want Mr. M back, as Manager of the company. The Board of Directors seek your expert opinion as to what they should do to get Mr. M appointed as the Manager of the Company. State your opinion, in light of the relevant provisions of the Companies Act, 2013.

- a) Mr. M cannot be appointed as the Manager of the company for a period of 5 years from the date of order of the NCLT and the only solution available in this regard to the Board is to wait for 4 more years.
- b) Mr. M can be appointed as Manager if the special approval of the CG is obtained.
- c) Mr. M can be appointed by way of making an application to the NCLT.
- d) None of the above.

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
10.	(a)	11.	(c)	12.	(d)

Question 1: [Section:288] [RTP MAY 2021]

What is the periodicity of submission of report by company liquidator with respect to the progress of winding up of the company to the Tribunal:

- (a) Monthly (b) Bi-monthly
(c) Quarterly (d) Half yearly

Question 2: [Section:278] [RTP MAY 2019]

Where a winding up order has been made all the property and effects of the company shall be deemed to be in the custody of _____ from the date of the order for the winding up of the company:

- (a) Company Liquidator (b) The Tribunal
(c) The Resolution Professional (d) The Insolvency Professional

Question 3: [Section:290] [MTP MAY 2023]

Saurabh, after winding up the affairs of Shobhna Plastics Limited in the capacity as company liquidator, made an application to the jurisdictional National Company Law Tribunal (NCLT), for its dissolution. Taking note of the dissolution application, NCLT proceeded to make an order that Shobhna Plastics Limited be dissolved from the date of the order. From the given options, choose the one that shall be applicable in the given situation

- (a) Within a period of fifteen days from the date of the order, NCLT shall forward a copy of the order to the Registrar and to Saurabh
(b) Within a period of thirty days from the date of the order, NCLT shall forward a copy of the order to the Registrar and also direct Saurabh to forward a copy of the order to the Registrar.
(c) Within a period of forty-five days from the date of the order, NCLT shall forward a copy of the order to the Registrar or direct Saurabh to forward a copy of the order to the Registrar.
(d) Within a period of thirty days from the date of the order, Saurabh shall forward a copy of the order to the Registrar.

Question 4: [Section:241] [MTP NOV 2022]

Accurate Arms and Ammunitions Ltd. is a company engaged in manufacturing of ultra -powered sophisticated guns. The company has tie-up arrangement of supply of 100% of its production to the Central Government. The production capacity and the actual number of guns manufactured is required to be shown to the Central Government. During the course of the audit, it was revealed that the company was actually manufacturing more guns whereas less quantity was being declared. The undeclared manufactured guns were being sold to a group of persons having connections with terrorist groups. On what ground the Central Government can make an application to the NCLT:

- (a) The company has mis-reported the count of the manufactured guns
(b) The manufacturing of the guns is against the public policy and only the Government owned company can manufacture the guns
(c) The company has acted against the interests of the sovereignty and integrity of India
The Company has supplied less number of guns to the Central Government

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
1.	(c)	2.	(b)	3.	(b)	4.	(c)

Question 5: [Section:326] [MTP MAY 2022]

The aggregate amount of dues to the secured creditors and workmen is Rs. 16,00,000 and collateral security given to the secured creditors is Rs. 4,00,000. The proportionate amount of workmen portion will be:

- (a) 10% (b) 20%
(c) 25% (d) 30%

Question 6: [Section:288] [MTP MAY 2021]

The Tribunal while passing an order of winding up of a company, for advising the company liquidator and to report to the Tribunal on winding up matters may direct for constitution of –

- (a) Audit committee
(b) Advisory committee
(c) Standing committee
(d) Liquidation committee

Question 7: [Section:328] [MTP MAY 2020]

Infra Ltd. was wined up by an order of Tribunal dated 10th March, 2019 by the Tribunal. The appointed official liquidator of the company noticed that the MD of the Infra Ltd. had sold certain properties belonging to the company to a Supra Pvt. Ltd. in which his brother was interested on 15th October, 2018. This caused loss to the Infra Ltd. to the extent of INR 60 lakhs. Examine the course of action, the official liquidator can take in this matter.

- (1) The official liquidator can recover the sale of assets of the company as per the Section 328 of the Companies Act, 2013
(2) The transaction made will be regarded as invalid and restore the position of the company.
(3) This transaction made will be regarded as valid as being made under ordinary course of its business.
- (a) Only statement (1) is correct
(b) Only statement (2) is correct
(c) Only statement (3) is correct
(d) Statements (1) & (2) are correct

Question 8: [Section:Rule 331] [MTP MAY 2020]

When can an application be made to Tribunal for constitution of a winding up committee to assist and monitor the progress of liquidation proceedings by the Company Liquidator in carrying out the function?

- (a) Within two weeks from the date of passing of winding up order
(b) Within three weeks from the date of passing of winding up order
(c) Within four weeks from the date of passing of winding up order
(d) None of the above

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
5.	(c)	6.	(b)	7.	(d)	8.	(b)

? **Question 9:** [Section:271] [ICAI BoS Portal]

Where a petition is presented on the ground that it is that the company should be wound up, the Tribunal may refuse to make an order of winding up, if it is of the opinion that some other remedy is available to the petitioners and that they are acting unreasonably in seeking to have the company wound up instead of pursuing the other remedy:

- (a) Just and Rational
- (b) Just and Appropriate
- (c) Just and Equitable
- (d) Just and Good

? **Question 10:** [Section:275] [ICAI BoS Portal]

The Company Liquidator, shall be appointed by from amongst the insolvency professionals registered under the Insolvency and Bankruptcy Code, 2016:

- (a) The Insolvency and Bankruptcy Board of India
- (b) The Tribunal
- (c) The Serious Fraud Investigation Office
- (d) The Registrar of Companies

? **Question 11:** [Section:272] [ICAI BoS Portal]

A company may, on a petition under section 272, be wound up by the Tribunal, if the company has made a default in filing with the Registrar its financial statements or annual returns for:

- (a) preceding three financial years
- (b) immediately preceding three consecutive financial years
- (c) preceding five financial years
- (d) immediately preceding five consecutive financial years

? **Question 12:** [Section:302] [ICAI BoS Portal]

Saurabh, after winding up the affairs of Shobhna Plastics Limited in the capacity as company liquidator, made an application to the jurisdictional National Company Law Tribunal (NCLT), for its dissolution. Taking note of the dissolution application, NCLT proceeded to make an order that Shobhna Plastics Limited be dissolved from the date of the order. From the given options, choose the one that shall be applicable in the given situation:

- (a) Within a period of fifteen days from the date of the order, NCLT shall forward a copy of the order to the Registrar and also direct Saurabh to forward a copy of the order to the Registrar.
- (b) Within a period of thirty days from the date of the order, NCLT shall forward a copy of the order to the Registrar and also direct Saurabh to forward a copy of the order to the Registrar.
- (c) Within a period of forty-five days from the date of the order, NCLT shall forward a copy of the order to the Registrar and also direct Saurabh to forward a copy of the order to the Registrar.
- (d) Within a period of fifteen days from the date of the order, Saurabh shall forward a copy of the order to the Registrar.

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
9.	(c)	10.	(b)	11.	(d)	12.	(b)

? **Question 13:** [Section:272] [ICAI BoS Portal]

A petition to the Tribunal for the winding up of a company cannot be presented by:

- (a) The company
- (b) Any contributory or contributories
- (c) the Chief Executive Officer
- (d) The Registrar

? **Question 14:** [Section:278] [ICAI BoS Portal]

Where a winding up order has been made all the property and effects of the company shall be deemed to be in the custody of _____ from the date of the order for the winding up of the company:

- (a) Company Liquidator
- (b) The Tribunal
- (c) The Resolution Professional
- (d) The Insolvency Professional

? **Question 15:** [Section:272] [ICAI BoS Portal]

Who cannot make a petition to the Tribunal for the winding up of a company:

- (a) The Registrar
- (b) Any person authorized by the Central Government
- (c) The Company itself
- (d) The Independent Director

? **Question 16:** [Section:272] [ICAI BoS Portal]

If the Registrar intends to file a petition for the winding up of any company, how he shall proceed:

- (a) The Registrar may suo-moto file a petition for the winding up of the company before the Tribunal
- (b) The Registrar shall obtain previous approval of the Central Government
- (c) The Registrar shall obtain previous approval of the concerned State Government in which the Registered Office of the company is situated
- (d) The Registrar shall obtain previous approval of the Revenue / Tax Authorities before filing the winding up petition before the Tribunal

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
13.	(c)	14.	(b)	15.	(d)	16.	(b)

Question 17: [Section:356] [ICAI BoS Portal]

ABC Limited was dissolved on January 1, 2020. After two years, on January 1, 2023, the Company creditor, Mr. Patel, applies to the Tribunal to declare the dissolution void. Mr. Patel, had an outstanding amount of Rs. 1 crore owed by ABC Limited. However, before the dissolution of ABC Limited, the company write off the outstanding amount in its books of accounts.

Requirement: Suggest your opinion, what will the Tribunal do as per the provision of the Companies Act, 2013 from amongst the given act:

- I. The Tribunal will makes an order declaring the dissolution to be void.
- II. Ask the Liquidator to forward a copy of the order, within thirty days from the date thereof, to the Registrar who shall record the same.
- III. Certified copy of the said order is to be filed by Mr. Patel.
- IV. The Tribunal will not grant the application.

Choose the correct option.

- (a) I and II
- (b) II and III
- (c) I, II and III
- (d) IV only

Question 18: [Section:281] [ICAI SPOM Module]

A petition of winding up was filed against Raman Technologies Ltd under Sec 272 of the Companies Act 2013. The Tribunal appointed a company liquidator and passed a winding up order on 20th of January 2023. As per the requirement of the Companies Act, 2013, state the correct statement with respect to submission of the Liquidator's report to the Tribunal:

- a) Liquidator shall submit its report to Tribunal within 30 days of its appointment by Tribunal.
- b) Liquidator shall submit its report to Tribunal within 45 days from winding up order.
- c) Liquidator shall submit its report to Tribunal within 60 days from winding up order.
- d) Liquidator shall submit its report to Tribunal within 90 days of its appointment by Tribunal

Question 19: [Section 278] [ICAI SPOM Module]

The order for the winding up of a company shall operate in favour of:

- a) All contributories of the company
- b) All the creditors of the company
- c) All the contributories and the creditors of the company
- d) The Central/State Governmen

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
17.	(d)	18.	(c)	19.	(c)

Question 20: [Section:275] [Section 275] [ICAI SPOM Module]

Mr. Raghav was appointed as Provisional Liquidator for X Ltd. against which an application for winding up was filed before the Tribunal. It is noteworthy that Mr. Raghav was having a shareholding in the same company. Enumerate the legal position of Mr. Raghav in the said condition in the light of the provisions related to its appointment in X Ltd. as per the Companies Act, 2013:

- Mr. Raghav cannot be appointed in X Ltd. because of having a shareholding in the same co.
- Mr. Raghav can be appointed in X Ltd. irrespective of his interest in the company because of his prior shareholding in the company before appointment.
- Mr. Raghav can be appointed in X Ltd. with the prior intimation to the Tribunal.
- Mr. Raghav can be appointed in X Ltd. by disclosing his shareholding by filing of declaration within 7 days from the date of his appointment by the Tribuna

Question 21: [Section:281] [Section 276] [ICAI SPOM Module]

State, which amongst the following grounds, is incorrect for removal of the Provisional Liquidator or the Company Liquidator, as liquidator of the company:

- Independent working having no conflict of interest.
- Professional incompetence or failure to exercise due care and diligence in performance of the powers and functions
- Misconduct
- Fraud or misfeasance

Question 22: [Section:287] [Section 288] [ICAI SPOM Module]

The Periodical reports made by the Company Liquidator to the Tribunal with respect to the progress of the winding up, to be submitted at the end of each .., may be reviewed by . on an appln. by ..

- Quarter, Tribunal, Central Government
- Half Year, Tribunal, Company Liquidator
- Financial Year, Advisory Committee, Tribunal
- Quarter, Tribunal, Company Liquidator

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
20.	(d)	21.	(a)	22.	(d)

? **Question 1:** [Section:455] [RTP NOV 2023]

Bhola Ltd. is a company that was registered on 1st January, 2015. However, the company has not been carrying on any business or operation since the financial year ending on 31st March, 2021. The Registrar is of view, that if a company does not carry on any business or operation and has not applied for obtaining the status of a dormant company, he has the right to issue a notice to the company and all its directors regarding the intention to remove the company's name from the register of companies. Hence, the Registrar issued the so called notice on 21st February, 2023.

Requirement: Choose the correct option, as regards issue of notice to the Bhola Ltd.

- (a) The Registrar need to issue such notice only after financial year ending on 31 st March 2023.
- (b) The Registrar need to issue such notice within thirty days, after FY ending on 31st March 2021.
- (c) The Registrar can issue such notice immediately after the FY ending on 31st March 2021.
- (d) The Registrar can issue such notice within ninety days, after the FY ending on 31st March 2022.

? **Question 2:** [RTP MAY 2023]

State the primary legislations amongst the following that deals with alternate methods of dispute resolution:

- (a) The Code of Civil Procedure, 1908
- (b) Arbitration
- (c) Lok Adalat
- (d) Judicial settlement.

? **Question 3:** [Section:406] [RTP NOV 2021]

Pankaj Nidhi Limited, incorporated under section 406 of the Companies Act, 2013. Pankaj Nidhi Limited wants to enter into an agreement for acquiring another company by purchase of its securities. Now the management of the Pankaj Nidhi Limited is in dilemma with respect to the requirement of entering into such an agreement. Pankaj Nidhi Limited approached you to provide with the best course of action considering the provisions of the Companies Act, 2013.

- (a) As per the Nidhi Rules, 2014, Nidhi company can enter into an agreement for acquiring other company by purchase of its securities provided the Nidhi company has passed a special resolution in its general meeting or have obtained the previous approval of the Regional Director having jurisdiction over such Nidhi.
- (b) As per the Nidhi Rules, 2014, Nidhi company can enter into an agreement for acquiring other company by purchase of its securities provided the Nidhi company has passed a special resolution in its general meeting and also obtained the previous approval of the Regional Director having jurisdiction over such Nidhi.
- (c) As per the Nidhi Rules, 2014, Nidhi company can enter into an agreement for acquiring other company by purchase of its securities provided the Nidhi company has passed a special resolution in its general meeting and have obtained the previous approval of the Registrar of Companies (Roc) having jurisdiction over such Nidhi.
- (d) As per the Nidhi Rules, 2014, Nidhi company can enter into an agreement for acquiring other company by purchase of its securities provided the Nidhi company has passed a special resolution in its general meeting or have obtained the previous approval of the Registrar of Companies (Roc) having jurisdiction over such Nidhi.

Answer- (b) (Ch-8 Miscellaneous Provisions)

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
1.	(a)	2.	(a)	3.	(b)

- Question 7:** [MTP MAY 2022]
- The cooling period for re-appointment of a registered valuer for a company is-
- (a) 1 year
 - (b) 2 year
 - (c) 3 years
 - (d) No period has been prescribed in section 247 of the Companies Act, 2013

- Question 8:** [Section:247] [MTP MAY 2022]
- Which among the following is NOT the eligibility criteria for appointment of a registered valuer:
- (a) The person has passed the valuation examination conducted by the IBBI
 - (b) The person is a valuer member of Registered Valuers Organisation (RVO)
 - (c) The person has been recommended by the RVO for registration as a valuer
 - (d) The person has been levied a penalty under section 271J of the Income-tax Act, 1961.

- Question 9:** [Section:247] [MTP NOV 2021]
- The Board of Directors of Highlight Ltd. proposes to appoint Mr. Bright, as the valuer for carrying out valuation of the immovable property pertaining to the company. He was having a post-graduate degree from a recognized University in India. State on the validity of appointment of Mr. Bright as valuer as per provisions of the Companies Act, 2013.
- (a) Appointment of Mr. Bright is valid as he is appointed by Board of Directors of Highlighted Ltd.
 - (b) Appointment of Mr. Bright is valid as he fulfills the eligibilities requirement.
 - (c) Appointment of Mr. Bright is invalid as he does not fulfills the eligibilities requirements.
 - (d) Appointment of Mr. Bright is invalid due no experience defined

- Question 10:** [Section:406] [MTP MAY 2021]
- Best Nidhi Limited has been incorporated on 01/04/2020 as a Nidhi Company under section 406 of the Companies Act, 2013 with 250 members. Its main object is to accept deposits from members and lend loans to members for the mutual benefit of the members. It also provides locker facilities to members. For FY 2020-2021, the income of the company (before deducting any expense) was Rs. 40,00,000. Expenses incurred during the year amounted to Rs.10,00,000. Calculate the maximum amount of rental income that could have been earned during the FY 2020-2021 by the company.
- (a) Rs. 10,00,000
 - (b) Rs. 7,50,000
 - (c) Rs. 8,00,000
 - (d) Rs. 6,00,000

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
7.	(d)	8.	(d)	9.	(c)	10.	(c)

Question 11: [Section:247] [MTP MAY 2021]

A valuer in a company will be appointed by the _____ or in its absence, by the _____ of that company.

- (a) Board of directors, Shareholders
- (b) Board of Directors, Audit committee
- (c) Shareholders, Audit committee
- (d) Audit Committee, Board of Directors

Question 12: [Section:455] [MTP MAY 2020]

The Registrar of Companies has reasonable cause to believe that XYZ Ltd, registered as 'dormant company' under his jurisdiction has been functioning. State course of action that can be taken by the Registrar against XYZ Ltd. –

- (a) Registrar may serve the notice stating that it is a dormant company and so cannot function, so all its acts will be considered as void.
- (b) Registrar may initiate proceedings thereby making the company and its officers liable to be punished for the functioning of the company under the status of dormant company.
- (c) Registrar may initiate enquiry and if found that XYZ Ltd. has actually been functioning, the Registrar may remove the name of such company from register of dormant companies and treat it as an active company
- (d) Registrar may initiate enquiry under section 206, if found to be functioning, for non compliance with the Companies Act, 2013.

Question 13: [Section:248] [MTP NOV 2019]

State the required majority in the case where a company wants to file an application to the registrar for removal of names of the company from the register of companies for its failure to commence its business within one year of its incorporation –

- (a) Required consent of fifty one per cent members holding shares in the company
- (b) Required consent of ninety per cent members holding shares in the company
- (c) Required consent of seventy-five per cent members present in the meeting approving for filing of an application for removal of names
- (d) Required consent of seventy-five per cent members in terms of paid-up share capital

Question 14: [Section:247] [MTP NOV 2019]

Where a valuer has been convicted, he shall be liable to

- (a) Refund of the remuneration received
- (b) Pay damages to the company and to any person bearing loss by incorrect or misleading statements of particulars made in his report
- (c) Both (a) & (b)
- (d) Only refund of remuneration to the company and no payment of damages to the company and to any person

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
11.	(d)	12.	(c)	13.	(d)	14.	(c)


Question 15: [Section:406] [ICAI BoS Portal]

After having registered their company Jwala Savings Nidhi Limited with jurisdictional Registrar of Companies, Gwalior, MP, on July 1, 2022, all the promoters being residents of Chhindwara, are interested in getting declared their company as a Nidhi. From the following options, choose the one which indicates the authority that will grant Jwala Savings Nidhi Limited the status of a Nidhi, if all formalities are completed:

- The Registrar of Companies, Gwalior is the authority which will grant Jwala Savings Nidhi Limited the status of a Nidhi, if all formalities are completed.
- The Regional Director, New Delhi is the authority which will grant Jwala Savings Nidhi Limited the status of a Nidhi, if all formalities are completed.
- The State Government of Madhya Pradesh is the authority which will grant Jwala Savings Nidhi Limited the status of a Nidhi, if all formalities are completed.
- The Central Government is the authority which will grant Jwala Savings Nidhi Limited the status of a Nidhi, if all formalities are completed.


Question 16: [Section:406] [ICAI BoS Portal]

Mr. High with his friends and relatives incorporated a Nidhi company under the name Dhan Laxmi Nidhi Limited, on 20th August, 2017. As on 31st March 2023, the paid-up share capital of Dhan Laxmi Nidhi Limited was Rs. 95,00,000 (9,50,000 equity shares of Rs. 10 each). Its deposits were to the extent of Rs. 315 crore with 12,000 members. The loans aggregated to Rs. 275 crore. Keeping in view the sufficiency of profits, the company declared a dividend of Rs. one per share. Requirement: Enumerate, how much the excess paid-up share capital Dhan Laxmi Nidhi Limited had when it started its operations in 2017 and what shall be maximum amount of dividend that Dhan Laxmi can declare for the Financial Year 2022-23.

- Dhan Laxmi Nidhi Limited had excess paid-up share capital of Rs. 75,00,000 when it started its operations and can declare maximum permitted dividend of two per share.
- Dhan Laxmi Nidhi Limited had excess paid-up share capital of Rs. 85,00,000 when it started its operations can declare maximum permitted dividend of Rs. two and fifty paise per share.
- Dhan Laxmi Nidhi Limited had excess paid-up share capital of Rs. 90,00,000 when it started its operations can declare maximum permitted dividend of Rs. three per share.
- Dhan Laxmi Nidhi Limited had excess paid-up share capital of Rs. 93,00,000 when it started its operations and as declared maximum permitted dividend of Rs. one per share, so it cannot declare dividend in excess of Rs. one per share.

Q. No.	Answer	Q. No.	Answer
15.	(d)	16.	(b)

Question 17: [Section:406] [ICAI BoS Portal]

Suhail Tripathi, Suresh Khanna and their close associates numbering twelve incorporated a joint stock company with an Authorised Capital of Rs. 25,00,000 (divided into 2,50,000 equity shares of Rs. 10 each) and paid-up capital of Rs. 14,00,000 on 4th May, 2022. The company is now in the process of finalizing the subsequent legal procedures for its notification in the Official Gazette by the Central Government. Which kind of a company Suhail Tripathi, Suresh Khanna and their close associates are intending to form?

- (a) They want to form a Private Limited Company.
- (b) They want to form a Public Limited Company.
- (c) They want to form a Nidhi Company.
- (d) They want to form a Holding Company.

Question 18: [Section:406] [ICAI BoS Portal]

Swarn Vikas Nidhi Limited has its Registered Office in Bhidhan Nagar, West Bengal with over two hundred and fifty members. The company has filed an application in the prescribed form with the specified authority for its declaration as Nidhi status. Maximum within how many days, the specified authority is required to convey its decision to Swarn Vikas Nidhi Limited:

- (a) Maximum within 30 days.
- (b) Maximum within 45 days.
- (c) Maximum within 60 days.
- (d) Maximum within 90 days.

Question 19: [Section:406] [ICAI BoS Portal]

Jitender, Jyot, Lovely, Jaspreet, Satinder, Satvinder and Maninder thought of uplifting the lower and middle-income group persons of Sangrur District in Punjab which led to the formation of Nanak Treasure Nidhi Limited on 22nd September, 2020 in Sangrur with an Authorised Capital of Rs. 50,00,000 and paid-up capital of Rs. 7,00,000. Having a good response from the local residents, after three months of its incorporation, Nanak Treasure Nidhi Limited persuaded two hundred seventy more members to join the Nidhi. By the end of six months, it had an addition of 64 members. At the end of ten months 98 more members joined. No new members joined in the last two months. How many excess members Nanak Treasure Nidhi Limited had in comparison to the minimum required as on 21st September, 2021:

- (a) Nanak Treasure Nidhi Limited had one hundred thirty-nine excess members in comparison to the minimum required as on 21st September, 2021.
- (b) Nanak Treasure Nidhi Limited had two hundred and thirty-nine excess members in comparison to the minimum required as on 21st September, 2021.
- (c) Nanak Treasure Nidhi Limited had one hundred eighty-nine excess members in comparison to the minimum required as on 21st September, 2021.
- (d) Nanak Treasure Nidhi Limited had thirty-nine excess members in comparison to the minimum required as on 21st September, 2021.

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
17.	(c)	18.	(b)	19.	(b)

? **Question 20:** [Section:406] [ICAI BoS Portal]

Swastik and Pratibha of Guna, Madhya Pradesh along with their close friends are planning to get a company registered with starting name as Swastik Pratibha. The company shall be a Nidhi company with an Authorised Capital of Rs. 20.00 lacs. Which of the following options is applicable in the given situation:

- (a) The company shall be registered by the name Swastik Pratibha Private Limited (Nidhi).
- (b) The company shall be registered as Swastik Pratibha Limited (Nidhi).
- (c) The company shall be registered as Swastik Pratibha (Nidhi) Private Limited.
- (d) The company shall be registered as Swastik Pratibha Nidhi Limited.

? **Question 21:** [Section:406] [ICAI BoS Portal]

Punya Dharohar Nidhi Limited was incorporated as a Nidhi company on 4th July 2022 with the Registrar of Companies, Mumbai, Maharashtra. The promoters, Manik, Nirmal and others are desirous of their company to be declared as a Nidhi company. Maximum within how many days the company shall apply to the specified authority from the date of its incorporation:

- (a) For declaring itself as Nidhi company, Punya Dharohar Nidhi Limited shall apply to the specified authority maximum within a period of 15 days from the date of its incorporation.
- (b) For declaring itself as Nidhi company, Punya Dharohar Nidhi Limited shall apply to the specified authority maximum within a period of 30 days from the date of its incorporation.
- (c) For declaring itself as Nidhi company, Punya Dharohar Nidhi Limited shall apply to the specified authority maximum within a period of 60 days from the date of its incorporation.
- (d) For declaring itself as Nidhi company, Punya Dharohar Nidhi Limited shall apply to the specified authority maximum within a period of 120 days from the date of its incorporation.

? **Question 22:** [Section:406] [ICAI BoS Portal]

Moonlite Care Nidhi Limited was incorporated on July 1, 2022. It made an application in the prescribed form to the specified authority for declaration of the company as a Nidhi on August 1, 2022 by fulfilling all the requisite formalities including payment of fee. The specified time limit got expired and no intimation was received from the specified authority as to granting of status as Nidhi. Choose the correct option from those given below as to what next step can be taken by the directors, Chandrakant, Chanda and Chander:

- (a) The directors can seek information from the jurisdictional Registrar of Companies regarding the status of the application.
- (b) The directors can seek information from the Regional Director, New Delhi regarding the status of the application.
- (c) The application shall be deemed as approved by the directors.
- (d) The directors can send a reminder to the specified authority for seeking information regarding the status of application.

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
20.	(d)	21.	(d)	22.	(c)

Question 23: [Section:406] [ICAI BoS Portal]

Rohtas has defaulted in repayment of loan instalments and interest on his borrowal account availed from Sapna Nidhi Limited. After how much time, his borrowal account shall be categorised as non-performing asset by Sapna Nidhi Limited, if the default continues. Choose the correct option from those given below:

- (a) The borrowal account of Rohtas shall be categorised as non-performing asset by Sapna Nidhi Limited, if the default continues for six months.
- (b) The borrowal account of Rohtas shall be categorised as non-performing asset by Sapna Nidhi Limited, if the default continues for nine months.
- (c) The borrowal account of Rohtas shall be categorised as non-performing asset by Sapna Nidhi Limited, if the default continues for twelve months.
- (d) The borrowal account of Rohtas shall be categorised as non-performing asset by Sapna Nidhi Limited, if the default continues for fifteen months.

Question 24: [Section:406] [ICAI BoS Portal]

Unnati Nidhi Limited which was incorporated on 05-04-2022, initially had one hundred members but this number was short of minimum stipulated number of members. Maximum within how much time period, this number of one hundred members must be raised by adding new members so that the minimum stipulated number of members is attained by Unnati Nidhi Limited:

- (a) The minimum stipulated number of members must be achieved by Unnati Nidhi Limited within a period of three months from the date of incorporation.
- (b) The minimum stipulated number of members must be achieved by Unnati Nidhi Limited within a period of six months from the date of incorporation.
- (c) The minimum stipulated number of members must be achieved by Unnati Nidhi Limited within a period of one year from the date of incorporation.
- (d) The minimum stipulated number of members must be achieved by Unnati Nidhi Limited within a period of two years from the date of incorporation.

Question 25: [Section:454] [ICAI BoS Portal]

Any person aggrieved by an order made by the adjudicating officer for adjudicating penalty may prefer an appeal to

_____ having jurisdiction in the matter:

- (a) The Registrar of Companies
- (b) The Regional Director
- (c) The Tribunal
- (d) the Appellate Tribunal

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
23.	(c)	24.	(c)	25.	(b)

? **Question 26:** [Section:406] [ICAI BoS Portal]

The Central Government proposed to issue a notification which provided that certain provisions of the Companies Act, 2013 either shall not apply or shall apply with such exceptions and modifications as may be specified in the said notification. It is required that draft copy of such proposed notification shall be laid before each House of Parliament, while it is in session. From the following four options, choose the one which correctly indicates the total period for which the proposed notification shall be laid before each House of Parliament:

- (a) The proposed notification shall be laid before each House of Parliament for a total period of ten days.
- (b) The proposed notification shall be laid before each House of Parliament for a total period of twenty days.
- (c) The proposed notification shall be laid before each House of Parliament for a total period of thirty days.
- (d) The proposed notification shall be laid before each House of Parliament for a total period of forty five days.

? **Question 27:** [Section:455] [ICAI BoS Portal]

Where a company is formed and registered under the Companies Act, 2013 for a future project or to hold an asset or intellectual property and has no significant accounting transaction, such a company may make an application to the Registrar for obtaining the status of:

- (a) An Unproductive Company
- (b) A dormant company
- (c) An Inoperative Company
- (d) A Dummy Company

? **Question 28:** [Section:406] [ICAI BoS Portal]

Dhan Bhandar Nidhi Limited having Registered Office in Gorakhpur District of Uttar Pradesh is applying to the specified authority for declaration as a Nidhi company. It is required to attach a declaration along with the application with regard to the fulfilment of fit and proper person criteria for its three directors namely, Lailt, Sohan and Vikas. Choose the suitable option from those stated below as to which attribute(s) of directors (ignoring the various disqualifications) are considered for fulfilling fit and proper person

- (a) Integrity of Lailt, Sohan and Vikas who are directors of Dhan Bhandar Nidhi Limited.
- (b) Honesty, ethical behaviour and reputation of Lailt, Sohan and Vikas who are directors of Dhan Bhandar Nidhi Limited.
- (c) Fairness and character of Lailt, Sohan and Vikas who are directors of Dhan Bhandar Nidhi Limited.
- (d) All of the above.

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
26.	(c)	27.	(b)	28.	(d)

? **Question 32:** [Section:247] [ICAI BoS Portal]

In a firm, if total numbers of partners are 5. Out of those 5 members, 2 members are eligible to be appointed as RV. Is such partnership firm eligible to apply for RV?

- a) No, lower of 3 partners or all partners should be eligible to become RV
- b) No, minimum 3 partners should be eligible to become RV
- c) Yes, minimum 3 partners should be eligible to become RV
- d) No, minimum 2/3rd of total partners should be eligible to become RV

? **Question 33:** [Section:406] [ICAI BoS Portal]

A Nidhi Limited is proposing to pay dividend to its members for the FY 22-23. What is the maximum dividend that it can give?

- a) 35% with approval of Central Government
- b) 20%
- c) 30% with approval of regional director
- d) 25%

? **Question 34:** [Section:406] [ICAI BoS Portal]

Mr. X, a member of Nidhi has taken a loan from Nidhi and on the date of loan, he was holding 1000 shares. After obtaining a loan, Mr. X wants to sell the shares. What is the maximum number of shares Mr. X can sell if the loan is subsisting?

- a) He can transfer maximum 500 shares
- b) He cannot transfer even 1 share
- c) He can transfer up to 900 shares
- d) He can transfer all the shares.

? **Question 35:** [ICAI BoS Portal]

A Ltd. was amalgamated into AB Ltd. The latter company AB Ltd. had held 100% shares in AC Ltd. Both AB Ltd. and AC Ltd. held 10,000 shares in A Ltd. before the amalgamation took place. A Ltd. had total 1,00,000 issued shares before amalgamation and 70,000 shares therein were held by B Ltd. which also later became shareholder of AB Ltd. under amalgamation. But the shareholders apart from B Ltd. (and excluding AB Ltd. and AC Ltd.) holding 10,000 shares did not become shareholders in the new AB Ltd. Assuming all other conditions for amalgamation in the 'nature of merger' are fulfilled, would this be:

- a) Amalgamation in the 'Nature of Merger'.
- b) Amalgamation in the 'Nature of Purchase'.
- c) Both of these.
- d) None of these.

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
32.	(b)	33.	(d)	34.	(a)	35.	(b)

Question 36: [ICAI BoS Portal]

B. Real Estate Developers Limited was demerged to B. Reality Constructions and Developers Limited and B. Real Estate Developers Limited. Choose the correct option from those given below as to what type of demerger is this:

- a) Total demerger.
- b) Partial demerger.
- c) Internal reconstruction.
- d) Demerger in the 'nature of purchase'.

Question 37: [Section: 392] [ICAI Module Paper 4 Law MCQs]

Morgen Stern Digi Cables GmbH incorporated in Berlin, Germany, established a place of business at Mumbai to conduct its business of data interchange and other digital supply transactions online. However, Morgen Stern Digi Cables GmbH failed to deliver certain documents to the jurisdictional RoC within the prescribed time period in compliance with the respective statutory provisions. Which option, out of the four given below, shall correctly indicate the amount of fine with which Morgen Stern Digi Cables GmbH shall be punishable for its failure to deliver certain documents:

- a) Fine which shall not be less than 50,000 rupees but which may extend to 5,00,000 rupees and in the case of a continuing offence, with an additional fine upto 25,000 rupees for every day after the first during which the contravention continues.
- b) Fine which shall not be less than 1,00,000 rupees but which may extend to 5,00,000 rupees and in the case of a continuing offence, with an additional fine upto 20,000 rupees for every day after the first during which the contravention continues.
- c) Fine which shall not be less than 2,00,000 rupees but which may extend to 5,00,000 rupees and in the case of a continuing offence, with an additional fine upto 50,000 rupees for every day after the first during which the contravention continues.
- d) Fine which shall not be less than 1,00,000 rupees but which may extend to 3,00,000 rupees and in the case of a continuing offence, with an additional fine upto 50,000 rupees for every day after the first during which the contravention continues.

Question 38: [Section:380] [ICAI Module Paper 4 Law MCQs]

Fam Software Company Inc., a company incorporated in Australia, proposes to establish a place of business at Mumbai. The list of the Directors includes (i) Mr. Arjun – Managing Director, (ii) Mr. Ranveer – Director, (iii) Mr. Ramesh Malik – Director and (iv) Mr. Arbaaz – Director. Ms. Lavina has been appointed as the Secretary of Fam Software Company Inc. It is to be noted that Mr. Ramesh Malik and Mr. Arbaaz, resident in India, are the persons who have been authorised by Fam Software Company Inc. to accept on behalf of the company service of process, notices or other documents required to be served on Fam Software Company Inc. In relation to the company's establishment, you are required to enlighten the Fam Company Inc. with respect to whose, a declaration will be required to be submitted to the RoC by Fam Software Company Inc. for not being convicted or debarred from formation of companies in or outside India.

- a) Mr. Arjun, Mr. Ranveer, Mr. Ramesh Malik, Mr. Arbaaz and Ms. Lavina.
- b) Mr. Arjun, Mr. Ramesh Malik, Mr. Arbaaz and Ms. Lavina.
- c) Mr. Ramesh Malik and Mr. Arbaaz.
- d) Mr. Arjun, Mr. Ranveer, Mr. Ramesh Malik and Mr. Arbaaz.

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
36.	(b)	37.	(d)	38.	(d)

? **Question 39:** [Section:387] [ICAI Module Paper 4 Law MCQs]

Towering Mobiles Ltd., a company incorporated in Indonesia, proposes to establish a place of business in India through electronic mode. Towering Mobiles Ltd. issued prospectus to the citizens of India for subscription of its securities. The company has been into the business for more than 3 years since it received the commencement of business certificate. What should the prospectus issued by Towering Mobiles Ltd. include in addition to (i) date and signature on the prospectus; (ii) the instrument defining the constitution of company; (iii) the enactment under which the company is incorporated; (iv) address in India where documents mentioned at (ii) and (iii) can be inspected:

- a) Date and country of incorporation of company.
- b) Address of principal office in India, if any.
- c) Disclosure of all such matters which are specified u/s 26 of the Companies Act, 2013.
- d) All of the above.

? **Question 40:** [Section: 455] [ICAI Module Paper 4 Law MCQs]

Aakaar Solar Energy Private Limited was allowed the status of a 'dormant company' after a certificate to this effect was issued on 1st July 2021 by the Registrar of Companies, Delhi and Haryana. From the four options stated below, select the one which correctly indicates the latest date after which the RoC is empowered to initiate the process of striking off the name of the company if Aakaar Solar Energy continues to remain as a dormant company.

- a) The latest date after which the RoC is empowered to initiate the process of striking off the name of the company if Aakaar Solar Energy continues to remain as a dormant company shall be 30th June, 2022.
- b) The latest date after which the RoC is empowered to initiate the process of striking off the name of the company if Aakaar Solar Energy continues to remain as a dormant company shall be 30th June, 2023.
- c) The latest date after which the RoC is empowered to initiate the process of striking off the name of the company if Aakaar Solar Energy continues to remain as a dormant company shall be 30th June, 2024.
- d) The latest date after which the RoC is empowered to initiate the process of striking off the name of the company if Aakaar Solar Energy continues to remain as a dormant company shall be 30th June, 2026.

Q. No.	Answer	Q. No.	Answer
39.	(d)	40.	(d)

Question 41: [Section:455] [ICAI Module Paper 4 Law MCQs]

Nanny Marcons Private Limited was incorporated on 9th June, 2019. For the FY 2019-2020, it did not file its financial statements and annual returns. For the time being the company desires to be treated as 'inactive company' since it does not intend to carry on any business permitted by its Memorandum. Which of the following options correctly indicates as to when the RoC can issue certificate of status of dormant company to Nanny Marcons Private Limited on the basis of non-submission of financial statements if the company makes an application to the Registrar in this respect?

- The RoC can issue certificate of status of dormant company to Nanny Marcons Private Limited after non- submission of financial statements for the two FYs i.e., 2020-21 and 2021-22, if the company makes an application to the Registrar in this respect.
- The RoC can issue certificate of status of dormant company to Nanny Marcons Private Limited after non- submission of financial statements for the next FY i.e., 2020-21, if the company makes an application to the Registrar in this respect.
- The RoC can issue certificate of status of dormant company to Nanny Marcons Private Limited after non- submission of financial statements for the three FYs i.e., 2020-21, 2021-22 and 2022-23, if the company makes an application to the Registrar in this respect.
- The RoC can issue certificate of status of dormant company to Nanny Marcons Private Limited after non- submission of financial statements for the four FYs i.e. 2020-21, 2021- 22, 2022- 23 and 2023-24, if the company makes an application to the Registrar in this respect

Question 42: [Section:439] [ICAI Module Paper 4 Law MCQs]

Mr. Rudra Sampat, an employee of Rajeev SuperMart Limited, filed a complaint against the company for the illegal issue and transfer of securities before the Special Court. Choose the correct basis from the 4 bases given below on which the said complaint shall be rejected by the Special Court:

- The above offence of illegal issue and transfer of securities by Rajeev SuperMart Limited is a non-cognizable and therefore, it is out of the jurisdiction of the Special Court.
- Since the Court is barred to entertain a complaint relating to illegal issue and transfer of securities by Rajeev SuperMart Limited, it is out of the jurisdiction of the Special Court.
- Mr. Rudra Sampat, being an employee of Rajeev SuperMart Limited, is not a competent person to file a complaint against the company for an offence relating to illegal issue and transfer of securities.
- In respect of illegal issue and transfer of securities by Rajeev SuperMart Limited, a complaint can be filed before the Court by the Registrar of Companies, a shareholder or a member of the company, or a person authorised by the CG in that behalf.

Q. No.	Answer	Q. No.	Answer
41.	(b)	42.	(c)

? **Question 43:** [Section: 380] [ICAI Module Paper 4 Law MCQs]

Jackson Communications LLC, incorporated in Arizona, USA, has established a principal place of business at Kolkata, West Bengal. It is required to deliver requisite documents to the specified authority. You are required to select an appropriate option from the four given below which indicates the number of days within which such documents shall be delivered:

- a) Within 10 days of the establishment of a principal place of business in India
- b) Within 15 days of the establishment of a principal place of business in India
- c) Within 30 days of the establishment of a principal place of business in India
- d) Within 45 days of the establishment of a principal place of business in India

? **Question 44:** [Section:2(42)] [Foreign Co. Unique] [ICAI Module Paper 4 Law MCQs]

Modern Books Publishers plc., a company incorporated in United Kingdom (UK) has a wholly owned subsidiary by the name Beta Periodicals Limited whose Registered Office is situated at Mumbai and which is engaged in publishing scientific, technical and speciality magazines, periodicals and journals. Beta Periodicals Limited considers itself to be a foreign company since it is a wholly owned subsidiary of Modern Books Publishers plc. which is a foreign company. From the four options given below, you are required choose the one which appropriately indicates whether Beta Periodicals Limited can be considered as a foreign company

- a) Beta Periodicals Limited cannot be considered as a foreign company even if it is a wholly owned subsidiary of Modern Books Publishers plc. which is a foreign company.
- b) Beta Periodicals Limited shall be considered as a foreign company since it is a wholly owned subsidiary of Modern Books Publishers plc. which is a foreign company.
- c) Beta Periodicals Limited can be granted the status as a foreign company, if its holding company Modern Books Publishers plc. makes an application to the Regional Director having jurisdiction over New Delhi for considering its wholly owned subsidiary Beta Periodicals Limited a foreign co.
- d) Beta Periodicals Limited can be granted the status as a foreign company, if its holding company Modern Books Publishers plc. makes an application to the New Delhi Bench of National Company Law Tribunal for considering its wholly owned subsidiary Beta Periodicals Limited a foreign company

Q. No.	Answer	Q. No.	Answer
43.	(c)	44.	(a)

? **Question 45:** [Section:439 & 182] [ICAI Module Paper 4 Law MCQs]

Rhea Marketing and Consultants Limited, incorporated under the Companies Act, 2013, had made political contributions amounting to Rs 1,00,000 to a political party registered under section 29A of the Representation of the People Act, 1951. The statutory auditor of the company, while reviewing the donations made to the said political party, found that no proper board resolution authorizing the donation was made. Since there is contravention of the applicable provisions, it is imperative that the Directors of Rhea Marketing and Consultants Limited would liable to be punished with imprisonment upto six months and with fine up to five times the amount of contribution so made. You are required to choose the correct option which indicates the category under which offence committed by the Directors of the company will fall considering the applicable provisions of the Companies Act, 2013:

- a) Compoundable offence.
- b) Non-compoundable offence.
- c) Compoundable and cognizable offence.
- d) Non-compoundable and non-cognizable offence.

? **Question 46:** [Section:421] [ICAI Module Paper 4 Law MCQs]

With the consent of the parties involved, the Delhi Bench of NCLT passed an order on September 21, 2021 in respect of an application filed before it. Mr. Rohit, who received the order of NCLT on September 24, 2021, felt aggrieved by the said order and therefore, filed an appeal before the National Company Law Appellate Tribunal (NCLAT) on January 5, 2022 showing sufficient cause of delay for not filling the appeal within 45 days from the date of the order of NCLT or even within the extended period of 45 days. Choose the correct option from those given below as to whether the appeal is admissible before the National Company Law Appellate Tribunal (NCLAT) after showing the cause of delay in filing the appeal:

- a) Even after showing sufficient cause of delay in filing the appeal, Mr. Rohit's appeal can be admitted only upto the extended period of next 45 days after the expiry of first 45 days from the receipt of the order and the said extended period of time has already expired.
- b) Since NCLT passed the order with the consent of the parties involved, Mr. Rohit's appeal can be admitted by NCLAT within the initial 45 days because extended period of 45 days cannot be granted to him.
- c) Since Mr. Rohit has shown sufficient cause of delay for not filing the appeal within the extended period of 45 days after the expiry of first 45 days from the receipt of the order, his appeal can be admitted by NCLAT.
- d) Mr. Rohit's appeal cannot be admitted by NCLAT since the order was passed by the NCLT with the consent of the parties who filed the application before it.

Q. No.	Answer	Q. No.	Answer
45.	(d)	46.	(d)

Question 47: [Section:381] [ICAI Module Paper 4 Law MCQs]

5K Cosmetic Shop plc., a company incorporated in Switzerland, is involved in digital supply services through electronic mode, the server of which is located outside India. The company follows calendar year as its FY. Every year the company is required to prepare a balance sheet and profit and loss account. You are required to choose the correct timeline within which such documents shall be filed with the RoC considering the provisions of Chapter XXII of the Companies Act, 2013:

- a) Within a period of 30 days from the close of the FY of 5K Cosmetic Shop plc.
- b) Within a period of 3 months from the close of the FY of 5K Cosmetic Shop plc.
- c) Within a period of 60 days from the close of the FY of 5K Cosmetic Shop plc.
- d) Within a period of 6 months from the close of the FY of 5K Cosmetic Shop plc.

Question 48: [Section: 442] [ICAI Module Paper 4 Law MCQs]

The RoC, Mumbai, moved an application under Section 272 of the Companies Act, 2013 to the NCLT for winding-up of the Isabella Gymnasium Products Limited. During the pendency of the winding-up application, the NCLT, considering the best interest of the parties to the application, suo motu is desirous of referring the matter of the proceedings pending before it to the Mediation and Conciliation Panel formed under Section 442 of the Companies Act, 2013. You are required to select the correct option from the four given below whether NCLT can, suo motu, refer the proceedings pending before it to the Mediation and Conciliation Panel:

- a) The NCLT is empowered to refer, suo motu, any matter pertaining to above stated proceedings to the Mediation and Conciliation Panel.
- b) The NCLT cannot, suo motu, refer any matter pertaining to above stated proceedings to the Mediation and Conciliation Panel as only CG is empowered to take such action.
- c) The NCLT cannot, suo moto, refer any matter pertaining to above stated proceedings to the Mediation and Conciliation Panel without first obtaining the consent of the parties to the proceedings.
- d) The NCLT shall refer any matter pertaining to above stated proceedings to the Mediation and Conciliation Panel only after obtaining prior approval of the CG in this behalf.

Q. No.	Answer	Q. No.	Answer
47.	(d)	48.	(a)

? **Question 49:** [Section:420] [ICAI Module Paper 4 Law MCQs]

Requisite number of shareholders of Vimaan Aerospace Limited, which has been incorporated under the Companies Act, 2013, filed an application with the NCLT under Section 241 highlighting the mismanagement in the conduct of the affairs of the company. Taking cognizance of the application, the NCLT passed an order under Section 420 on November 23, 2021, providing the sought-after relief to the shareholders of Vimaan Aerospace Limited. On finding some mistake in the order, the shareholders brought the same to the notice of NCLT for rectification. You are required to select the correct statement from those given below as to the circumstances under which NCLT would be able to amend its order and the maximum period which the said order can be amended:

- NCLT can amend its order to rectify any mistake apparent from the record when such mistake is brought to its notice by the parties and further, the order can be amended by NCLT at any time within a period of six months from the date of such order provided no appeal has been made against the said order.
- NCLT can amend its order to rectify any mistake apparent from the record when such mistake is brought to its notice by the parties and further, the order can be amended by NCLT at any time within a period of one year from the date of such order provided no appeal has been made against the said order.
- NCLT can amend its order to rectify any mistake apparent from the record when such mistake is brought to its notice by the parties and further, the order can be amended by NCLT at any time within a period of two years from the date of such order provided no appeal has been made against the said order.
- NCLT can amend its order to rectify any mistake apparent from the record when such mistake is brought to its notice by the parties and further, the order can be amended by NCLT at any time within a period of three years from the date of such order provided no appeal has been made against the said order.

? **Question 50:** [Section:271] [Winding up] [ICAI Module Paper 4 Law MCQs]

All the 4 directors of Rinkoo Toys Limited are not on the same pace in running the business operations of the company; rather they are more concerned in enhancing their own business interests. Due to this unhealthy phenomenon, the company has defaulted in filing with the jurisdictional Registrar its financial statements or annual returns. For how many consecutive years if the company defaults in filing its financial statements or annual returns that the Tribunal may order its winding up on a petition filed by the Registrar:

- If the co. defaults in filing its financial statements or annual returns for immediately preceding three consecutive FYs, the Tribunal may order its winding up on a petition filed by the Registrar.
- If the co. defaults in filing its financial statements or annual returns for immediately preceding five consecutive FYs, the Tribunal may order its winding up on a petition filed by the Registrar.
- If the co. defaults in filing its financial statements or annual returns for immediately preceding six consecutive FYs, the Tribunal may order its winding up on a petition filed by the Registrar.
- If the co. defaults in filing its financial statements or annual returns for immediately preceding seven consecutive FYs, the Tribunal may order its winding up on a petition filed by the Registrar.

Q. No.	Answer	Q. No.	Answer
49.	(c)	50.	(b)

Question 51: [Section: 2(42)] [ICAI Module Paper 4 Law MCQs]

Top Footwear Limited, incorporated in Singapore, established a principal place of business at Chennai. It seeks to deliver various documents to the specified authority. Choose the correct option from those given below as to the authority to which Top Footwear Limited is required to deliver such documents:

- Top Footwear Limited is required to deliver the relevant documents to the CG.
- Top Footwear Limited is required to deliver the relevant documents to the RoC having jurisdiction over New Delhi.
- Top Footwear Limited is required to deliver the relevant documents to the RoC having jurisdiction over Chennai.
- Top Footwear Limited is required to deliver the relevant documents to the NCLT, Chennai Bench.

Question 52: [Section: 2(42)] [ICAI Module Paper 4 Law MCQs]

Radix Healthcare Ltd., a company registered in Thailand, although has no place of business established in India, yet it is engaged in online business through remote delivery of healthcare services in India. Select the incorrect statement from those given below as to the nature of the Radix Healthcare Ltd. in the light of the applicable provisions of the Companies Act, 2013:

- Radix Healthcare Ltd. is not a foreign co. as it has no place of business established in India.
- Radix Healthcare Ltd. is a foreign co. being involved in business activity through telemedicine.
- Radix Healthcare Ltd. is a foreign company for conducting business through electronic mode.
- Radix Healthcare Ltd. is a foreign company as it conducts business activity in India.

Additional MCQs - Must Solve [From RTP and MTP – May'21, Dec'21 and May'22]

Question 53: [Section:277(6)] [Category B] [Winding Up] [ICAI Module Paper 4 Law MCQs]

What is the periodicity of submission of report by company liquidator with respect to the progress of winding up of the company to the Tribunal:

- Monthly
- Bi-monthly
- Quarterly
- Half yearly

Question 54: [SARFAESI] [Category A] [ICAI Module Paper 4 Law MCQs]

In the case of financing of a financial asset by more than one secured creditors, there secured creditor shall be entitled to exercise any of the rights conferred on him is agreed upon by the secured creditors representing in order to make such an action binding on all the secured creditors.

- Less 60% in value of the amount outstanding as on a record date
- Not less than 60% in value of the amount outstanding as on a record date
- At least 75% in value of the amount outstanding as on a record date
- Not less than 75% in value of the amount outstanding as on a record date

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
51.	(b)	52.	(a)	53.	(a)	54.	(b)

Question 55: [Section:381] [Category A] [Section:381] [ICAI Module Paper 4 Law MCQs]

X Ltd., a foreign company along with the financial statement of FY 2020-2021 of its Indian business operations have to file statement of related party transactions, repatriation of profits and statement of transfer of funds with the Registrar latest by:

- a) April 30,2021
- b) June 30,2021
- c) September 30, 2021
- d) December 31, 2021

Question 56: [Category B] [Mediation COA] [ICAI Module Paper 4 Law MCQs]

Mr. Rashtra, one of the parties to the proceedings applied to the Tribunal, for referring the matter pertaining to such proceedings to the Mediation and Conciliation Panel. The Mediation and Conciliation Panel shall dispose of the matter referred to it within a period of -----

- a) two months from the date of such reference
- b) three months from the date of such reference
- c) three months from the date applied to the Tribunal for reference
- d) Six months from the date of applied to Tribunal

Question 57: [Section:247] [Rule 6 of Companies (Registered Valuer and Valuation) Rules] [ICAI SPOM Module]

Within how many days authority will grant certificate of registration to the applicant to carry on the activities of a registered valuer?

- a) within 30 days of the receipt of appln., including the time given by the authority for presenting additional documents, information or clarification, or appearing in person, as the case may be.
- b) within 45 days of receipt of the application, including the time given by the authority for presenting additional documents, info. or clarification, or appearing in person, as the case may be.
- c) within 60 days of receipt of the application, excluding the time given by the authority for presenting additional documents, info. or clarification, or appearing in person, as the case may be.
- d) within 90 days of receipt of the application, excluding the time given by the authority for presenting additional documents, info. or clarification, or appearing in person, as the case may be.

Question 58: [Section:252] [ICAI SPOM Module]

A workman aggrieved by the company having its name struck off from the register of companies, applies to Tribunal for after 15 years of the publication of strikeoff of the name of the company in the gazette. Comment on the validity of filing of application by workman in the light of the companies Act, 2013:

- a) Workman is not eligible to file an appln. for restoration of name of the co. in the register of cos.
- b) Only Company is eligible to file an appln. for restoration of name of the company in the register of cos. but before expiry of 20 years of the notice from the publication in the Official Gazette.
- c) Workman is eligible to file an application for restoration of name of the company in the register of cos. but before expiry of 20 years of the notice from the publication in the Official Gazette.
- d) Company, member, creditor or a workman are eligible to file an application for restoration of name of the company in the register of companies but after expiry of 20 years of the notice from the publication in the Official Gazette.

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
55.	(c)	56.	(b)	57.	(c)	58.	(c)



Question 59:

Sarvpriya Dhan Nidhi Limited was incorporated on 10-04-2022 and at the time of incorporation it had total one hundred and ten members. How many members must be added within the stipulated period of time after incorporation so that Sarvpriya Dhan Nidhi Limited fulfills the requirement of reaching minimum number of members:

- (a) Sarvpriya Dhan Nidhi Limited must add forty more members within the stipulated period of time from the date of incorporation.
- (b) Sarvpriya Dhan Nidhi Limited must add sixty-five more members within the stipulated period of time from the date of incorporation.
- (c) Sarvpriya Dhan Nidhi Limited must add fifteen more members within the stipulated period of time from the date of incorporation.
- (d) Sarvpriya Dhan Nidhi Limited must add ninety more members within the stipulated period of time from the date of incorporation.



Question 60:

Save Money Nidhi Limited was incorporated on 2nd May, 2022 by Raghuveer, his six close relatives and others in Meerut, Uttar Pradesh with a view to provide financial help to lower and middle-income groups. After its incorporation, the company is required to apply to the specified authority for declaring it as a Nidhi. Maximum within how many days of its incorporation, Save Money Nidhi Limited should proceed in this respect:

- (a) Maximum within 45 days of its incorporation.
- (b) Maximum within 60 days of its incorporation.
- (c) Maximum within 120 days of its incorporation.
- (d) Maximum within 180 days of its incorporation.



Question 61:

With an Authorised Capital of Rs. 45,00,000 (divided into 4,50,000 equity shares of Rs. 10 each) and issued and paid-up capital of Rs. 25,00,000 (divided into 2,50,000 equity shares of Rs. 10 each), Amber Prabhat Nidhi Limited incorporated in 2018 at Balaghat, Madhya Pradesh by Loknath, Premnath and other trusted people, wants to issue a certain number of preference shares to its members. Being the Financial Advisor of Amber Prabhat Nidhi Limited, you are required to advise regarding the quantum of Preference shares which can issued to the members by choosing the correct option from those given below:

- (a) Amber Prabhat Nidhi Limited can issue Preference Shares equivalent to Authorised Equity Share Capital after carrying out due amendment in the Capital Clause.
- (b) Amber Prabhat Nidhi Limited cannot issue Preference Shares.
- (c) Amber Prabhat Nidhi Limited can issue Preference Shares upto fifty percent of the Authorised Equity Share Capital after carrying out due amendment in the Capital Clause.
- (d) Amber Prabhat Nidhi Limited can issue Preference Shares upto seventy five percent of the Authorised Equity Share Capital after carrying out due amendment in the Capital Clause.

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
59.	(d)	60.	(c)	61.	(b)

Question 1: [Section:420] [RTP NOV 2023]

ABC Limited was dissolved on January 1, 2020. After two years, on January 1, 2022, the company creditor, Mr. Patel, applies to the Tribunal to declare the dissolution void. Mr. Patel, had an outstanding amount of Rs. 1 crore owed by ABC Limited. However, before the dissolution of ABC Limited, the company write off the outstanding amount in its books of accounts.

Requirement: Suggest your opinion, what will the Tribunal do as per the provision of the Companies Act, 2013 from amongst the given act:

- I. The Tribunal will make an order declaring the dissolution to be void.
- II. Ask the Liquidator to forward a copy of the order, within thirty days from the date thereof, to the Registrar who shall record the same.
- III. Certified copy of the dissolution order is to be filed by Mr. Patel with the Registrar.
- IV. The Tribunal will not grant the application.

Choose the correct option.

- (a) I and II (b) II only (c) I and III (d) IV only

Question 2: [Section:420] [MTP NOV 2022]

Requisite number of shareholders of Vimaan Aerospace Limited, which has been incorporated under the Companies Act, 2013, filed an application with the National Company Law Tribunal (NCLT) under Section 241 highlighting the mismanagement in the conduct of the affairs of the company. Taking cognizance of the application, the National Company Law Tribunal (NCLT) passed an order under Section 420 on November 23, 2021, providing the sought after relief to the shareholders of Vimaan Aerospace Limited. On finding some mistake in the order, the shareholders brought the same to the notice of NCLT for rectification. You are required to select the correct statement from those given below as to the circumstances under which NCLT would be able to amend its order and the maximum period which the said order can be amended:

- (a) National Company Law Tribunal (NCLT) can amend its order to rectify any mistake apparent from the record when such mistake is brought to its notice by the parties and further, the order can be amended by NCLT at any time within a period of six months from the date of such order provided no appeal has been made against the said order.
- (b) National Company Law Tribunal (NCLT) can amend its order to rectify any mistake apparent from the record when such mistake is brought to its notice by the parties and further, the order can be amended by NCLT at any time within a period of one year from the date of such order provided no appeal has been made against the said order.
- (c) National Company Law Tribunal (NCLT) can amend its order to rectify any mistake apparent from the record when such mistake is brought to its notice by the parties and further, the order can be amended by NCLT at any time within a period of two years from the date of such order provided no appeal has been made against the said order.
- (d) National Company Law Tribunal (NCLT) can amend its order to rectify any mistake apparent from the record when such mistake is brought to its notice by the parties and further, the order can be amended by NCLT at any time within a period of three years from the date of such order provided no appeal has been made against the said order.

Q. No.	Answer	Q. No.	Answer
1.	(d)	2.	(c)

Question 3: [Section:422] [MTP NOV 2022]

As per the Companies Act, 2013, every petition filed before the Tribunal shall be disposed of:

- (a) Within 1 month from the date application is admitted
- (b) within 2 months from the date of first hearing
- (c) within 3 months from the date of its presentation
- (d) within 6 months from its filing

Question 4: [Section:436] [MTP NOV 2022]

Trial of an offence under the Companies Act, by special court shall be of such an offence:

- (a) which is punishable with imprisonment for a term exceeding one year
- (b) which is punishable with imprisonment for a term not exceeding one year
- (c) which is punishable with imprisonment for a term exceeding three years
- (d) which is punishable with imprisonment for a term not exceeding three years

Question 5: [Section:252] [MTP NOV 2022]

Who amongst the following may file an application for the restoration of the name of the company in the register of company and within the period of:

- (a) The Company itself and within 2 years from the date of passing of the order dissolving the co.
- (b) The authorised officials of the company and within 2 years from the date of passing of the order dissolving the company
- (c) NCLT and within 3 years from the date of passing of the order dissolving the company
- (d) Registrar and within 3 years from the date of passing of the order dissolving the company

Question 6: [Section:435] [MTP MAY 2022]

The Central Government may, for the purpose of providing speedy trial of offences punishable under the Companies Act, 2013 with imprisonment of two years or more offences under this Act, by notification, establish or designate:

- (a) not more than one special court in that jurisdiction where offence took place.
- (b) Atleast 2 special courts court in that jurisdiction where offence took place
- (c) as many Special Courts as may be necessary
- (d) District and Session court in that jurisdiction where offence took place

Question 7: [Section: 454] [MTP MAY 2022]

The Adjudicating Officers for adjudicating penalty under the provisions of the Companies Act, 2013 is appointed by:

- (a) The Central Government
- (b) The Registrar
- (c) Chief Justice of India
- (d) The Regional Director

Question 8: [Section:4385] [ICAI BoS Portal]

The provisions of _____ shall apply to the proceedings before a Special Court:

- (a) The Code of Civil Procedure, 1908
- (b) The Code of Criminal Procedure, 1973
- (c) The Indian Penal Code, 1860
- (d) The Companies Act, 2013

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer	Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
3.	(c)	4.	(d)	5.	(d)	6.	(c)	7.	(a)	8.	(b)

? **Question 9:** [Section:454A] [MTP MAY 2021]

State whether, Mr. R, the director of Roma Ltd. who is already been subjected to a penalty for default under the Companies Act, 2013, repeats such default, shall be liable for subsequent defaults –

- (a) No
- (b) Yes, if default is committed with in period of 1 year from the date of commission of first default.
- (c) Yes, if default is committed with in period of 1 year from the date of order passed by NCLT
- (d) Yes, if default is committed with in period of 3 years from the date of order imposing such penalty passed by the Adjudicating officer.

? **Question 10:** [Section:422] [MTP MAY 2022]

Business of Rozgar Ltd. is not been conducted and managed by directors in accordance with sound business practices. On account of that shareholders of Company referred the same to the Tribunal on 15th September 2021 with a request to the Tribunal to inquire into the case and take action against the director of company. The Tribunal has, after making proper inquiry, passed the order against the directors on 16th March 2022. Comment which is the correct statement as regards the validity of the order passed by the Tribunal.

- (a) In the given case order passed is valid, as Tribunal have to pass an order within 3 month from date of application and if not possible in 3 month, then further extension (on valid reason) by 90 days i.e., on 16th March, 2022.
- (b) In the given case order passed is not valid, as Tribunal have to pass order within 3 month from date of application, and if not possible in 3 month, then extension may be possible (if valid reason) for further 90 days i.e., latest by 15th March, 2022.
- (c) In the given case order passed is not valid, as Tribunal have to pass order within 3 month from date of application and if not possible in 3 month then extension may be possible (if valid reason) for further 30 days i.e., latest by 14th January, 2022.
- (d) In the given case order passed is not valid, as Tribunal have to pass order within 3 month from date of application and if not possible in 3 month then extension may be possible (if valid reason) for further 60 days i.e., latest by 13th February, 2022.

? **Question 11:** [MTP NOV 2019]

Adjudicating authority received a complaint against Mr. R for being involved in activities connected to the proceeds of crime due to his unlawful association. On the basis of available evidence, Adjudicating authority called Mr. R to give details of his sources of income, earning or assets etc. The notice period of summoning to Mr. R will be –

- (a) not less than fifteen days
- (b) less than thirty days
- (c) not less than thirty days
- (d) sixty

? **Question 12:** [ICAI BoS Portal]

All offences specified under section 435(1) shall be triable by:

- (a) The National Company Law Tribunal
- (b) The Special Court
- (c) The Civil Court
- (d) The Criminal Court

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
9.	(d)	10.	(b)	11.	(c)	12.	(b)

? **Question 13:** [Section:CrPC 320] [ICAI BoS Portal]

The offences where the complainant enters into a compromise and agrees to have the charges dropped against the accused, is called as:

- (a) Compoundable Offences (b) Non-Compoundable Offences
(c) Bailable Offences (d) Non-Bailable Offences

? **Question 14:** [Section:CrPC 320] [ICAI BoS Portal]

Which of the following is non-compoundable offence:

- (a) Penalty of fine only (b) penalty of fine or imprisonment
(c) Penalty of imprisonment or fine or with both (d) Penalty of imprisonment only

? **Question 15:** [ICAI BoS Portal]

The National Company Law Appellate Tribunal shall not hear the appeals against the order of:

- (a) The National Company Law Tribunal
(b) the National Financial Reporting Authority
(c) The District Order
(d) Order referred to in Section 53A of The Competition Act, 2002

? **Question 16:** [Section: 421] [ICAI SPOM Module]

Makhija Developers Limited, being unsatisfied with the order given by the NCLT, desires to prefer an appeal against the order of the NCLT. You, as a legal advisor to Makhija Developers Limited, are required to provide them with the best course of action available considering the provisions of the Companies Act, 2013.

- (a) Makhija Developers Ltd. cannot prefer an appeal against an order passed by NCLT Mumbai u/s 9 of the Insolvency and Bankruptcy Code as Interim Resolution Professional is already appointed.
(b) Makhija Developers Ltd. may be able to prefer an appeal against the order passed by NCLT Mumbai within a period of 45 days from the date of order of copy made available to Makhija Developers Limited.
(c) Makhija Developers Ltd. cannot prefer an appeal against an order passed by NCLT Mumbai u/s 9 of the Insolvency and Bankruptcy Code as reasonable opportunity of being heard was given to Makhija Developers Limited.
(d) Makhija Developers Limited may be able to prefer an appeal against the order passed by NCLT Mumbai within a period of 60 days from the date of order of copy made available to Makhija Developers Limited.

? **Question 17:**

Where a company having already been subjected to penalty for default under any provisions of the Companies Act, 2013 again commits such default within a period of _____ from the date of order imposing such penalty passed by the adjudicating officer it shall be liable for the second or subsequent defaults for an amount equal to twice the amount of penalty provided for such default under the relevant provisions of this Act:

- (a) One year (b) Two years (c) Three years (d) Four years

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
13.	(a)	14.	(d)	15.	(c)	16.	(b)	17.	(c)


Question 1: [ICAI BoS Portal]

The nomenclature MCA21 reflects

- (a) that the portal contains 21 e-Forms to be filed electronically by a company during any financial year.
- (b) that it is linked with Section 21 of the Companies Act, 2013.
- (c) that MCA is capable of fulfilling the aspirations of its stakeholders in the 21st century.
- (d) that it contains 21 standardised features.


Question 2: [ICAI BoS Portal]

SRN stands for:

- (a) Service Request Notice
- (b) Service Reporting Number
- (c) Signature Request Notice
- (d) Service Request Number


Question 3: [ICAI BoS Portal]

Apoorva Medicines Limited shall be required to file financial statements through XBRL:

- (a) If it has a paid-up capital of Rs. 5 crores and above.
- (b) If it has a turnover of Rs. 75 crores and above.
- (c) Both (a) and (b).
- (d) Neither (a) nor (b).


Question 4: [ICAI BoS Portal]

Electronic form for the specified purposes shall be:

- (a) exclusive, or in the alternative or in addition to the physical form.
- (b) inclusive, or in the alternative or in addition to the physical form.
- (c) extensible or in the alternative or in addition to the physical form.
- (d) inclusive, or in the alternative or complementary to the physical form.


Question 5: [ICAI BoS Portal]

XBRL stands for:

- (a) eXtension Business Reporting Language
- (b) eXtensible Business Reporting Language
- (c) eXclusive Business Reporting Language
- (d) eXtended Business Reporting Language

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
1.	(c)	2.	(d)	3.	(a)	4.	(a)	5.	(b)

? **Question 1:** [Section:11(4)] [RTP NOV 2023]

ABC Corporation, a listed public company is engaged in the manufacturing sector. The company's shares are traded on a recognized stock exchange. The Securities and Exchange Board of India (SEBI), the regulatory authority for securities markets, receives credible information suggesting the involvement of certain key executives of ABC Corporation in insider trading activities. Based on the provisions of the Act, which amongst the stated measure can SEBI undertake, during the investigation:

- I. SEBI can suspend the trading of ABC Corporation's shares on the recognized stock exchange.
 - II. SEBI can impound and retain the proceeds or securities related to the insider trading transactions.
 - III. SEBI can attach the bank accounts of the intermediary & executives involved in insider trading for a period of two month.
 - IV. SEBI can suspend the office bearer of ABC Corporation's involved in insider trading. Choose the correct option-
- (a) I only
 - (b) I & II
 - (c) I, II & III
 - (d) I, II & IV

? **Question 2:** [LODR Quarterly Compliances] [RTP MAY 2023]

W Ltd. made the following compliances for the June 2022 quarter, as required by SEBI(LODR) Regulations, 2015 :-

- (1) It submitted its unaudited quarterly financial statements to the recognised stock exchange on 31st July, 2022.
 - (2) It submitted its quarterly compliance report on corporate governance on 10th July, 2022.
- What shall be the last date of submission of quarterly financial statements to the stock exchange for W Ltd., in case W Ltd. was not able to submit the same on 31st July, 2022, and whether it can be submitted in unaudited form also?
- (a) 15th August, 2022 and no, it needs to be submitted in audited form.
 - (b) 31st August, 2022 and yes, it can be submitted in unaudited form.
 - (c) 31st July, 2022 and no, it needs to be submitted in audited form.
 - (d) 15th August, 2022 and yes, it can be submitted in unaudited form. -

Q. No.	Answer	Q. No.	Answer
1.	(b)	2.	(d)

Question 3: [LODR Quarterly Compliances] [RTP MAY 2022]

Akshara Builders and Developers Ltd., a company listed on BSE Limited, is contemplating upper revision in the rate of interest of its existing 12% bonds by 1% so as to make them 13% bonds with effect from August 14, 2021. The said proposal is to be laid before the Board of Directors at a Board Meeting to be held on July 14, 2021. From the following options, choose the one which correctly indicates the latest date by which Akshara Builders and Developers Ltd. is required to intimate the BSE Limited about the Board Meeting where increase in rate of interest is being considered, keeping in view the Regulation 29 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- (a) Akshara Builders and Developers Ltd. is required to intimate BSE Limited about the Board Meeting, where increase in rate of interest is being considered, latest by July 1, 2021.
- (b) Akshara Builders and Developers Ltd. is required to intimate BSE Limited about the Board Meeting, where increase in rate of interest is being considered, latest by July 3, 2021.
- (c) Akshara Builders and Developers Ltd. is required to intimate BSE Limited about the Board Meeting, where increase in rate of interest is being considered, latest by July 5, 2021.
- (d) Akshara Builders and Developers Ltd. is required to intimate BSE Limited about the Board Meeting, where increase in rate of interest is being considered, latest by July 7, 2021.

Question 4: [LODR Quarterly Compliances] [RTP MAY 2019]

X Limited is a listed company which provided the grievance position of the investors' complaints for the financial year 2022-2023.

Referring to the applicable Regulation made under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, state within how many days X Limited is required to file a statement giving the status relating to Quarter 4 of the financial year 2022-2023 as to the investors complaints-

- (a) It has to file the detailed status as to the investors complaints, by 30th day of April, 2023.
- (b) It has to file the detailed status as to the investors complaints for the financial year 2022-2023 within 3 months from the end of the financial year.
- (c) It has to file the detailed status as to the investors complaints relating to the each Quarter of the financial year 2022-2023 within 15th day of the next quarter, hence for quarter 4 by 15th day of April, 2023.
- (d) It has to file the detailed status as to the investors complaints relating to Quarter 4 of the financial year 2022-2023 within 21st day of April, 2023.

Q. No.	Answer	Q. No.	Answer
3.	(b)	4.	(d)

Question 5: [Section:15G (SEBI)] [ICAI Module Paper 4 Law MCQs]

Aayush, Bipin, Caroll & Co., a firm of CAs, was appointed as statutory auditor of Ruchika Flavours Limited, a listed company, for FY 2019-20. Mr. Bipin is the engaging partner of the said audit with a team of 15 members. While conducting audit of the financial statements of Ruchika Flavours Limited, 2 members of Mr. Bipin's team, who are CAs, passed the info. to their friends and relatives disclosing that profits of Ruchika Flavours Limited for this year are up by 25% in comparison to the previous FY. At the time of passing the info., it was not available in the public domain through the company. Certain persons who were in possession of this info., purchased the shares of Ruchika Flavours Limited at a low price. After the audited financials came into public domain, the market price of the shares increased sharply and they made profit by selling those shares. You are required to select the correct option which indicates whether it is a case of insider trading or not and if it is a case of insider trading then the quantum of penalty that can be levied under the SEBI, 1992.

- a) It is not a case of insider trading since both the CAs are part of statutory audit team and therefore, are not restricted to use any information relating to Ruchika Flavours Limited.
- b) It is not a case of insider trading since the information disclosed by both the CAs of statutory audit team is not a price-sensitive information.
- c) It is a case of insider trading and the penalty leviable would be not less than Rs. 10 lacs but may extend to Rs. 25 crores or 3x of profits made out of insider trading, whichever is higher.
- d) It is a case of insider trading and therefore, the penalty leviable would be not less than Rs. 25 crores or three times of profits made out of insider trading, whichever is lower.

Question 6: [Section:7A] [MTP MAY 2023]

Raman is a member and director of a pharmaceutical company. The company proposed to raise capital for strengthening its structure and reputation in the market. Such matter came for approval before Board for consideration. Specify the correct statement in the light of the above situation as per the provision under the SEBI Act, 1992:

- (a) Member shall participate in the meeting of the Board to protect its interest in the Company.
- (b) Member shall not participate in the meeting of the Board being interested party.
- (c) Member, shall only participate in the meeting of the Board being interested party, after disclosure of his interest
- (d) Member being a director with pecuniary interest, shall disclose his interest but shall not take any part in any decision of the Board.

Question 7: [Regulation 17A] [MTP MAY 2023]

Mr. Amar is holding the post of directorship in following Listed entities - LE 1, LE 2, LE 3, LE 4, LE 5 LE 6, and LE 7 as on January 2020. He received an offer of directorship from LE 8 in April , 2022. Whether Amar can join the LE 8?

- (a) Yes, as per the SEBI(LODR)Regulation, directorship is restricted to 8 listed entities. Hence Mr. Amar can.
- (b) Yes, as per the SEBI(LODR)Regulation read with the companies Act, 2013, Mr. Amar can accept directorship in 10 listed companies.
- (c) No, as per the SEBI(LODR)Regulation, directorship cannot be in more than seven listed entities, Mr. Amar cannot.
- (d) Yes, as no restriction is marked on holding of directorship in the Listed companies.

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
5.	(c)	6.	(d)	7.	(c)

Question 8: [ICAI BoS Portal]

"X Ltd" an unlisted public company has acquired "Y Ltd" a listed public company and issued its shares as consideration. When will the shares of X Ltd be considered as listed?

- a) When the process of acquisition gets completed, X Ltd will be considered as listed after SEBI Approval
- b) When X Ltd lists its shares on stock exchanges
- c) When the process of acquisition gets completed, X Ltd will automatically be considered as listed.
- d) When the process of acquisition gets completed, X Ltd will be considered as listed after MCA approval

Question 9: [MTP MAY 2022]

Every listed company shall disclose in the Board's report, the ratio of the remuneration of each director to the ___ employee's remuneration.

- (a) mean
- (b) Median
- (c) Highest
- (d) Not required to be disclosed

Question 10: [Regulation 17] [MTP MAY 2022]

BOD of the listed entity shall be composed of executive and non-executive directors. The optimum limit of non-executive directors shall be:

- (a) less than 50% of the BOD
- (b) not be more than 50% of the BOD
- (c) not less than 50% of the BOD
- (d) 75% of the BOD

Question 11: [LODR Quarterly Compliances] [MTP MAY 2022]

Within how much time period, a listed entity shall submit quarterly compliance report on corporate governance to the recognized stock exchange:

- (a) within 3 days from close of the quarter.
- (b) within 5 days before the close of the quarter.
- (c) within 10 days before the close of the quarter.
- (d) within 21 days from close of the quarter

Question 12: [Regulation 17] [MTP NOV 2021]

State amongst the following options, the correct composition of the Board of Directors of ABC Ltd, the Listed entity:

- (a) Combination of executive and non-executive directors.
- (b) Combination of executive and non-executive directors with not less than 50% of the BOD
- (c) Executive directors with at least one-woman director
- (d) Executive and non-executive directors (not less than 50% of the BOD) with at least one-woman director.

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
8.	(a)	9.	(b)	10.	(c)	11.	(d)	12.	(d)

Question 13: [Section 105 of Companies Act, 2013] [MTP MAY 2020]

P Ltd. was holding 35% of the paid up equity capital of X Stock Exchange. The company appoints M Ltd. as its proxy who is not a member of the X Stock Exchange, to attend and vote at the meeting of the stock exchange. State the correct statement as to the appointment of M Ltd. as a proxy for P Ltd. and on the voting rights of P Ltd. in the X Stock Exchange:

- (a) X Stock Exchange can restrict the appointment of M Ltd., as proxy, and his voting rights in the Stock Exchange.
- (b) Central Government can restrict appointment of proxies and voting rights of P Ltd. in the X Stock Exchange.
- (c) Both (a) & (b)
- (d) X Stock Exchange can restrict the voting rights of P Ltd. if rules of the exchange so provides or otherwise can restrict the voting rights of P Ltd. & appointment of proxies through amendment in rules.

Question 15: [Section 15A] [MTP NOV 2019]

SEBI ordered DSE, to produce their books of accounts and audited financial statements for the period 1st April 2016 to 31st March 2018 within 30 days of the receipt of the communication by the stock exchange. The communication was received by the company on 30th April 2018 and no documents were furnished to SEBI in reply to the notice till 15th May 2018. State the consequences of not supplying the said documents to SEBI:

- (a) Period of submission of said documents may be condoned on reasonable grounds.
- (b) Show cause notice may be served why DSE not be penalized for not submitting of the documents within the time limit.
- (c) DSE shall be punishable with a fine.
- (d) DSE shall be punishable with fine and imprisonment.

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
13	(d)			15.	(c)

? **Question 16:** [Section:18] [ICAI BoS Portal]

SEBI is required to furnish report showing the true and full activities of SEBI during the FY to _____ within ___ days

- a) CG, 90 days b) CG, 60 days
c) CAG, 90 days d) CAG, 60 days

? **Question 17:** [Regulation 17] [ICAI BoS Portal]

No listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of _____ unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person:

- (a) 70 years (b) 72 years
(c) 75 years (d) 80 years

? **Question 18:** [SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011] [ICAI BoS Portal]

As per SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, no acquirer shall acquire shares or voting rights in a target company which taken together with shares or voting rights, if any, held by him and by persons acting in concert with him in such target company, entitle them to exercise _____ of the voting rights in such target company unless the acquirer makes a public announcement of an open offer for acquiring shares of such target company:

- (a) Ten percent or more
(b) Twenty per cent or more
(c) Twenty-five per cent or more
(d) Fifty per cent or more

? **Question 19:** [SEBI (ICDR) Regulations, 2018] [ICAI BoS Portal]

The SEBI (LODR) Regulations, 2018 is not applicable on:

- (a) An IPO by a Small and Medium Enterprises
(b) A issue of Global Depository Receipt
(c) Further Public Offer by a listed issuer
(d) A Bonus issue by a listed issuer

? **Question 20:** [ICAI BoS Portal]

Which of the following person is not responsible for the compliance of the listing obligations and disclosure requirements of a listed entity:

- (a) The Promoters
(b) The Promoters
(c) The Key Managerial Personnel
(d) The Factor Manager

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
16.	(c)	17.	(c)	18.	(c)	19.	(b)	20.	(d)

? **Question 21:** [Section:11AA] [ICAI BoS Portal]

Which among the following shall not be treated as Collective Investment Scheme:

- (a) Any Scheme being a contract of insurance to which the Insurance Act, 1938 applies
- (b) Any Scheme falling within the meaning of Chit business as defined in the Chit Fund Act, 1982
- (c) Any Scheme under which the contributions made by the investors are pooled and utilized for the purposes of the scheme
- (d) Any Scheme made or offered by a co-operative society registered under the Co-operative Societies Act, 1912

? **Question 22:** [ICAI BoS Portal]

Every proceeding before the Securities Appellate Tribunal shall be deemed to be:

- (a) A Judicial Proceeding
- (b) A Non-judicial Proceeding
- (c) An Administrative Proceeding
- (d) A Legal Proceeding

? **Question 23:** [ICAI BoS Portal]

A process undertaken to elicit demand and to assess the price for determination of the quantum or value or coupon of specified securities, is called as:

- (a) Price Discovery
- (b) Book Building
- (c) Book Creation
- (d) Booked Amount

? **Question 24:** [Section:QIB] [ICAI BoS Portal]

Which among the following is not a Qualified Institutional Buyer:

- (a) A Mutual Fund
- (b) An Alternative Investment Fund
- (c) A Non-Systematic NBFC
- (d) A Scheduled Commercial Bank

? **Question 25:** [SEBI Registration] [ICAI BoS Portal]

Which of the following is not required to get registration with the SEBI:

- (a) Banker to an issue
- (b) Trustee of Trust Deed
- (c) Asset Reconstruction Company
- (d) Underwriter

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
21.	(c)	22.	(a)	23.	(b)	24.	(c)	25.	(c)

? **Question 26:** [IPO Regulations] [ICAI BoS Portal]

An issuer shall be eligible to make an initial public offer only if it has net tangible assets of at least preceding three full years of which more than 50% are held in monetary assets:

- (a) One crore rupee
- (b) Three crore rupees
- (c) Five crore rupees
- (d) Ten crore rupees

? **Question 27:** [IPO Regulations] [ICAI BoS Portal]

Which among the following is not entitled to make an initial public issue:

- (a) The issuer has an average operating profit of at least 10 crores during the preceding 3 full years
- (b) The issuer has a net worth of at least one crore rupees in each of the preceding 3 full years
- (c) The issue has net tangible assets of at least 3 crore rupees in each of the preceding 3 full years
- (d) The issuer has changed its name within last one year, and at least 50% of the revenue calculated on a restated and consolidated basis for the preceding one full year has been earned by it from the activity indicated by its new name.

? **Question 28:** [ICAI BoS Portal]

A listed entity shall appoint a qualified _____ as the compliance officer:

- (a) Chartered Accountant
- (b) Company Secretary
- (c) Cost Accountant
- (d) Chartered Financial Analyst B Regulation 6(1)

? **Question 29:** [Section:14] [ICAI BoS Portal]

The SEBI General Fund shall not be applied for meeting:

- (a) Expenses of the SEBI in the discharge of its functions
- (b) Salary and other allowances of the Members and other staff of the SEBI
- (c) Expenses relating to the welfare of the Investor
- (d) Expenses on objects and purposes of the SEBI Act

? **Question 30:** [ICAI BoS Portal]

Where it is not possible to use electronic mode of payment of dividend and the amount payable as dividend exceeds _____, the payable-at-par warrants or cheques shall be sent by speed post:

- (a) 500 rupees
- (b) 1000 rupees
- (c) 1500 rupees
- (d) 2500 rupees

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
26.	(b)	27.	(a)	28.	(b)	29.	(c)	30.	(c)

? **Question 31:** [LODR Regulations] [ICAI BoS Portal]

All members of audit committee of a listed entity shall be_____ and at least one member shall have accounting or related financial management expertise:

- (a) Literate
- (b) Well Educated
- (c) Financially Sound
- (d) Financially Literate

? **Question 32:** [Regulation 24] [ICAI BoS Portal]

How many independent director of Board of listed company has to be Director on the Board of an unlisted material subsidiary

- a) At least 1 /3
- b) At least 2
- c) At least 2/3rd
- d) At least 1

? **Question 33:**

The SEBI may attach for a period not exceeding 90 days, bank accounts or other property of any intermediary or any person associated with the securities market in any manner involved in violation of any of the provisions of SEBI Act and shall obtain confirmation of the said attachment form:

- (a) The District Court having jurisdiction
- (b) The Special Court
- (c) The NCLT
- (d) The High Court

? **Question 34:**

Priyanshi is the CFO of ABC Ltd, a listed entity. The company's Board meeting for taking on record the results of June quarter is scheduled to be held on 25th July, 2022. The company was in loss for the year ended on March, 2022 but in June 2002 the company is showing profit. Priyanshi while having dinner at her home, discussed this matter to her husband Rohit. Rohit, on the next day purchased 50000 shares of the company for a price of 25 rupees per shares. After the declaration of the results the shares were sold at a price of 75 rupees, resulting a profit of 25 lakh rupees. Later during the course of investigation, the matter came in the knowledge of SEBI officials and they imposed penalty for insider trading. Which among the following shall be the maximum penalty amount:

- (a) 10 lakh rupees
- (b) 75 lakh rupees
- (c) One crore rupee
- (d) 25 crore rupees

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
31.	(d)	32.	(d)	33.	(b)	34.	(d)



Question 35:

Any person aggrieved by any decision or order of the Securities Appellate Tribunal may file an appeal before:

- (a) The Special Court
- (b) The NCLAT
- (c) The High Court
- (d) The Supreme Court



Question 36:

A person aggrieved from the order made by the _____ cannot prefer an appeal to a Securities Appellate Tribunal:

- (a) The SEBI
- (b) The IRDAI
- (c) The NCLT
- (d) The PFRDA



Question 37:

The listed entity shall ensure that approval of shareholders for appointment or re-appointment of a person on the Board of Directors is taken:

- (a) At the next general meeting
- (b) Within a time period of three months from the date of appointment
- (c) Whichever is earlier of (A) and (B)
- (d) Whichever is later of (A) and (B)

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
35.	(d)	36.	(c)	37.	(c)


Question 1: [Section 5] [RTP MAY 2023]

In September, 2020, Mr. Purshottam Saha visited Atlanta as well as Athens and thereafter, London and Berlin on a month-long business trip, for which he withdrew foreign exchange to the extent of US\$ 50,000 from his banker, State Bank of India, New Delhi branch. In December, 2020 he further, withdrew US\$ 50,000 from SBI and remitted the same to his son Raviyansh Saha who was studying in Toronto, Canada. In the first week of January, 2021, he sent his ailing mother Mrs. Savita Saha for a specialised treatment along with his wife Mrs. Rashmi Saha to Seattle where his younger brother Pranav Saha, holder of Green Card, is residing. For the purpose of his mother's treatment and to help Pranav Saha to meet increased expenses, he requested his banker SBI to remit US\$ 75,000 to Pranav Saha's account maintained with Citibank, Seattle. In February, 2021, Mr. Purshottam Saha's daughter Devanshi Saha got engaged and she opted for a 'destination marriage' to be held in August, 2021 in Zurich, Switzerland. While on a trip to Dubai in the last week of March, 2021, he again withdrew US\$ 35,000 to be used by him and Devanshi Saha for meeting various trip expenses including shopping in Dubai. Later, the event manager gave an estimate of US\$ 2,50,000 for the wedding of Devanshi Saha at Zurich, Switzerland. Which option do you think is the correct one in the light of applicable provisions of Foreign Exchange Management Act, 1999 including obtaining of prior approval, if any, from Reserve Bank of India since Mr. Purshottam Saha withdrew foreign exchange on various occasions from his banker, State Bank of India.

- (a) In respect of withdrawal of foreign exchange on various occasions from his banker State Bank of India and remitting the same outside India during the financial year 2020-21, Mr. Purshottam Saha is not required to obtain any prior approval.
- (b) In respect of withdrawal of US\$ 35,000 in the last week of March, 2021, for a trip to Dubai, Mr. Purshottam Saha must have obtained prior approval of Reserve Bank of India since the maximum amount of foreign exchange that can be withdrawn in a financial year is US\$ 1,75,000.
- (c) After withdrawing US\$ 1,00,000, Mr. Purshottam Saha must have obtained prior approval of Reserve Bank of India for the remaining remittances made during the financial year 2020-21, otherwise SBI would not have permitted further withdrawals.
- (d) After withdrawing US\$ 50,000, Mr. Purshottam Saha must have obtained prior approval of Reserve Bank of India for the remaining remittances made during the financial year 2020-21, otherwise SBI would not have permitted further withdrawals.

Q. No.	Answer
1.	(a)



Question 2: [Section 2] [RTP NOV 2022]

Mr. X, a person comes to India on 1st June 2019 for visiting his parents. However, his parents fall sick and he stays till 31st March 2020. Thereafter he continues to stay in India. He decided to live in India for next 6 months by the time his parents recovers. In the light of the given case, determine the correct residential status of Mr. X from the given statements.

- (a) Mr. X is PResident as he did reside in India in the FY 2019-2020.
- (b) Mr. X is PResident as he reside in India for more than 182 days in the FY 2019 -20.
- (c) Mr. X is PResident in the FY 2019-20, but will be treated as PResident from 1st April, 2020, as he resides in India for more than 182 days in the previous FY.
- (d) His stay in India is neither for employment, nor for business, nor for circumstances which show that his stay in India for an uncertain period. In FY 2019-20, he is a PResident as he did not reside in India for more than 182 in FY 2018-19.



Question 3: [Section 5] [RTP MAY 2022]

Nandeesh, a resident Indian, remitted USD 1,00,000 on 7th June, 2021, to his son Ishaan who is settled in California, USA, since he urgently required funds. On 9 th July, 2021, Nandeesh again remitted USD 71,000 to meet expenses to be incurred in respect of his ailing wife, Medhavi who had recently gone to USA to meet his son Ishaan but had developed serious coronary disease. For specialised treatment of Medhavi at a specialised hospital, a sum of USD 79,000 was remitted for the second time on 30 th July, 2021 by Nandeesh. Within next 10 days, Medhavi recovered and was allowed to return to her son's residence from the hospital. Choose the correct option from those stated below as to when Nandeesh can send further foreign exchange to his son Ishaan for the purpose of purchasing a house without obtaining the prior approval of Reserve Bank of India:

- (a) Without obtaining the approval of Reserve Bank of India, Nandeesh can send further foreign exchange to his son Ishaan only in the month of April, 2022 or thereafter.
- (b) Without obtaining the approval of Reserve Bank of India, Nandeesh can send further foreign exchange to his son Ishaan only in the month of January, 2022 or thereafter.
- (c) Without obtaining the approval of Reserve Bank of India, Nandeesh can send further foreign exchange to his son Ishaan only in the month of July, 2022 or thereafter.
- (d) Without obtaining the approval of Reserve Bank of India, Nandeesh can send further foreign exchange to his son Ishaan only in the month of November, 2021 or thereafter.

Q. No.	Answer	Q. No.	Answer
2.	(d)	3.	(a)

? **Question 4:** [Section 2] [RTP MAY 2022]

After five years of stay in USA, Mr. Umesh came to India at his paternal place in New Delhi on October 25, 2019, for the purpose of conducting business with his two younger brothers Rajesh and Somesh and contributed a sum of Rs. 10,00,000 as his capital. Simultaneously, Mr. Umesh also started a proprietary business of selling artistic brassware, jewelry, etc. procured directly from the manufacturers based at Moradabad. Within a period of two months after his arrival from USA, Mr. Umesh established a branch of his proprietary business at Minnesota, USA. You are required choose the appropriate option with respect to residential status of Mr. Umesh and his branch for the financial year 2020 -21 after considering the applicable provisions of the Foreign Exchange Management Act, 1999:

- (a) For the financial year 2020-21, Mr. Umesh and his branch established at Minnesota, USA, are both persons resident outside India.
- (b) For the financial year 2020-21, Mr. Umesh is a resident in India but his branch established at Minnesota, USA, is a person resident outside India.
- (c) For the financial year 2020-21, Mr. Umesh and his branch established at Minnesota, USA, are both persons resident in India.
- (d) For the financial year 2020-21, Mr. Umesh is a person resident outside India but his branch established at Minnesota, USA, is a person resident in India.

? **Question 5:** [RTP MAY 2021]

Mr. X, a resident of India planned a tour of 15 days to visit Paris and to meet his niece living there. While returning to India, Mr. X was carrying with him INR 30,000. Her niece told him that limit is marked on bringing Indian currency notes at the time of return to India. Identify the correct limit :

- (a) INR 2000
- (b) INR 5000
- (c) INR 10,000
- (d) INR 25,000

? **Question 6:** [Section 2] [RTP MAY 2020]

Mr. V, brother of Mr. R, is a resident of Singapore and he owns an immovable property in Chennai which he inherited from his father, who was a resident of India, Can Mr. V continue to hold the property?

- (a) No, he cannot hold transfer or invest In India, since he is resident outside India.
- (b) Yes, he can continue to hold in India, since he is person of India Origin and the property is located in India
- (c) Yes, he can continue to hold the property, since this was inherited from a person who was resident in India.
- (d) Yes, he can continue to hold the property, since his brother (Mr. R) uses the property whenever he travels to Chennai.

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
4.	(c)	5.	(d)	6.	(c)

Question 7: [Section 6] [RTP MAY 2020]

Which among the following is legally acceptable permissible source for funding overseas direct investment :

- (a) Proceeds of External Commercial Borrowings
- (b) Proceeds of Real estate business
- (c) Proceeds of Banking business
- (d) Proceeds of foreign currency funds raised through other than ADR / GDR issues

Question 8: [Section 2] [RTP MAY 2020]

Mr. Ram had resided in India during the Financial Year 2017-2018 for less than 183 days. He again came to India on 1st May, 2018 for higher studies and business and stayed upto 15th July, 2019. State the correct answer as to the residential status of Mr. Ram in the light of the given fact as per the Foreign Exchange Management Act, 1999.

- (1) Mr. Ram can be considered as 'Person resident in India' during the financial year 2018-2019
 - (2) Mr. Ram cannot be considered as 'Person resident in India' during the financial year 2018-2019
 - (3) Mr. Ram can be considered as 'Person resident in India' during the financial year 2019-2020
- (a) Both the statement (1) & (3) are correct
 - (b) Both the statement (2) & (3) are correct
 - (c) Only statement (1) is correct
 - (d) Only statement (2) is correct

Question 9: [Section 5] [RTP MAY 2019]

Current Account Transaction does not includes:

- (a) Payments due in connection with foreign trade, other current business, services, and short-term banking and credit facilities in the ordinary course of business.
- (b) Payments due as interest on loans and as net income from investments.
- (c) Remittances for living expenses of parents, spouse and children residing abroad.
- (d) Expenses in connection purchase of property outside India by a person resident in India

Question 10: [Section 6] [MTP MAY 2023]

Overseas Investment as per the Foreign Exchange Management (Overseas Investment) Rules, 2022 means:

- (a) Financial Commitment by a PRII
- (b) Overseas Portfolio Investment ('OPI') by a PROI
- (c) Financial Commitment or Overseas Portfolio Investment ('OPI') by a PROI
- (d) Financial Commitment and Overseas Portfolio Investment ('OPI') by a PRII

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
7.	(c)	8.	(b)	9.	(d)	10.	(d)

Question 11: [MTP MAY 2023]

The bench mark rate for calculating the all in cost for foreign currency ECBs is amended, due to Libor transition made vide circular dated 8.12.2021, by-

- (a) 30 bps
- (b) 40 bps
- (c) 50 bps
- (d) 60 bps

Question 12: [Section 2] [MTP NOV 2022]

Priti, on 1st September, 2021 went to UK for doing one year MBA course. Her MBA course completed on 31st August, 2022 and she returned India on the next day. What shall be her residential status for the FY 2022-23 and 2023-24:

- (a) Resident in India for FY 2022-23 and FY 2023-24
- (b) Resident in India for FY 2022-23 and Resident outside India for FY 2023-24
- (c) Resident outside India for FY 2022-23 and FY 2023-24
- (d) Resident outside India for FY 2022-23 and Resident in India for FY 2023-24

Question 13: [Section 5] [MTP MAY 2022]

Which amongst the following transactions, is not the current account transaction:

- (a) payments due in connection with short-term banking and credit facilities in the ordinary course of business.
- (b) payments due on loans.
- (c) remittances for living expenses of parents residing abroad
- (d) expenses in connection with foreign travel of spouse and children

Question 14: [FEMA – Residential Status] [ICAI Module Paper 4 Law MCQs]

After 5 years of stay in USA, Mr. Umesh came to India at his paternal place in New Delhi on October 25, 2019, for the purpose of conducting business with his two younger brothers Rajesh and Somesh and contributed a sum of Rs. 10,00,000 as his capital. Simultaneously, Mr. Umesh also started a proprietary business of selling artistic brass ware, jewelry, etc. procured directly from the manufacturers based at Moradabad. Within a period of two months after his arrival from USA, Mr. Umesh established a branch of his proprietary business at Minnesota, USA. You are required choose the appropriate option with respect to residential status of Mr. Umesh and his branch for the FY 2020-21 after considering the applicable provisions of the FEMA, 1999:

- a) For the FY 2020-21, Mr. Umesh and his branch established at Minnesota, USA, are both persons resident outside India.
- b) For the FY 2020-21, Mr. Umesh is a resident in India but his branch established at Minnesota, USA, is a person resident outside India.
- c) For the FY 2020-21, Mr. Umesh and his branch established at Minnesota, USA, are both persons resident in India.
- d) For the FY 2020-21, Mr. Umesh is a person resident outside India but his branch established at Minnesota, USA, is a person resident in India.

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
11.	(c)	12.	(d)	13.	(b)	14	(b)

Question 15: [Section 5] [MTP NOV 2021]

In September 2016, Mr. P, went to USA, London and Germany on a month long business trip. For this trip he got foreign exchange of US \$ 50,000 from an authorized dealer. In December 2016 he remitted US\$ 50,000 to his son in Canada, who was studying there. In January 2017 he sent his mother and wife to America for his mother's treatment and for the purpose he remitted US\$ 75,000 to his younger brother, who was living there. In March 2017 his daughter got engaged and she opted for a destination marriage to be held in May 2017, in Switzerland. While on trip to Dubai in the March end, 2017, he spent US \$ 35,000 for his daughter's shopping in Dubai. Later, the event manager gave an estimate of US \$ 250,000 for the wedding. As per the provisions of FEMA, for how much remittance does he need to take prior approval of the Reserve bank of India.

- (a) He does not need any prior approval at all
- (b) For US \$ 210000
- (c) For US \$ 250000
- (d) For US \$ 15000

Question 16: [Section 2] [MTP NOV 2021]

Dhruv, is a pilot in Bangkok airways. He flies for 15 days in a month and thereafter takes a break for 15 days. During the break, he is accommodated in 'base', which is normally the city where the Airline is headquartered. However, for security considerations, he was based at Delhi. During the financial year, he was accommodated at Delhi for 182 days. Determine the legal position as regards the residential status of Dhruv under the given situation:

- (a) Dhruv cannot be considered to be a Person Resident in India.
- (b) Dhruv can be considered to be a Person Resident in India due to her stay for 182 days in India
- (c) Dhruv cannot be considered to be a Person Resident in India due to her stay for less than 183 days in India.
- (d) Dhruv can be considered to be a Person Resident in India due to her stay in Delhi for security consideration.

Question 17: [Section 2] [MTP NOV 2020]

Mr. Raman, a non-resident, has a Special Investment Plan (SIP) with a mutual fund in India. Mr. Raman, due to some financial problems, requested his brother Mr. Raghav who is an Indian resident, to make the payment of few subsequent instalments of SIP on his behalf. You are required to advise Mr. Raghav whether such transaction is permitted considering the provisions of Foreign Exchange Management Act (FEMA), 1999.

- (a) Such transaction is not permitted as it amounts to payment for the credit of non-resident.
- (b) Such transaction is permitted as Mr. Raghav can enter into such transaction on behalf of his non - resident brother.
- (c) Such transaction is not permitted as Mr. Raghav cannot enter into such transactions on behalf of his non-resident brother.
- (d) Such transaction is permitted if Mr. Raghav obtains prior permission of the Reserve Bank of India

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
15.	(a)	16.	(a)	17.	(a)

Question 18: [Section 5] [MTP MAY 2020]

Mr. Z was appointed as representative of ABC Company for a 10days corporate programme organized in USA. During the said period in USA, he was diagnosed with the severe kidney disease, so decided to have a treatment done in USA. State the maximum amount that can be drawn by Mr. Z as foreign exchange for the medical treatment abroad.

- (a) USD 1,25,000 (b) USD 2,25,000
 (c) USD 2,50,000 (d) As estimated by a medical institute offering treatment

Question 19: [MTP NOV 2019]

A highly reputed construction company of Mumbai, decided to launch an ultra modern residential project in Goa especially for non-resident HNI Indians. For the purpose it appointed 4 agents worldwide to look for prospective buyers for 12 exclusive flats. The terms of their appointment clearly mentioned that they themselves will be responsible for inward remittance on the flats booked by them. As the project was one of its kind, so it got overwhelming response and all the flats got booked. However only 2/3 of the price of each flat could be remitted into India through proper channel during the financial year ended on 31st March 2019. Price of per flat was USD 1500000 inclusive of all. From the following how much maximum commission can be given to each agent, without any intervention of any authority. Each agent booked 3 flats.

- (a) 75000 USD (b) 150000 USD (c) 225000 USD (d) 300000USD

Question 20: [Section 5] [ICAI BoS Portal]

Mohita Periodicals and Mags Publications Limited, having registered office in Chennai, has obtained consultancy services from an entity based in France for setting up a software programme to strengthen various aspects relating to publications. The consideration for such consultancy services is required to be paid in foreign currency. The compliance officer of Mohita Periodicals and Mags Publications Limited, Mrs. Ritika requires your advice regarding the foreign exchange that can be remitted for the purpose of obtaining consultancy services from abroad without prior approval of Reserve Bank of India. Out of the following four options, choose the one which correctly portrays the amount of foreign exchange remittable for the given purpose after considering the provisions of the Foreign Exchange Management Act, 1999 and regulations made thereunder:

- (a) Permissible amount of foreign exchange that can be remitted by Mohita Periodicals and Mags Publications Limited for obtaining consultancy services from an entity based in France without prior approval of RBI is US\$ 50,000,000.
 (b) Permissible amount of foreign exchange that can be remitted by Mohita Periodicals and Mags Publications Limited for obtaining consultancy services from an entity based in France without prior approval of RBI is US\$ 10,000,000.
 (c) Permissible amount of foreign exchange that can be remitted by Mohita Periodicals and Mags Publications Limited for obtaining consultancy services from an entity based in France without prior approval of RBI is US\$ 5,000,000.
 (d) Permissible amount of foreign exchange that can be remitted by Mohita Periodicals and Mags Publications Limited for obtaining consultancy services from an entity based in France without prior approval of RBI is US\$ 1,000,000.

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
18.	(d)	19.	(b)	20.	(d)

? **Question 21:** [Section 5] [ICAI BoS Portal]

A transaction which alters the assets or liabilities, including contingent liabilities, outside India of persons resident in India or assets or liabilities in India of persons resident outside India is called:

- (a) Current Account Transactions
- (b) Capital Account Transactions
- (c) Hybrid Account Transactions
- (d) Foreign Currency Account

? **Question 22:** [ICAI BoS Portal]

Which among the following is not a financial transaction:

- (a) Drawing any Bill of Exchange
- (b) Drafting any Sale Agreement of Immovable Property
- (c) Transferring any security
- (d) Acknowledging any debt

? **Question 23:** [Section 5] [ICAI BoS Portal]

Prior approval of the Government of India are required for undertaking current account transactions which are mentioned in:

- (a) Schedule I
- (b) Schedule II
- (c) Schedule III
- (d) Schedule IV

? **Question 24:** [Section 5] [ICAI BoS Portal]

The remittance against imports should be completed not later than 6 months from the _____, except in cases where amounts are withheld towards guarantee of performance, etc:

- (a) Date of order
- (b) Date of shipment
- (c) Date of opening of LC by the importer
- (d) Date of dispatch of the document

? **Question 25:** [Section 5] [ICAI BoS Portal]

Current Account Transaction does not include: (I) Payments due in connection with foreign trade, other current business, services, and short-term banking and credit facilities in the ordinary course of business (II) Payments due as interest on loans and as net income from investments (III) Remittances for living expenses of parents, spouse and children residing abroad (IV) Expenses in connection purchase of property outside India by a person resident in India

- (a) transactions under category I & II
- (b) transactions under category III only
- (c) transactions under category I & II
- (d) transactions under category IV

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
21.	(b)	22.	(b)	23.	(b)	24.	(b)	25.	(d)

? **Question 27:** [MTP MAY 2021]

A Limited, an Indian company holds a commercial plot in Chennai, India. It intends to sell the same. M/s Super Seller is a real estate broker with Head Office in the USA. M/s Super Seller is appointed to find buyers for the land. A company Glory Inc., based out of USA is identified as a buyer. Glory Inc., is controlled from India and is hence a Person Resident in India under FEMA provisions. Glory Inc., agrees to buy the land for USD 6,00,000 (assume 1 USD = Rs.70). M/s Super Seller is to be paid commission at the rate of 7% of the sale proceeds. The commission is to be paid to the H.O of M/s Super Seller in USA. Decide, in light of the relevant provisions of FEMA, 1999, which of the following is correct (Ignoring TDS implications arising under the Income Tax Act, 1961):

- (a) Prior permission is not required for remittance of commission upto USD 25,000. For balance commission of USD 17,000, permission of RBI is to be sought by A Limited.
- (b) Prior permission is not required for remittance of commission upto USD 30,000. For balance commission of USD 12,000, permission of RBI is to be sought by A Limited.
- (c) Prior permission is not at all required for remittance of the entire commission.
- (d) Prior permission is required to be taken from The Reserve Bank of India for the entire amount of commission.

? **Question 28:** [Section 5] [ICAI BoS Portal]

Raman Logistics Limited, a multi-modal transport operator, is in the process of making foreign remittances to its three overseas agents located at Sweden, Czechia (formerly Czech Republic), and Poland. Which one of the following options is applicable in such a situation:

- (a) For making such kind of foreign remittances, Raman Logistics Limited should be in possession of registration certificate issued by the Jurisdictional Commissioner, Central Board of Direct Taxes.
- (b) For making such kind of foreign remittances, Raman Logistics Limited should be in possession of registration certificate issued by the Jurisdictional Chief General Manager, Reserve Bank of India.
- (c) For making such kind of foreign remittances, Raman Logistics Limited should be in possession of registration certificate issued by the Director General of Shipping.
- (d) For making such kind of foreign remittances, Raman Logistics Limited should be in possession of registration certificate issued by the Director General of Foreign Trade.

? **Question 29:** [ICAI BoS Portal]

Drawal of foreign exchange by any person for the purpose of travel to _____ is prohibited:

- (a) Pakistan
- (b) Afghanistan
- (c) Bhutan
- (d) Bangladesh

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
27.	(b)	28.	(c)	29.	(c)

Question 30: [FEMA Section 3] [ICAI Module Paper 4 Law MCQs]

Mr. Raman, a non-resident Indian, has a Systematic Investment Plan (SIP) with a prominent Indian mutual fund. Due to some impending financial difficulties, he requested his elder brother Mr. Raghav, a resident Indian currently working as Manager in a multi-national company at Mumbai, to make payment of a few subsequent instalments of SIP on his behalf. Which option, do you think, correctly signifies whether Mr. Raghav is permitted to undertake such transaction of paying a few instalments of SIP on behalf of his non-resident brother considering the applicable provisions of the FEMA, 1999:

- Mr. Raghav is not permitted to undertake such transaction of paying a few instalments of SIP on behalf of his non-resident brother since it amounts to payment for the credit of a non-resident person.
- Mr. Raghav is permitted to undertake such transaction of paying a few instalments of SIP on behalf of his non-resident brother since Mr. Raman is his real brother.
- Mr. Raghav is permitted to undertake such transaction of paying a few instalments of SIP on behalf of his non-resident brother only if his employer permits.
- Mr. Raghav is permitted to undertake such transaction of paying a few instalments of SIP on behalf of his non-resident brother only if he obtains prior permission of Reserve Bank of India.

Question 31: [Section 5] [ICAI BoS Portal]

Akash Ceramics Limited, an Indian company, holds a commercial plot in Chennai which it intends to sell. M/s. Super Seller, a real estate broker with its Head Office in the USA, has been appointed by Akash Ceramics Limited to find some suitable buyers for the said commercial plot in Chennai which is situated at a prime location. M/s. Super Seller identifies Glory Estate Inc., based out of USA, as the potential buyer. It is to be noted that Glory Estate Inc. is controlled from India and hence, is a Person Resident in India under the applicable provisions of Foreign Exchange Management Act, 1999. A deal is finalised and Glory Estate Inc. agrees to purchase the commercial plot for USD 600,000 (assuming 1 USD = 70). According to the agreement, Akash Ceramics Limited is required to pay commission @ 7% of the sale proceeds to M/s. Super Seller for arranging the sale of commercial plot to Glory Estate Inc. and commission is to be remitted in USD to the Head Office of M/s. Super Seller located in USA. Considering the relevant provisions of Foreign Exchange Management Act, 1999, which statement out of the four given below is correct (ignoring TDS implications arising under the Income-tax Act, 1961):

- There is no requirement of obtaining prior permission of Reserve Bank of India (RBI) for remittance of commission upto USD 25,000 by Akash Ceramics Limited to M/s. Super Seller but for the balance commission of USD 17,000, prior permission of RBI is required to be obtained.
- There is no requirement of obtaining prior permission of Reserve Bank of India (RBI) for remittance of commission upto USD 30,000 by Akash Ceramics Limited to M/s. Super Seller but for the balance commission of USD 12,000, prior permission of RBI is required to be obtained.
- There is no requirement of obtaining prior permission of Reserve Bank of India (RBI) for remittance of entire commission of USD 42,000 by Akash Ceramics Limited to M/s. Super Seller.
- It is mandatory to obtain prior permission of Reserve Bank of India (RBI) for remittance of entire commission of USD 42,000 by Akash Ceramics Limited to M/s. Super Seller.

Q. No.	Answer	Q. No.	Answer
30.	(a)	31.	(d)

Question 35: [ICAI BoS Portal]

Choose the correct option after reading carefully Statement A and Statement B:

Statement A: Citizenship is a relevant criterion for the determination of residential status of a person under the Foreign Exchange Management Act, 1999

Statement B: Citizenship is not a relevant criterion for the determination of residential status of a person under the Foreign Exchange Management Act, 1999.

- (a) Both the statements i.e. Statement A and Statement B are correct, depending upon the circumstances of each case
- (b) Both Statement A and Statement B are incorrect
- (c) Only Statement B is correct
- (d) Only Statement A is correct

Question 36: [Section 2] [ICAI BoS Portal]

The importer-exporter code number is allotted by:

- (a) The Director General of Foreign Trade
- (b) The Reserve Bank of India
- (c) The Export-Import Bank of India
- (d) The Commissioner of Customs

Question 37: [Section 2] [ICAI BoS Portal]

Which is not a security as defined in the Public Debt Act, 1944:

- (a) Shares and Stocks
- (b) Company Deposits
- (c) Bonds and Debentures
- (d) Government Securities

Question 38: [MTP MAY 2021]

Mr. A is an authorized dealer holding a valid Authorization issued by the Reserve Bank of India under section 10 of the FEMA, 1999. During the course of his business, he violated one of the conditions subject to which the Authorization was granted to him. The Adjudicating Authority imposed a penalty of Rs. 1,50,000 under section 13 (being 3 times the amount involved in the violation, i.e. Rs. 50,000). Mr. A accepted the default. State the time limit before which Mr. A should pay the penalty, assuming he does not prefer an appeal to the Appellate Authority:

- (a) Within 30 days from the date of the Order imposing the penalty.
- (b) Within 45 days from the date of the Order imposing the penalty.
- (c) Within 60 days from the date of the Order imposing the penalty.
- (d) Within 90 days from the date of the Order imposing the penalty.

Question 39:

Any person resident in India who had gone out of India on a temporary visit, may bring into India at the time of his return from any place outside India (other than from Nepal and Bhutan), currency notes of Government of India and Reserve Bank of India notes up to an amount not exceeding:

- (a) Rs. 15000
- (b) Rs.25,000
- (c) Rs. 35000
- (d) Rs. 50000

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
35.	(c)	36.	(a)	37.	(b)	38.	(b)	39.	(b)

? **Question 40:** [MTP MAY 2021]

X Ltd. Submitted an application on 31st August, 2020 for renewal of certificate to Central Government for acceptance of foreign contribution under FCRA, 2010, shall be renewed latest by:

- (a) 30th September 2020 (b) 29th November 2020
 (c) 28th February 2021 (d) 31st July 2021

? **Question 41:**

A sports academy in India is conducting a tournament in UAE. The prize amount is 50,000 USD and 25,000 USD for the first prize and second prize respectively. Approval is required from:

- a) Ministry of Human Resource Development (Department of Youth Affairs & Sports). However no approval would be required since amount is exactly \$75,000
 b) Ministry of Finance (Insurance Division)
 c) Ministry of Human Resource Development (Department of Youth Affairs & Sports). However no approval would be required since amount is within \$100,000
 d) Ministry of Finance. However no approval would be required since amount is within \$100,000

? **Question 42:** [FEMA LRS Limit] [ICAI Module Paper 4 Law MCQs]

In September, 2020, Mr. Purshottam Saha visited Atlanta as well as Athens and thereafter, London and Berlin on a month-long business trip, for which he withdrew foreign exchange to the extent of US\$ 50,000 from his banker State Bank of India, New Delhi branch. In December, 2020 he further, withdrew US\$ 50,000 from SBI and remitted the same to his son Raviyansh Saha who was studying in Toronto, Canada. In the first week of January, 2021, he sent his ailing mother Mrs. Savita Saha for a specialized treatment along with his wife Mrs. Rashmi Saha to Seattle where his younger brother Pranav Saha, holder of Green Card, is residing. For the purpose of his mother's treatment and to help Pranav Saha to meet increased expenses, he requested his banker SBI to remit US\$ 75,000 to Pranav Saha's account maintained with Citibank, Seattle. In February, 2021, Mr. Purshottam Saha's daughter Devanshi Saha got engaged and she opted for a 'destination marriage' to be held in August, 2021 in Zurich, Switzerland. While on a trip to Dubai in the last week of March, 2021, he again withdrew US\$ 35,000 to be used by him and Devanshi Saha for meeting various trip expenses including shopping in Dubai. Later, the event manager gave an estimate of US\$ 2,50,000 for the wedding of Devanshi Saha at Zurich, Switzerland. Which option do you think is the correct one in the light of applicable provisions of FEMA, 1999 including obtaining of prior approval, if any, from Reserve Bank of India since Mr. Purshottam Saha withdrew foreign exchange on various occasions from his banker State Bank of India.

- a) In respect of withdrawal of foreign exchange on various occasions from his banker State Bank of India and remitting the same outside India during the FY 2020-21, Mr. Purshottam Saha is not required to obtain any prior approval.
 b) In respect of withdrawal of US\$ 35,000 in the last week of March, 2021, for a trip to Dubai, Mr. Purshottam Saha must have obtained prior approval of Reserve Bank of India since the maximum amount of foreign exchange that can be withdrawn in a FY is US\$ 1,75,000.
 c) After withdrawing US\$ 1,00,000, Mr. Purshottam Saha must have obtained prior approval of Reserve Bank of India for the remaining remittances made during the FY 2020-21, otherwise SBI would not have permitted further withdrawals.
 d) After withdrawing US\$ 50,000, Mr. Purshottam Saha must have obtained prior approval of Reserve Bank of India for the remaining remittances made during the FY 2020-21, otherwise SBI would not have permitted further withdrawals.

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
40.	(b)	41.	(a)	42.	(a)



Question 43:

Roopesh Chandra, a resident Indian planning to visit European countries in near future, is perplexed as to what is included in the term 'currency' according to the definition given by Foreign Exchange Management Act, 1999. You are required to apprise him of the correct situation by choosing suitable option from those given below

- (a) The term 'currency' includes all currency notes only
- (b) The term 'currency' includes all currency notes, cheques, drafts, travellers' cheques, debit cards and credit cards
- (c) The term 'currency' includes all currency notes, cheques, drafts, travellers' cheques, bills of exchange and promissory notes, debit cards, ATM cards and credit cards
- (d) The term 'currency' includes all currency notes, postal notes, postal orders, money orders, cheques, drafts, travellers' cheques, letters of credit, bills of exchange and promissory notes, credit cards or such other similar instruments, as may be notified by the Reserve Bank



Question 44:

The amount representing the full export value of goods exported shall be realised and repatriated to India within _____ or within such period as may be specified by the Reserve Bank, in consultation with the Government, from time to time, from the date of export, provided:

- (a) Three months
- (b) Six months
- (c) Nine months
- (d) Twelve months



Question 45:

Where an exporter receives advance payment from a buyer named in the export declaration made by the exporter, outside India, the exporter shall be under an obligation to ensure that the rate of interest, if any, payable on the advance payment shall not exceed 100 basis points above the _____ or other applicable benchmark as may be directed by the Reserve Bank, as the case may be:

- (a) Mumbai Inter-Bank Offered Rate (MIBOR)
- (b) London Inter-Bank Offered Rate (LIBOR)
- (c) Inter-Bank Call Rate
- (d) Bank Rate

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
43.	(d)	44.	(b)	45.	(b)

? **Question 1:** [Section:4(e)] [RTP NOV 2023]

Mr. Suraj, is an editor of Dailybird Newspaper. One of his relative Mr. Chand, who is residing abroad remitted foreign contribution of around Rs. 1.5 lakhs to him for arrangement of a Medical camp in a village for needy people. In what manner will you justify this remittance as per the provision of the FCRA, 2010?

- The remittance shall be deemed as a foreign contribution and needs to be reported to the Central Government.
- The remittance received from the relative cannot be deemed as a foreign contribution but needs to be reported to the Central Government.
- The remittance received from the relative cannot be deemed as a foreign contribution and it is not required to be reported to the Central Government.
- Being an editor of the newspaper, Mr. Suraj is not entitled to receive such remittance and it will be treated as foreign contributions.

? **Question 2:** [Section:2 (1) (h), Rule 6A] [RTP MAY 2023]

Alexander Philip, a foreign citizen, has made donations in kind to his known resident Indians for their personal use. When shall such donation in kind be excluded from the definition of 'foreign contribution' considering the relevant provisions of Foreign Contribution (Regulation) Act, 2010?

- A donation in kind by a foreign citizen to a resident Indian shall be excluded from the definition of 'foreign contribution', if the market value, in India, of such article, on the date of such gift, is more than Rs. 1,00,000 but less than Rs. 5,00,000.
- A donation in kind by a foreign citizen to a resident Indian shall be excluded from the definition of 'foreign contribution', if the market value, in India, of such article, on the date of such gift, is more than Rs. 5,00,000 but less than Rs. 10,00,000.
- Any donation in kind given by a foreign citizen to a resident Indian for personal use is always excluded.
- A donation in kind by a foreign citizen to a resident Indian shall be excluded from the definition of 'foreign contribution', if the market value, in India, of such article, on the date of such gift, is not more than Rs. 1,00,000.

? **Question 3:** [Section:12] [RTP NOV 2022]

A certificate of registration was granted to an NGO on the 1st January, 2018. A request for renewal of the certificate was received by the Central Government, by the 30th June, 2022. But the request was not accompanied by the renewal fee. Comment on the validity of the registration certificate issued on 1st January 2018.

- A certificate of registration granted on the 1st January, 2018 shall be valid till 30th June, 2018.
- A certificate of registration granted on the 1st January, 2018 shall be valid till 30th June, 2022.
- A certificate of registration granted on the 1st January, 2018 shall be valid till 30th July, 2022.
- A certificate of registration granted on the 1st January, 2018 shall be valid till the 31st December, 2022.

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
1.	(b)	2.	(d)	3.	(d)

Question 4: [Section:2 (1) (h), Rule 6A] [RTP MAY 2022]

Mr. X receives an antique statue from his best friend(who resides abroad)as a gift on his 50th Birthday of worth Rs. 70,000.State the nature of the gift given to Mr. X in the light of the FCRA:

- (a) It's not a foreign contribution as it is not in excess of one lakh rupees.
- (b) It's a foreign contribution being made by other than his relative
- (c) It's not a foreign contribution, as it is not informed to the Central Government
- (d) It's a foreign contribution as is within the limit of one lakh rupees.

Question 5: [Section:2 (1) (j)] [RTP NOV 2020]

Mr. Arjun, an Indian citizen, has been residing in the United States for the past five years. He wishes to support an NGO in India that works for environmental conservation. To inquire about the NGO and its donation process, Mr. Arjun contacts his friend Mr. Sanjay, an NRI living in Singapore. Mr. Arjun transfers \$1000 to Mr. Sanjay, requesting him to donate the amount to the NGO on his behalf. Mr. Sanjay transfers the specified amount from his personal savings through authorized banking channels to the NGO's account.

Based on the facts, how would the donation made by Mr. Arjun through Mr. Sanjay be classified under the Foreign Contribution regulation?

- (a) The donation made by Mr. Arjun through Mr. Sanjay is considered a Foreign Contribution, even though the transaction is done through Mr. Sanjay account.
- (b) The donation made by Mr. Arjun through Mr. Sanjay is not considered a Foreign Contribution, as the transaction is done via NRI account.
- (c) The donation made by Mr. Arjun through Mr. Sanjay is considered a Foreign Contribution because both are residing outside India.
- (d) The donation made by Mr. Arjun through Mr. Sanjay is prohibited under the Foreign Contribution regulation.

Question 6: [Section:2 (1) (h)] [MTP NOV 2022]

Kamlesh has got the admission in a US based University names as 'Illinois Institute of Technology', where he does the MS in Technology. The initial expenses for travelling and other miscellaneous expenses to US were born by the Kamlesh's father. After taking the formal admission in the course, the University provide scholarship to Kamlesh to cover the cost of education and stay. Other expenses are to be meet out by the candidate from his own source. In light of this fact, what shall be the treatment of receiving of the scholarship from the Foreign Source in reference to the Foreign Contribution (Regulation) Act, 2010:

- (a) Receiving of such foreign contribution is prohibited under the FCRA.
- (b) Receiving of such foreign contribution require prior registration with the Central Government.
- (c) Receiving of such foreign contribution in the nature of scholarship comes under the exempted category.
- (d) Receiving of scholarship from foreign university is not permitted activity since no reciprocal arrangement are present in India.

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
4.	(b)	5.	(b)	6.	(c)

? **Question 7:** [Section:14] [MTP MAY 2022]

The Central Government, after making inquiry, finds that the holder of the grant of certificate to accept foreign contribution, has violated the terms and conditions of the certificate. Therefore, by an order, cancelled the certificate. What shall be the cooling period for obtaining of a grant of certificate again?

- (a) Two years from the date of cancellation of such certificate.
- (b) Three years from the date of cancellation of such certificate.
- (c) Five years from the date of cancellation of such certificate
- (d) Once cancelled cannot be applied again.

? **Question 8:** [Section:18] [MTP NOV 2021]

Intimation of receipt of foreign contribution shall be given-

- (a) Within nine months of the closure of the financial year
- (b) Within six months of the closure of the financial year
- (c) Within nine months of the date of receipt of the amount
- (d) Within six months of the date of receipt of the amount

? **Question 9:** [Section:8] [ICAI BoS Portal]

Every person, who is registered and granted a certificate or given prior permission under this Act and receives any foreign contribution shall not defray as far as possible such sum, _____ of such contribution, received in a financial year, to meet administrative expenses:

- (a) not exceeding 5%
- (b) not exceeding 10%
- (c) not exceeding 15%
- (d) not exceeding 20%

? **Question 10:** [Section:11] [ICAI BoS Portal]

Mr. X has been found guilty of violation of the provisions of FCRA, 2010. What shall be the consequences w.r.t. the unutilised amount of foreign contribution?

- (a) Such unutilised amount of foreign contribution shall be forfeited.
- (b) Such unutilised amount of foreign contribution shall not be utilized, without the prior approval of the C.G
- (c) Such unutilised amount of foreign contribution shall not be utilized without the prior approval of the RBI.
- (d) Such unutilised amount of foreign contribution shall not be utilized till the settlement of penalty imposed

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
7.	(b)	8.	(a)	9.	(d)	10.	(b)

? **Question 11:** [Section:1 (2)] [ICAI BoS Portal]

The FCRA is not applicable on:

- (a) Indian Citizen while in India
- (b) Indian Citizen while outside India
- (c) Foreigner while in India
- (d) Foreigner while outside India

? **Question 12:** [Section:4] [ICAI BoS Portal]

Mr Raja, an office-bearer of a political party, receives foreign contribution of Rs. 9 lakh during the financial year 2022-2023 from his sister residing abroad. Mr. Raja is required to inform of such foreign contribution received to the Central Government within how many time period:

- (a) With in 30 days from the date of receipt of such foreign contribution
- (b) With in 3 months from the date of receipt of such foreign contribution
- (c) With in 6 months from the date of receipt of such foreign contribution
- (d) No intimation is required for such foreign contribution

? **Question 13:** [Section:4] [ICAI BoS Portal]

Mr. Vijay, Sanjay and Ajay are brothers. Mr. Sanjay who is professor reside in India, rest both the brothers settled in abroad. Mr. Sanjay on his 25th wedding anniversary received a gift from his elder brother who is American national currently. Gift includes i-phone and an old chain of their father, with attached emotional memories. I-phone in Indian rupee worth INRs 1 lac 10 thousands, while chain worth INRs 80 thousand. While younger brother of Mr. Sanjay who is British national and investment banker by profession, present him securities worth INRs 2 lacs. Regarding the intimation of foreign contribution received by Mr. Sanjay, state the correct legal requirement in the light of the FCRA :

- (a) Intimation is required to be given to Central Government regarding any of the foreign contribution received by him within three months from the date of receipt of such contribution.
- (b) Intimation is required to be given to Central Government regarding the foreign contribution received by him with his brothers being more than limit of 1 Lakh within 30 days from the date of receipt of such contribution.
- (c) Intimation is not required to be given to Central Government regarding the foreign contribution received by him with his brothers being less than the threshold limit of 10 Lakh whereas w.r.t. to chain of worth INR 80,000.
- (d) No Intimation is required to be given to Central Government regarding the foreign contribution received him as it was for personal use.

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
11.	(d)	12.	(d)	13.	(c)

? **Question 14:** [Section:13, Rule 14A] [ICAI BoS Portal]

Upon suspension of Certificate of Registration, how much contribution can be used by the organisations?

- a) Up to 25% can be utilised without CG Approval and beyond 25% with CG approval
- b) 25% of unutilised amount may be spent with prior approval of CG and remaining 75% only after revocation of suspension
- c) No funds can be utilised during suspension
- d) No approval is needed for using funds during the suspension. 100% of funds can be utilized.

Additional MCQs - Must Solve [From RTP and MTP – May'21, Dec'21 and May'22]

? **Question 15:** [Section:16, Rule 12] [Category A] [Section 16] [ICAI Module Paper 4 Law MCQs]

X Ltd. Submitted an application on 31st August, 2020 for renewal of certificate to Central Government for acceptance of foreign contribution under FCRA, 2010, shall be renewed latest by:

- a) 30th September 2020
- b) 29th November 2020
- c) 28th February 2021
- d) 31st July 2021

Q. No.	Answer	Q. No.	Answer
14.	(a)	15.	(b)

? **Question 1:** [Section:54C] [RTP NOV 2023]

Jain Ltd., a corporate debtor classified as a Small Enterprise, is facing financial difficulties and owes Rs. 75 lakh to its creditors. Despite efforts, Jain Ltd. is unable to recover the money it lent to its debtors in times of need, leading to default in settling dues to its creditors. ABC Ltd. (a Financial Creditor) decides to initiate the Pre-Packaged Insolvency Resolution Process (PPIRP) under the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC). The Financial Creditors, who are not related parties, proposed Mr. Q as the Resolution Professional (RP) to conduct the PPIRP. Such Financial Creditors of the corporate debtor, representing sixty-six per cent. in value of the financial debt due to such creditors, have approved such proposal.

Requirement: Based on the given scenario, is the act of Financial Creditors proposing and approving, Mr. Q as the Resolution Professional, valid for initiating pre-packaged insolvency resolution process under the Insolvency and Bankruptcy Code?

- Yes, because the Financial Creditors approving the proposal of appointment of RP were representing the required percentage of financial debt due to them against the limit specified.
- No, because the Corporate Debtor is classified as a Small Enterprise, and therefore, the PPIRP cannot be initiated.
- No, because the Financial Creditors should propose the name of the Resolution Professional only if they are related parties.
- Yes, because the Corporate Debtor has committed default as per Section 4 of the IBC, and the Financial Creditors have the authority to propose the Resolution Professional.

? **Question 2:** [Section: 38] [RTP MAY 2022]

Shivdeep submitted his claim as an operational creditor to the liquidator of Chiranjeevi Food Products Limited which is under liquidation. After submission of his claim, Shivdeep is desirous of altering it. Out of the following four options, which one correctly indicates the time period within which he can alter his claim after its submission.

- Shivdeep can alter his claim within five days of its submission to the liquidator of Chiranjeevi Food Products Limited.
- Shivdeep can alter his claim within ten days of its submission to the liquidator of Chiranjeevi Food Products Limited.
- Shivdeep can alter his claim within fourteen days of its submission to the liquidator of Chiranjeevi Food Products Limited.
- Shivdeep can alter his claim within thirty days of its submission to the liquidator of Chiranjeevi Food Products Limited.

Q. No.	Answer	Q. No.	Answer
1.	(a)	2.	(c)

? **Question 3:** [Section: 36] [RTP NOV 2021]

The Committee of Creditors (CoC) of Ashoka Cement Limited under the Corporate Insolvency Resolution Process (CIRP) have passed a resolution allowing the Resolution Professional (RP) of Company for initiating the process of liquidation before NCLT under section 33 of the Insolvency and Bankruptcy (Amendment) Code, 2019. Accordingly, the RP was appointed as liquidator of the Ashoka Cement Limited. While forming the liquidation estate, the liquidator was in dilemma regarding the inclusion and exclusion of the assets forming part of the liquidation estate. You as a Qualified Chartered Accountant are required to advise the liquidator regarding the issues faced by him with respect to the exclusion to be made in the liquidation estate of Ashoka Cement Limited as per the provisions of the Code.

1. Assets in security collateral held by financial service providers.
 2. Any asset of the corporate debtor in respect of which a secured creditor has relinquished security interest.
 3. Assets owned by a third party which are in the possession of the corporate debtor.
 4. Assets subject to the determination of ownership by the court or authority.
- (a) Only (3)
(b) Both (2) and (4)
(c) Only (1)
(d) (1) and (3)

? **Question 4:** [Section: 22] [RTP MAY 2021]

Who shall determine the amount of claim due to a creditor under the Insolvency and Bankruptcy Code during the Corporate Insolvency Resolution Process (CIRP)?

- (a) Committee of creditors
- (b) Resolution professional
- (c) Adjudicating Authority
- (d) Corporate debtor

? **Question 5:** [Section: 33] [RTP MAY 2021]

Can an Adjudicating Authority order the liquidation of a corporate debtor even after approving the resolution plan:

- (a) Yes, if the resolution plan is contravened.
- (b) The Adjudicating Authority may order the liquidation of a corporate debtor even after approving the resolution plan on receiving an application from a third party who is unaffected by such liquidation
- (c) Yes, the Adjudicating Authority may order for the liquidation of a corporate debtor if the committee of creditor does not approve the resolution plan after its approval by the Adjudicating Authority
- (d) No, the Adjudicating Authority cannot order the liquidation of a corporate debtor after approving the resolution plan.

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
3.	(d)	4.	(b)	5.	(a)

Question 6: [Section: 33] [RTP NOV 2020]

MX Limited was admitted in the Corporate Insolvency Resolution Process (CIRP) under section 7 of the Insolvency and Bankruptcy Code (Code). The Resolution Professional (RP) of the MX Limited (Corporate Debtor) conducted the Committee of Creditors (CoC) meeting but the same was adjourned due to lack of quorum. Accordingly, in the adjourned meeting, a resolution was passed by the CoC members present, representing 51% of the voting rights for liquidation of the Corporate Debtor before the expiry of the Corporate Insolvency Resolution Process (CIRP). You as a qualified Chartered Accountant in the team of RP is required to advise RP whether the resolution of liquidation passed is valid in law considering the provisions of the Insolvency and Bankruptcy Code.

- (a) The resolution passed for liquidation is not valid in law as it has not been approved by minimum of 90% of the voting shares of the financial creditors.
- (b) The resolution passed for liquidation is not valid in law as it has not been approved by minimum of 66% of the voting shares of the financial creditors.
- (c) The resolution passed for liquidation is not valid in law as it cannot be passed before the expiry of the CIRP.
- (d) The resolution passed for liquidation is valid in law as it has been passed by 51% of the voting shares of the financial creditors.

Question 7: [Section:21] [RTP MAY 2020]

The IRP appointed for M Ltd. is seeking your views on the constitution of the Committee of creditors of M Ltd. M Ltd. does not have any financial debt other than loan obtained from Mr. A, son of Mr. B, the managing director of M Ltd. Considering the above, identify the appropriate constitution of the committee of creditors out of the following:

- (a) Mr. A, 18 largest operational creditors, 1 representative of all workmen
- (b) 18 largest operational creditors, 1 representative of workmen and 1 representative of employees.
- (c) Only Mr. A since he is the only financial creditor
- (d) 18 largest operational creditors, 1 representative of workmen and 1 representative of employees and the resolution professional.

Question 8: [Section: 7] [RTP MAY 2020]

Mr. Satya, file a petition for default of non –payment of the debt against Mr. X. The amount in default claimed by petitioner was Rs. 30 lakh. Mr. X (Respondent) pleaded before the adjudicating authority that the amount of claim was not belonging to the applicant/petitioner. Mr. Satya, asserted that he himself with his son owns Rs. 26 Lakh to the respondent. Though nowhere in the petition and the supportive documents, he admitted that he himself with his Son owns Rs. 26 Lakh to the respondent. Considering the above facts in the light of the Insolvency and Bankruptcy Code, state the action that will be taken by the Adjudicating Authority-

- (a) NCLT will admit the application of Mr. Satya, as he jointly with his son owned the debt to the Mr. X, so he is a valid petitioner.
- (b) NCLT will admit the application filed by Mr. Satya on behalf of his son.
- (c) NCLT will reject the application considering that no default has occurred against Mr. Satya, and his stand as a financial creditor is not proved in the petition.
- (d) NCLT will dismiss the application on the ground of non- existence of dispute against Mr. Satya.

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
6.	(b)	7.	(b)	8.	(c)

Question 9: [Section: 12] [RTP MAY 2020]

How many times Corporate Insolvency Resolution Process period can be extended?

- (a) shall not be granted more than once
- (b) shall be granted more than once
- (c) shall be granted more than twice on the reasonable cause
- (d) cannot be granted at all

Question 10: [Section: 30] [RTP MAY 2019]

Under the IBC, The resolution plan shall be approved by the Committee of Creditors by a vote of not less than ___ percent of voting share of the financial creditors.

- (a) 51%
- (b) 66%
- (c) 75%
- (d) 95%

Question 11: [Section: 14] [RTP MAY 2019]

The moratorium is not declared by the Adjudicating Authority for:

- (a) Prohibiting the institution of any suit against the corporate debtor .
- (b) Prohibiting any action to enforce any security interest created by the corporate debtor.
- (c) Prohibit the recovery of any property by an owner where such property is occupied by the corporate debtor.
- (d) Suspension of supply of essential goods or services to the corporate debtor

Question 12: [Section: 54D & 54L] [MTP MAY 2023]

Mr. Raman gave a loan of amount 2 crore to a small enterprise, engaged in the manufacture and production of the articles belonging to metallurgical industries. Due to running in loss, it defaulted in payment of debt to Mr. Raman. So an insolvency process was initiated against it. Application was admitted on 318 January 2023. State which of the following is/are the correct statement/s in the light of the given facts as per the Insolvency and Bankruptcy Code:

- (I) Insolvency resolution process cannot be initiated against the Corporate debtor being a small enterprise in nature, which is out of scope of applicability of Code.
 - (II) Pre-packaged Insolvency resolution process can be initiated and shall be completed latest by 31 May, 2023.
 - (III) RP shall submit the resolution plan, whether approval of CoC is obtained or not, to the Adjudicating Authority.
 - (IV) In case, no resolution plan is approved by the committee of creditors, the RP, shall, file an application with the Adjudicating Authority for termination of the pre-packaged insolvency resolution process.
- (a) Only (I)
 - (b) (II) and (III)
 - (c) (II) and (IV)
 - (d) (II), (III) and (IV)

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
9.	(a)	10.	(b)	11.	(d)	12.	(c)

? **Question 13:** [Section: 5] [MTP NOV 2022]

New Era Financial Services Limited of New Delhi, registered with Reserve Bank of India as Non-banking Financial Company (NBFC), has defaulted in the payment of dues to its catering contractor, Samarth Sweets, a partnership concern owned by two real brothers Swarn and Shivi. From the following four options, select the one which indicates whether Samarth Sweets being catering contractor can initiate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016, against the company in the capacity as an operational creditor:

- (a) The catering contractor Samarth Sweets in the capacity as operational creditor is entitled to initiate insolvency process against New Era Financial Services Limited.
- (b) The catering contractor Samarth Sweets in the capacity as operational creditor is not entitled to initiate insolvency process against New Era Financial Services Limited because 'financial service providers' are excluded.
- (c) The catering contractor Samarth Sweets in the capacity as operational creditor is not entitled to initiate insolvency process against New Era Financial Services Limited since it is a partnership concern and not a limited company.
- (d) Since 'catering service provider' is an excluded service, the catering contractor Samarth Sweets in the capacity as operational creditor is not entitled to initiate insolvency process against New Era Financial Services Limited.

? **Question 14:** [Section:54C] [MTP MAY 2022]

The PPIRP may be made in respect of a corporate debtor, who commits a default subject to the condition that the majority of the directors of the corporate debtor have made a declaration, stating inter alia, that the corporate debtor shall file an application for initiating pre-packaged insolvency resolution process within a definite time period of:

- (a) not exceeding 60 days
- (b) not exceeding 90 days
- (c) not exceeding 120 days
- (d) not exceeding 150 days

? **Question 15:** [Section: 24] [MTP MAY 2021]

A meeting of committee of creditors shall quorate if members of the CoC representing _____ are present either in person or by video/audio means:

- (a) at least thirty three percent of the voting rights
- (b) at least Fifty one percent of the voting rights
- (c) at least sixty six percent of the voting rights
- (d) at least ninety percent of the voting rights

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
13.	(b)	14.	(b)	15.	(a)

Question 16: [Section: 15] [MTP MAY 2021]

Mr. Romil was appointed as an IRP during the Corporate Insolvency Resolution Process on 3rd of March, 2019. He can make a Public announcement -

- (a) latest by 6th March 2019 (b) latest by 7th March 2019
(c) latest by 10th March 2019 (d) latest by 14th March 2019

Question 17: [Section: 56] [MTP MAY 2021]

Ruby Petals Limited, a small company, files an application with the NCLT stating that the fast track corporate insolvency resolution process against it cannot be completed within the prescribed period of 90 days. On being satisfied, NCLT orders to extend the period of such process by 30 days. However, Ruby Petals Limited again initiates an application for further extension of time period of insolvency process by another 10 days. Which of the following option is applicable to such a situation:

- (a) NCLT can extend the period by another 10 days because total extension does not exceed 45 days.
(b) NCLT is empowered to grant another extension of 10 days if Ruby Petals deposits Rs. 50,000 as penalty.
(c) NCLT is empowered to grant another extension of 10 days if Ruby Petals deposits Rs. 100,000 as penalty.
(d) NCLT cannot extend the period by another 10 days because such extension shall not be granted more than once.

Question 18: [Section: 24] [MTP NOV 2020]

Under what circumstances the meeting of the creditors may be dispensed by the NCLT?

- (a) if 70% of the creditors in value agree and confirm to the scheme by way of affidavit
(b) if 80% of the creditors in value agree and confirm to the scheme by way of affidavit
(c) if 90% of the creditors in value agree and confirm to the scheme by way of affidavit
(d) None of the above

Question 19: [Section: 12] [MTP NOV 2020]

What is the mandatory period for completion of Corporate Insolvency Resolution Process (CIRP) against a corporate debtor:

- (a) 180 days which includes the time taken in legal proceedings in relation to such resolution process of the corporate debtor.
(b) 270 days which includes the time taken in legal proceedings in relation to such resolution process of the corporate debtor.
(c) 330 days which includes the time taken in legal proceedings in relation to such resolution process of the corporate debtor.
(d) 365 days which includes the time taken in legal proceedings in relation to such resolution process of the corporate debtor.

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
16.	(a)	17.	(d)	18.	(c)	19.	(c)

? **Question 20:** [Section: 22] [MTP MAY 2020]

If committee of creditors of corporate debtors was constituted on 17.3.2020 under the Insolvency and Bankruptcy Code. Identify the time limit, within which the first meeting of committee of creditors should be held.

- (a) Latest by 20.3.2020
- (b) Latest by 22.3.2020
- (c) Latest by 24.3.2020
- (d) Latest by 31.3.2020

? **Question 21:** [Section:16] [MTP NOV 2019]

NCLT shall appoint an interim resolution professional within how many days from the insolvency commencement date:

- (a) 7 days
- (b) 10 days
- (c) 14 days
- (d) 30 days

? **Question 22:** [Section: 21] [MTP NOV 2019]

Save as otherwise provided in Insolvency and Bankruptcy Code, 2016, all the decisions of the committee of the creditors shall be taken by a vote of not less than----- of voting share of the financial creditors.

- (a) 51%
- (b) 66%
- (c) 75%
- (d) 90%

? **Question 23:** [Section: 33] [MTP NOV 2019]

In case of a contravention of the resolution plan, an application for liquidation can be made by

- (a) Only the original applicant
- (b) Only by the corporate debtor
- (c) By any person other than the corporate debtor whose rights have been prejudicially affected
- (d) By the financial creditors only

? **Question 24:** [Section:12A] [MTP NOV 2021]

The Adjudicating Authority may allow the withdrawal of application admitted under section 7 or section 9 or section 10, on an application made:

- (a) By the Interim Resolution Professional
- (b) By the applicant with the approval of sixty-six per cent voting share of the committee of creditors.
- (c) By the applicant with the approval of seventy-five per cent voting share of the committee of creditors.
- (d) By the applicant with the approval of ninety per cent voting share of the committee of creditors.

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
20.	(c)	21.	(c)	22.	(a)	23.	(c)	24.	(d)

? **Question 25:** [Section: 5] [ICAI BoS Portal]

An interest or lien created on the property or assets of any person or any of its undertakings or both is called as:

- (a) Hypothecation
- (b) Pledge
- (c) Charge
- (d) Specific Lien

? **Question 26:** [Section: 5] [ICAI BoS Portal]

Any amount raised from an allottee under a real estate project shall be deemed to be an amount having the commercial effect of a borrowing shall be treated as:

- (a) Booking of a flat
- (b) Financial debt
- (c) Company deposit
- (d) Real Estate Project Financing

? **Question 27:** [Section: 32] [ICAI BoS Portal]

An application under Section 9 of the Insolvency and Bankruptcy Code, 2016 was filed by the Raheja Portland Cement Limited in the capacity as operational creditor against the corporate debtor Makhija Builders and Developers Limited. The application was admitted by the order of the National Company Law Tribunal Mumbai (NCLT, Mumbai) after giving a reasonable opportunity of being heard to Makhija Builders and Developers Limited and Mr. Ritesh was appointed as Interim Resolution Professional (IRP). However, Mr. Sanskar and Mr. Satvik, two of the directors of Makhija Builders and Developers Limited, were suspicious about the claims filed by Raheja Portland Cement Limited since they were much more than what was due to the company and therefore, they are desirous of making an appeal against the order of the NCLT, Mumbai. You, as a legal advisor, are required to advise them as to the maximum time within which an appeal against the order of the NCLT, Mumbai, can be filed by them with the National Company Law Appellate Tribunal (NCLAT).

- (a) Mr. Sanskar and Mr. Satvik, the two directors of Makhija Builders and Developers Limited shall be able to prefer an appeal against the order passed by NCLT, Mumbai under Section 9 of the Insolvency and Bankruptcy Code, 2016, within a period of 45 days from the date of order.
- (b) Mr. Sanskar and Mr. Satvik, the two directors of Makhija Builders and Developers Limited shall be able to prefer an appeal against the order passed by NCLT, Mumbai under Section 9 of the Insolvency and Bankruptcy Code, 2016, within a period of 30 days from the date of order.
- (c) Mr. Sanskar and Mr. Satvik, the two directors of Makhija Builders and Developers Limited shall be able to prefer an appeal against the order passed by NCLT, Mumbai under Section 9 of the Insolvency and Bankruptcy Code, 2016, within a period of 15 days from the date of order.
- (d) Mr. Sanskar and Mr. Satvik, the two directors of Makhija Builders and Developers Limited shall be able to prefer an appeal against the order passed by NCLT, Mumbai under Section 9 of the Insolvency and Bankruptcy Code, 2016, within a period of 10 days from the date of order.

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
25	(c)	26.	(b)	27.	(b)

? **Question 28:** [Section: 21] [ICAI BoS Portal]

The Committee of Creditors shall be constituted by:

- (a) The Insolvency Professional
- (b) The Adjudicating Authority
- (c) The Interim Resolution Professional
- (d) The Resolution Professional

? **Question 29:** [Section: 23] [ICAI BoS Portal]

Who shall conduct the Corporate Insolvency Resolution Process:

- (a) The Adjudicating Authority
- (b) The Insolvency Professional
- (c) The Interim Resolution Professional
- (d) The Resolution Professional

? **Question 30:** [Section: 25] [ICAI BoS Portal]

The Information Memorandum is prepared by:

- (a) The Resolution Applicant
- (b) The Interim Resolution Professional
- (c) The Resolution Professional
- (d) The Committee of Creditors

? **Question 31:** [Section: 5] [ICAI BoS Portal]

Aakansha Plastics Limited, having registered office at Bhatinda, Punjab, was formed in the year 2005. On March 31, 2021, its paid-up share capital was 5,00,00,000; Amount due from Debtors viz. Shilpa Furnitures Private Limited and Shobhna Traders & Co. 4,00,00,000; Secured loans obtained from Crescent Bank Limited 6,00,00,000; Amount due to creditors, namely, Sambhav & Sons and Satyadev Suppliers Private Limited 3,00,00,000. The performance of the company decreased sharply due to stiff competition, wrong planning and mismanagement and it came on the verge of insolvency. Choose from the following alternatives as to who is the corporate debtor:

- (a) Shilpa Furnitures Private Limited and Shobhna Traders & Co.
- (b) Aakansha Plastics Limited.
- (c) Sambhav & Sons and Satyadev Suppliers Private Limited.
- (d) Crescent Bank Limited.

? **Question 32:** [Section:24] [ICAI BoS Portal]

What is the minimum quorum required for meeting of Committee of Creditors ?

- a) 75%
- b) 90%
- c) 33%
- d) 66%

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer	Q. No.	Answer		
28.	(c)	29.	(d)	30.	(c)	31.	(b)	32.	(a)


Question 1: [MTP MAY 2022]

In order to make Robotics Toys Private Limited as its subsidiary, Golden Rays Robots Limited raised its investment in Robotics Toys from 40% to 60% of its paid-up capital. From the options given below, choose the one which correctly indicates as to when the Robotics Toys shall be considered as the undertaking of Golden Rays Robots Limited.

- In order that Robotics Toys is considered as one of its undertaking, Golden Rays is required to invest more than 10% of its 'net worth' calculated as per the audited balance sheet of the preceding year or the Robotics Toys must have contributed in generation of 10% of the total income of Golden Rays during the previous Financial Year
- In order that Robotics Toys is considered as one of its undertaking, Golden Rays is required to invest more than 20% of its 'net worth' calculated as per the audited balance sheet of the preceding year or the Robotics Toys must have contributed in generation of 20% of the total income of Golden Rays during the previous Financial Year
- In order that Robotics Toys is considered as one of its undertaking, Golden Rays is required to invest more than 25% of its 'net worth' calculated as per the audited balance sheet of the preceding year or the Robotics Toys must have contributed in generation of 25% of the total income of Golden Rays during the previous Financial Year.
- In order that Robotics Toys is considered as one of its undertaking, Golden Rays is required to invest more than 30% of its 'net worth' calculated as per the audited balance sheet of the preceding year or the Robotics Toys must have contributed in generation of 30% of the total income of Golden Rays during the previous Financial Year.


Question 2: [MTP MAY 2022]

Modern Books Publishers plc., a company incorporated in United Kingdom (UK) has a wholly owned subsidiary by the name Beta Periodicals Limited whose Registered Office is situated at Mumbai and which is engaged in publishing scientific, technical and specialty magazines, periodicals and journals. Beta Periodicals Limited considers itself to be a foreign company since it is a wholly owned subsidiary of Modern Books Publishers plc. which is a foreign company. From the four options given below, you are required choose the one which appropriately indicates whether Beta Periodicals Limited can be considered as a foreign company:

- Beta Periodicals Limited cannot be considered as a foreign company even if it is a wholly owned subsidiary of Modern Books Publishers plc, which is a foreign company.
- Beta Periodicals Limited shall be considered as a foreign company since it is a wholly owned subsidiary of Modern Books Publishers ple. which is a foreign company.
- Beta Periodicals Limited can be granted the status as a foreign company, if its holding company Modern Books Publishers plc. makes an application to the Regional Director having jurisdiction over New Delhi for considering its wholly owned subsidiary Beta Periodicals Limited a foreign company.
- Beta Periodicals Limited can be granted the status as a foreign company, if its holding company Modern Books Publishers plc. makes an application to the New Delhi Bench of National Company Law Tribunal for considering its wholly owned subsidiary Beta Periodicals Limited a foreign company.

Q. No.	Answer	Q. No.	Answer
1.	(b)	2.	(a)

Question 3: [MTP MAY 2022]

B. Real Estate Developers Limited was demerged to B. Reality Constructions and Developers Limited and B. Real Estate Developers Limited. Choose the correct option from those given below as to what type of demerger is this:

- (a) Total demerger.
- (b) Partial demerger.
- (c) Internal reconstruction.
- (d) Demerger in the 'nature of purchase'.

Question 4: [MTP NOV 2021]

Fam Company LLC, a company incorporated outside India, proposes to establish a place of business in India. The list of the directors includes Mr. Arjun – Managing Director, Mr. Ranveer – Director and Ms. Lavina – Secretary of Fam Company LLC. Mr. Malik and Mr. Arbaaz, resident in India, are the persons who has been authorised by Fam Company LLC to accept on behalf of the company service of process, notices or other documents required to be served to Fam Company LLC. In relation to the company's establishment, you are asked by the Fam Company LLC with respect to whose declaration will be required to submit to the Registrar by the Company for not being convicted or debarred from formation of companies in or outside India.

- (a) Mr. Arjun, Mr. Ranveer, Ms. Lavina Mr. Malik and Mr. Arbaaz.
- (b) Mr. Arjun, Ms. Lavina, Mr. Malik and Mr. Arbaaz.
- (c) Mr. Malik and Mr. Arbaaz.
- (d) Mr. Arjun, Mr. Ranveer, Mr. Malik and Mr. Arbaaz

Question 5: [MTP NOV 2021]

The dealers in precious metals/ precious stones, can be considered as persons carrying on designated businesses or professions, when-

- (a) they engage in any cash transactions with a customer of Rupees ten lakhs, carried out in a single operation
- (b) they engage in any cash transactions with a customer of Rupees ten lakhs, carried out in a single operation or in several operations that appear to be linked.
- (c) they engage in any cash transactions with a customer of equal to or above Rupees ten lakhs, carried out in a single operation or in several operations that appear to be linked
- (d) they engage in sale or purchase of precious metal/precious stones and having annual turnover of Rupees twenty lakhs or above

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
3.	(b)	4.	(d)	5.	(c)

Question 6: [MTP MAY 2021]

X Ltd., a foreign company along with the financial statement of FY 2020-2021 of its Indian business operations have to file statement of related party transactions, repatriation of profits and statement of transfer of funds with the Registrar latest by:

- (a) April 30,2021
- (b) June 30,2021
- (c) September 30, 2021
- (d) December 31, 2021

Question 7: [MTP NOV 2020]

In which of the following cases the issue of prospectus by a company incorporated outside India will be invalid in law considering the provisions of Chapter XXII of Companies Act, 2013.

- (a) The Consent to the issue of the prospectus required from any person, as an expert is attached to the copy for the registration of prospectus to be delivered to the Registrar.
- (b) In case where the prospectus is signed by the duly authorized agents of the directors and the copy of power of attorney is not attached with the copy of prospectus to be delivered for Registration.
- (c) A company incorporated outside India not having place of business in India.
- (d) A Company to be incorporated outside India

Question 8: [MTP MAY 2020]

Videshi Ltd., a foreign company established with a principal place of business at Kolkata, West Bengal. The company delivered various documents to Registrar of Companies. State the number of days and place where the said company shall deliver such documents:

- (a) Within 15 days to the Central Government
- (b) Within 15 days to the Registrar having jurisdiction over New Delhi
- (c) Within 30 days to the Registrar having jurisdiction over West Bengal
- (d) Within 30 days to the Registrar having jurisdiction over New Delhi

Question 9: [MTP NOV 2019]

Mr. X took multiple loans for the same home from three different banks. The total amount is greatly in excess of the actual value of the property, which is 2 crores. Out of this amount, he invested 50 lakh in shell companies abroad. He bought one property in his son name at Jaipur worth 30 lakh out of which he took loan of 10 lakh. Mr. X gifted a diamond set to his wife worth 10 lakh. Mr. X bought one house in London for 1 Crore via Mr. Z a hawala broker. Mr. X gave his driver M, 10 lakh to keep it in safe place. Mr. A, a financial manager of Mr. X knew about all the transactions. Who all are liable in these chain of transactions?

- (a) Mr. X and Mr. Z
- (b) Mr. X, his wife and son, Mr. Z and Mr. A
- (c) Mr. X, Mr. Z, Mr. A and Mr. M
- (d) Mr. X, Mr. Z and Mr. M

Q. No.	Answer	Q. No.	Answer	Q. No.	Answer	Q. No.	Answer
6.	(c)	7.	(b)	8.	(d)	9.	(c)



Question 9: [MTP NOV 2019]

Kumar Ltd. filed a complaint to conduct an inquiry against the past directors who were in whole time employment of the company for the entering into an arrangement of business of vested interest. Registrar was of the opinion that further information were necessiated to disclose the state of affairs that existed in the company. A notice was served to the company to furnish such information. Examine in the light of the given situation, the correct statement of the following as to the conduct of enquiry in the said matter-

- (a) No enquiry can be conducted on said business arrangement because past directors are no more part of the Kumar Ltd.
- (b) Enquiry can be conducted by seeking an information by serving notice to the Kumar Ltd and all the officers.
- (c) Enquiry can be conducted by seeking required information from the past directors (officers who were earlier in employment of the company) and they are bound to furnish information and explanation to the best of their knowledge.
- (d) No enquiry can be conducted as central government is authorised to look into the matter.



Question 10: [MTP NOV 2019]

Vision Ltd., a foreign Company incorporated in Singapore, appointed Mr. X as a representative in India for the management of place of business in India. Due to un-satisfactory services of Mr. X, Vision Ltd. replaced him and appointed Mr. Y. Vision Ltd. is required to comply with which of the following requirement-

- (a) Vision Ltd. shall file return to the Registrar of Company in India, within 30 days of the appointment of Mr. Y
- (b) Vision Ltd. being a foreign co. in singapore does not require to give any such intimation of replacement/ change made for management of place of business in India
- (c) Vision Ltd. shall intimate of such alteration at the place where its registered within 15 days from such alteration.
- (d) Vision Ltd. shall file return to the Registrar, within 1 month of such alteration as to appointment of Mr. Y

Q. No.	Answer	Q. No.	Answer
9.	(c)	10.	(a)