



FINAL EXAMINATION
MODEL QUESTION PAPER
PAPER - 13

SET 1
TERM – JUNE 2023

CORPORATE AND ECONOMIC LAWS

Time Allowed: 3 Hours

Full Marks: 100

The figures in the margin on the right side indicate full marks.

Where considered necessary, suitable assumptions may be made and
clearly indicated in the answer.

Answer Question No. 1 and 8 are compulsory and any four from Question No. 2, 3, 4, 5, 6 & 7.

SECTION – A

**Please answer the following questions with brief justification as directed
and/or reference to the relevant legal provision as appropriate.**

- 1. (a) Multiple Choice Question:** **[10 × 2 = 20]**
- (i) Insurance business is regulated by _____. [Justify your answer]
- a. SEBI
 - b. RBI
 - c. MCA
 - d. None of the above
- (ii) Shifting of the registered office within the same state, would require _____. [State the rationale behind your selection]
- a. Special resolution only
 - b. Special resolution & approval of ROC
 - c. Central Govt. approval only
 - d. Only board approval
- (iii) The key benefits that businesses can get from BI applications include the ability to _____. [Justify your answer]
- a. Sped up and improve decision-making
 - b. Optimise internal business process
 - c. Increase operational efficiency and productivity
 - d. All of the above
- (iv) The Insolvency and bankruptcy code applies to _____. [State the reason behind your selection]
- a. All companies



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- b. LLP
 - c. Partnership
 - d. All of the above
- (v) At which level corporate governance is more relevant in a company? [Briefly justify your answer]
- a. Top level
 - b. Middle level
 - c. Lower level
 - d. All levels
- (vi) Takeover means _____. [State the rationale behind your selection]
- a. Buying a few shares
 - b. Acquiring 10% shares
 - c. Acquiring shares which will give control over the management
 - d. None of the above
- (vii) Which is not the objective of the Competition Act, 2002? [State the reason behind your selection]
- a. To promote start-up companies
 - b. To promote and sustain competition
 - c. To protect interests of the consumers
 - d. Prevent anti-competitive practices
- (viii) FDI is prohibited in which of the following sectors? [What is the rationale behind your selection]
- a. Lottery business including online lotteries
 - b. Gambling and betting
 - c. Cheat funds
 - d. All of the above
- (ix) As per the MSME Act, Central Government issues various guidelines for MSME units with respect to _____. [Briefly explain the reason behind your selection]
- a. Enhancing competitiveness
 - b. Development of employee skill



- c. Marketing assistance
 - d. All of the above
- (x) Every reporting entity shall maintain record of _____. [Provide a brief justification for your answer]
- a. All transactions in cash of more than ₹10 lakhs
 - b. All series of integrated transaction below ₹10 lakhs per month
 - c. All transactions of receipt of ₹10 lakhs or more on its equivalent foreign currency
 - d. All of the above

SECTION – B

2. (a) Briefly describe the steps for formation of an one-person company in the light of the provision of the Companies Act, 2013.
- (b) List the provisions of the Companies Act 2013 regarding appointment of directors of a public limited company. **[10+6 = 16]**
3. (a) Critically examine the powers of Tribunal as per the provisions under section 231 of the Companies Act 2013
- (b) State the applicability of CSR Provisions and constitution and functions of CSR Committee as per the Companies Act 2013. **[6+10 = 16]**
4. (a) Critically examine the rationale behind the powers and duties of a liquidator as prescribed in the IBC, 2016.
- (b) Critically assess the reasons behind the Companies Act 2013 prescribing certain features of corporate governance in a family run business in India. **[8+8 = 16]**
5. (a) Prepare a list of the provisions prescribed for fair disclosures by listed companies in India.
- (b) Critically assess the major differences between horizontal and vertical business combination agreements with examples. **[6+10 = 16]**



6. (a) List the items which are prohibited as per Liberalised Remittance Scheme, with brief justifications for each.
- (b) List the measures for asset reconstruction by an Asset Reconstruction Company as per the SARFESI Act, 2002, with brief narratives. [8+8 = 16]
7. (a) Prepare a list of the members of the National Board for Micro, Small and Medium enterprises as per the MSME Act.
- (b) Examine the major types of cybercrimes and the gravity of cybercrime against the Government in the context of contemporary business ecosystem. [8+8 = 16]

SECTION – C

8. A Ltd., a public limited company, has ₹ 50 crore equity share capital with face value of ₹10 per share. It manufactures FMCG products. It has taken over 70% equity share split of a company called B Ltd, a banking company which is a listed company with equity capital of ₹ 20 crore split into shares with face value of ₹10 per share. Recently, A Ltd and B Ltd. have decided to merge. Mr. D and other few shareholders of B Ltd. did not agree with the above decision. They think that the decision of management is not based on fairness and honesty. They also believe that the decision is associated with money laundering at top level. The CEO of B Ltd. has the following queries which you have to answer. Prepare a formal report to be submitted to B Ltd. containing answers formulated with reference to the relevant provisions of law, justification and examples.
- (i) Is the decision to merge in order?
- (ii) Is the merger to be approved by shareholders of each of the companies?
- (iii) Mr. D and other few shareholders did not agree with the above decision. Now what will happen if they do not give their consent to the above scheme?
- (iv) Does this scheme require approval from NCLT?
- (v) In which way principles of good governance can resolve the claim of dissenting shareholders.
- (vi) Does this scheme require approval from IRDAI and why?
- (vii) Does the allegation of Mr. D and others come within the ambit of the Prevention of Money Laundering Act, 2002? Explain with reason. [(6 × 2) +4 = 16]