



FINAL EXAMINATION
MODEL QUESTION PAPER
PAPER – 13

SET - 1
TERM – JUNE 2026
SYLLABUS 2022

CORPORATE LAWS AND ECONOMIC LAWS

Time Allowed: 3 Hours

Full Marks: 100

The figures in the margin on the right side indicate full marks. Wherever necessary. Suitable assumptions may be made and clearly indicated in answer by the candidate.

Answer Question No. 1 which is compulsory carrying 30 marks and answer any five questions from Question No. 2 to Question No. 8 each of 14 marks.

SECTION – A

Question No. 1, which is compulsory

- 1) Choose the most appropriate option for the following MCQs: [15 × 2=30]

Scenario for MCQs (I) TO (IV)

Sunrise Ltd., a public company, appointed Mr. Ramesh as its statutory auditor in the AGM held on 1st July 2025. He resigned on 15th October 2025 due to personal reasons. The Board appointed another auditor on 25th October 2025. Mr. Ramesh had not filed Form ADT-3 with the ROC.

- (i) What is the consequence of Mr. Ramesh not filing Form ADT-3 with the ROC within the prescribed time?
- (A) Penalty of ₹50,000 only
(B) Minimum penalty ₹50,000 and continuing default ₹500 per day, maximum ₹2,00,000
(C) Penalty of ₹2,00,000 and ₹1,000 per day for continuing default
(D) No penalty, only warning by ROC
- (ii) The new auditor appointed by the Board owes ₹1,50,000 to Sunrise Ltd. Is he eligible to be appointed?
- (A) Yes, since the threshold limit is ₹2,00,000
(B) Yes, since the limit applies only to secured loans
(C) Yes, since indebtedness applies only to relatives of the auditor
(D) No, since indebtedness beyond ₹1,00,000 disqualifies an auditor
- (iii) Suppose Mr. Ramesh was charged by GST authorities for fraud of ₹1.5 crore but not yet convicted. Can he continue as auditor?
- (A) No, he must resign immediately
(B) Yes, unless convicted by a court of law
(C) No, NFRA disqualifies him upon charge
(D) Yes, for five years even if convicted
- (iv) If Sunrise Ltd. were a company controlled by the State Government, who would have the authority to fill the vacancy caused by the resignation of Mr. Ramesh?
- (A) The Board of Directors
(B) The Central Government
(C) The Members of the company
(D) The Comptroller and Auditor General of India

Independent MCQs [(v) to (xv)]



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- (v) Bright Ltd. defaults on a loan of ₹50 crore. The creditors demand that Mr. Arun, holding 20% shares, personally repay 20% of the loan.
- (A) Mr. Arun is liable to the extent of his shareholding percentage (20%).
 - (B) Mr. Arun's liability is limited only to the unpaid amount on his shares.
 - (C) Mr. Arun is liable jointly with other shareholders for the entire debt.
 - (D) Mr. Arun is liable only if he is also a director of the company.
- (vi) Certificate of Incorporation of a company is issued by:
- (A) Central Government
 - (B) Registrar of Companies
 - (C) Regional Director
 - (D) Ministry of Corporate Affairs
- (vii) Under IBC, 2016, the Corporate Insolvency Resolution Process (CIRP) must be completed within ___ days:
- (A) 330
 - (B) 270
 - (C) 300
 - (D) 365
- (viii) Which of the following is not a sustainable development activity?
- (A) Rainwater harvesting
 - (B) Solar energy
 - (C) Paddy cultivation
 - (D) Plantation of saplings
- (ix) Triple Bottom Line approach refers to:
- (A) People, Planet, Profit
 - (B) People, Purpose, Profit
 - (C) Planet, Profit, Period
 - (D) Planet, People, Purpose
- (x) Selling products/services below the cost is called _____.
- (A) Undercut pricing
 - (B) Under invoicing
 - (C) Predatory pricing
 - (D) Introductory pricing
- (xi) Under SEBI (ICDR) Regulations, 2018, a company must have net tangible assets of at least ₹ _____ crore in the preceding 3 years:
- (A) 1



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- (B) 3
(C) 5
(D) 10
- (xii) Under Section 2(f) of the Competition Act, 2002, a consumer includes:
(A) Only persons buying goods for personal use
(B) Persons buying goods for resale or commercial purpose also
(C) Only persons who have fully paid consideration
(D) None of the above
- (xiii) Under FEMA, eligible borrowers can raise up to _million USD per financial year under automatic route for ECB.
(A) 400
(B) 600
(C) 750
(D) 1000
- (xiv) The Reserve Bank of India is primarily responsible for:
(A) Framing monetary policy
(B) Supervising insurance companies
(C) Regulating stock exchanges
(D) Enforcing competition law
- (xv) Under the Prevention of Money Laundering Act, 2002, a “Scheduled Offence” is termed as:
(A) Money Laundering Offence
(B) Predicate Offence
(C) Punishable Offence
(D) Pre-requisite Offence

SECTION – B

Answer any five questions form Question No. 2 to Question No. 8.

Each question carries 14 marks.

[5 × 14 = 70]

2. (a) M/s Zenith Ltd., a public company engaged in manufacturing, has the following financials:

Particulars	Amount (₹ in crore)
Paid-up Equity Share Capital	120
General Reserve	30
Securities Premium	10
Term Loan from Bank	80
Turnover	600



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The company proposes to invite deposits of varying tenures.

- (i) Inspect whether the company eligible to invite deposits from the public?
- (ii) Evaluate the permissible limit for deposits from members.
- (iii) Evaluate the permissible limit for deposits from the public.
- (iv) Examine, what is the combined limit from members and public?
- (v) Advice, can the company accept deposits for less than six months?

[7]

- (b) Mr. A, a shareholder of XYZ Ltd., proposes the candidature of Mr. B as a director, not liable to retire by rotation, and deposits ₹1,00,000 with the company.

Examine the validity of this proposal in the following cases:

- (i) If XYZ Ltd. is a Government company and the Government has been duly intimated.
- (ii) If the Articles of Association provide for election of directors by ballot.
- (iii) If the company publishes notice only in a vernacular newspaper, seven days before the meeting.

[7]

3. (a) Describe the procedural requirements and conditions for issuing a notice of Board Meeting under Section 173(3) of the Companies Act, 2013. [7]

- (b) The Central Government, under Section 237(1) of the Companies Act, 2013, has ordered the amalgamation of A Ltd. and B Ltd. into a new company, AB Ltd., on specified terms and conditions. [7]

- The Shareholders of A Ltd. are to receive ₹1,200 per existing share in cash, and in addition, one share of AB Ltd. for every two shares held in A Ltd.
- The Shareholders of B Ltd. are to receive one share of AB Ltd. for every share held in B Ltd. Two shareholders object to the amalgamation, contending that the compensation awarded is unsatisfactory.
 - (i) Critically assess the applicable provisions regarding amalgamation under Section 237.
 - (ii) Suggest the remedy available to dissenting shareholders.
 - (iii) Explain the effect of the Central Government's order once published in the Official Gazette.

4. (a) Explain the required quorum for holding a Board meeting, as per the provisions of the Companies Act, 2013? Examine the following cases in this context:

- (i) In a Board meeting, only 3 directors were present out of the total of 11 directors. None of the 3 directors was interested in any of the items of the agenda. Examine the validity of meeting.
- (ii) In a meeting of the Board, out of the total of 11 directors, 5 directors were present, of which only 2 directors were not interested in one of the transactions. Suggest, how should the meeting deal with the matter? [7]

- (b) X & Co. is a LLP firm wants to convert their firm into a corporate entity as per the provisions contained in Sec. 366 of the Companies Act, 2013 and the Companies (Authorized to registered) Rules, 2014. They have conducted a meeting for conversion of and to decide the name of the company summoned for the purpose



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of registering the LLP. In the meeting 1/4th partners want for the conversion into a Pvt. Ltd company, and 3/4th partners want for a new corporate entity with the word "Public Limited". There are 6 partners in the firm. Recommend an appropriate decision and steps to be taken by the firm. [7]

5. (a) The Insolvency and Bankruptcy Code, 2016 provides for a Fast Track Corporate Insolvency Resolution Process (CIRP) to expedite the resolution of certain entities.
Examine the specific categories of corporate debtors to whom the provisions of Fast Track CIRP under Section 55 of the Code apply. Additionally, discuss the statutory time limit and the extension allowed for completing this fast-track process. [7]
- (b) Under section 28 of the IBC, 2016, the Resolution Professional will have to take prior approval for some cases, otherwise it will be invalid. Discuss those cases and percentage of voting is required in favour of the decision? [7]
6. (a) Corporate Social Responsibility (CSR) is a crucial component of modern corporate sustainability. Discuss the statutory applicability criteria for constituting a Corporate Social Responsibility (CSR) Committee under Section 135 of the Companies Act, 2013. Furthermore, Align any four core functions/duties that the CSR Committee is mandated to perform once constituted. [7]
- (b) Section 43 of the Information Technology Act, 2000 prescribes penalties and compensation for damage to computers and computer systems. Summarize any seven specific acts constituting an offence under this section that would render a person liable to pay damages by way of compensation to the affected party. [7]
7. (a) Explain the obligations of the target company and obligations of the acquirer. [7]
- (b) Section 4 of the Competition Act, 2002 explicitly prohibits any enterprise or group from abusing its 'dominant position'. Discuss what constitutes a "dominant position" under the Act. Furthermore, Align any five statutory factors that the Competition Commission of India (CCI) is mandated to consider under Section 19(4) while determining whether an enterprise enjoys such a dominant position in the relevant market. [7]
8. (a) The Prevention of Money Laundering Act, 2002 (PMLA) was enacted to combat the channeling of illicitly obtained proceeds of crime into the formal financial system. Discuss the 'Offence of Money Laundering' as laid down under Section 3 of the Act. Additionally, Align, the standard statutory punishment prescribed for this offence under Section 4. [7]
- (b) Analyze the role of the Reserve Bank of India in the formulation of monetary, banking and financial policies in India. [7]