



**THE INSTITUTE OF
Company Secretaries of India**
IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament

PRACTICE TEST PAPER
For
EXECUTIVE PROGRAMME
(Old Syllabus)

Module I

- Paper 1 General and Commercial Laws**
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EXECUTIVE PROGRAMME
(Old Syllabus)

GENERAL AND COMMERCIAL LAWS

MODULE I- PAPER 1

**PRACTICE TEST PAPER
GENERAL AND COMMERCIAL LAWS**

Time allowed: 3 hours

Max. marks: 100

NOTE: Answer All Questions.

1. (a) "Article 14 of the Constitution of India forbids class legislation but does not forbid classification". Discuss and also explain the rules with respect to permissible classification as evolved by the Supreme Court of India. *(8 marks)*
- (b) Explain the mischief rule in the interpretation of statutes. *(5 marks)*
- (c) Re-write the following sentences after filling-in the blank spaces with appropriate word(s)/figure(s):
- (i) Perpetual injunction is granted under section _____ of the Specific Relief Act, 1963.
 - (ii) A police officer may arrest an accused without warrant in case of _____.
 - (iii) The term 'sufficient cause' has not been defined in the Limitation Act, 1963. It depends on the _____ of each case.
 - (iv) In case of a cognizable offence, the police officer may conduct investigations _____ the order of a magistrate.
 - (v) The Constitution of India does not use the term 'statute' but it employs the term _____ to describe an exercise of legislative power.
 - (vi) The application of revision under the provisions of the Code of Civil Procedure, 1908 is made to _____.
 - (vii) _____ means a person who is intended by the originator to receive the electronic record but does not include any intermediary. *(1 mark each)*
2. (a) Attempt the following :
- (i) State the circumstances in which a property may be transferred in favour of an unborn person.
 - (ii) What are 'cyber offences' under the Information Technology Act, 2000?
 - (iii) Explain the term 'conveyance' under the Indian Stamp Act, 1899. *(4 marks each)*
- (b) Fill in the blank spaces with appropriate nomenclature or terminology in the following:
- (i) Where a person transfers his property so that his creditors shall not have any thing out of the property, the transfer is called _____.
 - (ii) _____ means any person against whom a decree has been passed or an order capable of execution has been made.
 - (iii) Speedy disposal of cases which can be tried and disposed off at once is known as _____.

- (iv) Any act or omission made punishable by any law for the time being in force is called as _____ . *(1 mark each)*
3. (a) Write notes on the following :
- (i) Agencies excluded under RTI Act, 2005.
 - (ii) Mens rea
 - (iii) Rectification of an instrument. *(4 marks each)*
- (b) Choose the most appropriate answer from the given options in respect of the following:
- (i) Investigation and Inquiry as per the Code of Criminal Procedure 1973 are—
 - (a) The same
 - (b) Different
 - (c) Depends upon the circumstances
 - (d) None of the above.
 - (ii) Section 20 of the Right to Information Act, 2005 imposes stringent penalty on a public information officer for —
 - (a) Failing to provide information
 - (b) Rejecting an application for information
 - (c) Concealing the information
 - (d) None of the above.
 - (iii) Under the Specific Relief Act, 1963, the relief of cancellation of a written instrument is available —
 - (a) When an instrument is void or voidable at the option of the plaintiff
 - (b) Where the plaintiff may apprehend serious injury if the instrument is left outstanding
 - (c) Where the instrument requires registration but is not registered
 - (d) Where conditions mentioned (a) and (b) above are fulfilled.
 - (iv) The definition of the 'State' as given under Article 12 of the Constitution of India includes —
 - (a) The Central Government and Parliament of India
 - (b) The Government and the Legislature of each State
 - (c) All local or other authorities within India and under the control of the Government of India
 - (d) All of the above. *(1 mark each)*
4. (a) A document was executed outside India and it was presented for registration after a lapse of four months from the date of its arrival in India. Whether the document may be accepted for registration by the Registrar? Decide. *(4 marks)*
- (b) State, with reasons in brief, whether the following statements are correct or incorrect:
- (i) Article 174 of the Constitution of India empowers the Governor of the State to dissolve the State Legislature.

- (ii) The Right to Information Act, 2005 confers on all citizens of India a right to information.
 - (iii) Under certain circumstances, a person is liable for the torts committed by another.
 - (iv) While computing the period of limitation for an application to set aside an award, the time required for obtaining a copy of the award shall not be excluded.
 - (v) Decree is a formal expression of an adjudication, whereas an order is the decision of the court.
 - (vi) Vivek sells a property to Rahul for Rs. 5 lakh which is subject to a mortgage to Paras for Rs.10 lakh and unpaid interest of Rs. 2 lakh. Stamp duty is payable on Rs. 17 lakh. *(2 marks each)*
5. (a) Atul sells a house to Vishal by a written document and delivers possession to Vishal, but the document is not registered. After one year, Atul sues Vishal to take back the possession of the property on the ground that non-registration of a document has no validity. Will Atul succeed? *(4 marks)*
- (b) A magistrate of the first class passes a sentence of imprisonment for a term of three years with a fine of Rs.5,000 and in lieu of non-payment thereof, an additional imprisonment for another one year. The convict feels aggrieved by the sentence.
- (i) Has the convict any right to appeal against this sentence?
 - (ii) Will the situation change, if the sentence is passed by the court of a chief judicial magistrate? Give reasons in support of your answer. *(4 marks)*
- (c) Dr. Himanshu agrees to perform a certain operation and takes an advance of Rs. 70,000 from the patient. Later on Dr. Himanshu refuses to operate. Decide, giving reasons, whether the patient can get a decree of specific performance from the court against Dr. Himanshu? *(4 marks)*
- (d) Ratan is charged with forging a particular document. The prosecution produces in evidence a number of documents apparently forged, found in possession of the accused. Are these documents admissible in evidence? *(4 marks)*
6. (a) Mithun and Shekhar entered into an agreement to refer a dispute relating to genuineness of a will to an arbitral tribunal. In spite of this, Shekhar commenced proceedings relating to this dispute in the district court of competent jurisdiction. Mithun submits an application for stay of legal proceedings under the Arbitration and Conciliation Act, 1996. Will he succeed? Explain. *(4 marks)*
- (b) Kamna informed Abhay in the year 2003 that she had committed theft of the jewellery of her neighbour. Thereafter, Kamna and Abhay were married in 2005. In the year 2007, criminal proceedings were instituted against Kamna in respect of the theft of jewellery. Abhay is called to give evidence in the case. Decide whether Abhay can disclose the communication made to him by Kamna. *(4 marks)*

- (c) Avinash, residing in Delhi, requests his friend Bishnoy, residing in Lucknow, for a loan of Rs.10 lakh . Bishnoy asks Avinash to come to Lucknow and collect the cheque for the said amount. Accordingly, Avinash collects the cheque at Lucknow. Avinash has failed to repay the loan. Bishony wants to institute a suit for the recovery of loan against Avinash. Mention the place where Bishnoy can file a suit against Avinash. Give reasons in support of your answer. *(4 marks)*
- (d) Abhay downloaded secret data from the computer network of a foreign company engaged in the manufacture of aircrafts. He was prosecuted and fined Rs.1 lakh by the adjudicating officer under section 43 of the Information Technology Act, 2000. Is any remedy available to Abhay? Advise. *(4 marks)*
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EXECUTIVE PROGRAMME
(Old Syllabus)

**COMPANY ACCOUNTS, COST AND
MANAGEMENT ACCOUNTING**

MODULE I- PAPER 2

PRACTICE TEST PAPER
COMPANY ACCOUNTS, COST AND MANAGEMENT ACCOUNTING

Time allowed: 3 hours

Maximum marks: 100

PART A

*(Answer Question No. 1 which is compulsory and
any two from the rest of this part)*

1. (i) State with reasons in brief, whether the following statements are *true or false*:
- (a) There is no limit on the total managerial remuneration payable by a private company which is a subsidiary of a public company to its directors.
 - (b) Redemption of preference shares cannot be made out of the fresh issue of debentures.
 - (c) Minority interest in a subsidiary does not include the paid up value of the preference shares of the holding company held by the outsiders.
 - (d) An intangible asset should be derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposal.
 - (e) In the final accounts of the company, provision for income tax for the current year is shown as appropriation of profits.

(2 marks each)

- (ii) Re-write the following sentences after filling - up the blank space with appropriate word(s) so as to convey the correct meaning:
- (a) Every buyback should be completed within _____ months from the date of passing the special resolution.
 - (b) Preliminary expenses are to be treated as _____ expenses while allocating expenses between pre-incorporation and post incorporation periods.
 - (c) When an underwriter agrees to buy or subscribe a certain number of shares or debentures irrespective of the result of the issue of the prospectus, it is a case of ----- underwriting.
 - (d) Yield value of share based on rate of earning = _____.
 - (e) The methods relating to valuation of shares on net asset basis may be _____, _____ and _____.

(1 mark each)

- (iii) On 31st March 2010 Rohini Ltd., issued 4,000-7% debentures of Rs. 500 each at Rs. 475 each. Debentureholders had an option to convert their holding into 8% Preference Shares of Rs. 100 each at a premium of Rs. 25 per share. On 31st March 2011 one year's interest had accrued on these debentures and remained unpaid.

A holder of 100 Debentures notified his intention to convert his holding into 8% preference shares.

Journalise the above transactions and prepare the balance sheet as on 31st March, 2011 showing the relevant items.

(5 marks)

2. (i) Vishal Ltd., invited applications for the issue of 1,00,000 equity shares of Rs. 10 each payable Rs. 4 on application. Rs. 5 (including Rs. 3 as securities premium) on allotment and balance on first and final call. The prospectus provided that in case of partial allotment, money received in excess on application would be adjusted towards the amounts due on allotment and call.

The company received applications for 2,50,000 shares out of which applications for 50,000 shares were rejected out rightly and other applicants were allotted shares on pro-rata basis. The company received all moneys due on allotment and call except from one shareholder (who applied for 2,000 shares) who failed to pay the allotment and the call

moneys. The company forfeited his shares.

Out of the forfeited shares, the company reissued 600 shares at the rate of Rs. 8 per share, fully paid up.

You are required to journalise the above transactions and prepare the cash book.

(8 marks)

- (ii) A firm which was carrying on business from 1st July 2010 gets itself incorporated as a company on 1st November 2010. The first accounts are drawn up to 31st March 2011.

The gross profit for the period is Rs. 5,60,000. The general expenses are Rs. 1,42,200, Directors' fee Rs. 1,20,000 p.a.; formation expenses Rs. 15,000. Rent up to 31st December 2010 is Rs. 12,000 p.a., after which it is increased to Rs. 30,000 per annum. Salary of the manager, who upon incorporation of the company was made a director, is Rs. 60,000 p.a. His remuneration thereafter is included in the above figure of fee to directors.

Give Profit and Loss Account showing pre-and post-incorporation profits. The net sales are Rs. 82,00,000, the monthly average of which, for the first four months of 2010 is half of that of the remaining period, the company earned a uniform profit. Interest and tax may be ignored.

(7 marks)

3. (i) State the conditions to be fulfilled by a joint stock company to buy back its own shares.

(5 marks)

- (ii) On 1st April 2010, Suman Ltd. has a subscribed share capital of Rs. 500,000 divided into 50,000 fully paid equity shares of Rs. 10 each. It had accumulated capital and revenue profits of Rs. 390,000 when Hero Ltd. acquired 80% of shares of Suman Ltd. for Rs. 9,00,000. On 31st March 2011, profits of Suman Ltd. amounted to Rs. 260,000. On 31st March 2011, Suman Ltd. issued by way of bonus, one fully paid equity share of Rs. 10 for every five equity shares held out of its pre-acquisition profits.

Calculate as on 31st March 2011 Cost of Control & minority interest:

(i) just before issue of bonus shares and

(ii) immediately after issue of bonus shares.

(10 marks)

4. (i) How an intangible asset acquired by way of a Government grant is valued? (5 marks)

- (ii) From the following particulars, calculate the fair value of an equity share assuming that out of the total assets, assets worth Rs. 35,000 are fictitious.

- Share capital: 45,000 10% preference shares of Rs. 100 each fully paid 45,000 equity shares of Rs. 10 each fully paid.
- Liability to outsiders – Rs. 7,50,000
- Reserves and surplus - Rs. 3,50,000
- The average normal profit after tax - Rs. 850,000.
- The normal profit earned on the market value of fully paid equity shares of similar companies is 9%.
- Company transfers every year Rs. 100,000 to reserves.

(10 marks)

PART B

(Answer Question No. 5 which is compulsory and any two from the rest of this part)

- 5 (a) State with reasons in brief, whether the following statements are *correct or incorrect*:

(i) Total variable cost changes in proportion to changes in output.

(ii) Under Halsey system of wage plan the effective hourly rate is higher up to 50% of the time saved and decreases thereafter.

(iii) Escalation clause in a contract provides that the contract price is fixed.

(iv) Cash generated from trading operations is equal to the net profit as reported in the

profit and loss account.

(v) Statement of cost and profit when presented in T form is production account.

(2 marks each)

(b) Re-write the following sentences after filling - up the blanks space with appropriate word(s) so as to convey the correct meaning:

(i) The measurable value of an alternative use of resources is referred to as a (an) -----

(ii) ----- is a quantitative record of receipts, issues and closing balances of items of stores.

(iii) The ratio of the number of persons leaving in a period to the average number of employees is known as -----

(iv) Under/over absorption of overhead arises when overhead absorption is based on -----
----- rates.

(v) Debt service ratio is also known as -----

(1 mark each)

(c) Choose the most appropriate answer from the given options in respect of the following:

(i) In job order costing provident fund paid by the employer for factory employees is accounted as:

- (a) Direct labour
- (b) Factory overhead
- (c) Indirect labour
- (d) Administrative cost.

(ii) A written order sent to inform the purchasing department for a need for material is called:

- (a) Purchase order
- (b) Purchase requisition
- (c) Material requisition form
- (d) Receiving report.

(iii) A budget in which a responsibility centre manager must justify each planned activity and its estimated total cost is known as:

- (a) Master budget
- (b) Zero base budget
- (c) Functional budget
- (d) Flexible budget

(iv) Increase in the amount of prepaid expenses results in:

- (a) Increase in cash
- (b) Decrease in cash
- (c) No change in cash
- (d) Cash flow from investing activities.

(v) Over-absorption of factory overhead due to inefficiency of management should be disposed by:

- (a) Supplementary rate
- (b) Transfer to costing profit and loss account
- (c) Carry forward to next year
- (d) Transfer to production account

(1 mark each)

6. (a) From the following particulars compute a conservative estimate of profit on a contract by four different methods. The contract is 80% complete.

	Rs.
Total expenditure to date	85,000
Estimated further expenditure to complete the contract	17,000
Contract Price	1,53,000
Work certified	1,00,000
Work not certified	8,500
Cash received	81,600

(9 marks)

- (b) Mania Traders has prepared the following budget estimates for the year 2008-09:

Sales Units	Rs. 30,000
Fixed expenses	Rs. 1,36,000
Sales value	Rs. 6,00,000
Variable costs	Rs. 24 per unit

You are required to find:

- (i) P/V ratio,
- (ii) Break-even point and
- (iii) Margin of safety.

(6 marks)

- 7 .(i) Distinguish between fixed and flexible budget.

(3 marks)

- (ii) Standard output in 10 hrs. is 240 units; actual output in 10 hours is 264 units. Wages rate is Rs. 10 per hour. Calculate the amount of bonus and total wages under Emerson Plan.

(3 marks)

- (iii) Following particulars are available for the year 2011 in respect of a product manufactured by GAMMA Ltd.

- monthly demand : 2000 units
- ordering cost : Rs. 200
- Annual carrying cost per unit : $6\frac{1}{2}\%$ of unit price
- Purchase price of one input unit : Rs. 200
- Usage : Minimum : 50 units per week
Maximum : 150 units per week
- Re-order period : 8 to 12 weeks

Compute following from the above details:

- (a) Re-order quantity
- (b) Re-order level
- (c) Minimum level
- (d) Average stock level
- (e) Total cost p.a. if order size is of EOQ.

(9 marks)

8. (i) The financial statement and operating results of PQR revealed the following position as on 31st March, 2010:

Equity share capital (RS. 10 fully paid share)	Rs. 20,00,00	Cost of Sales	Rs. 14,40,000
Working capital	Rs. 6,00,000	Debtors Velocity	2 months
Bank Overdraft	Rs. 1,00,000	Stock turnover based	

Current Ratio	2.5 : 1	on cost of sales	4 times
Liquidity Ratio	1.5 : 1	Gross Profit Ratio	20% of Sales
Proprietary Ratio (Net Fixed Assets/Proprietary Fund)	0.75 : 1	Net Profit Ratio	15% of Sales

Closing stock was 25% higher than the Opening Stock. There were also free reserves brought forward from earlier years. Current assets include stock, debtors and cash only. The current liabilities except bank overdraft are treated as creditors.

Expenses include depreciation of Rs. 90,000.

The following information was collected from the records for the year ended 31st March, 2011:

- ◆ Total sales for the year were 20% higher as compared to previous year.
- ◆ Balances as on 31st March, 2011 were : Stock Rs. 5,20,000, Creditors Rs. 4,15,000, Debtors Rs. 4,95,000 and Cash balance Rs. 3,10,000.
- ◆ Percentage of Gross Profit on turnover has gone up from 20% to 25% and Ratio of net profit to sales from 15% to 16%.
- ◆ A portion of Fixed Assets was very old (book value Rs. 1,80,000) disposed for Rs. 90,000. (No depreciations to be provided on this item.
- ◆ Long-term investments were purchased for Rs. 2,96,600.
- ◆ Bank overdraft fully discharged.
- ◆ Percentage of depreciation to Fixed Assets to be provided at the rate in the previous year.

You are required to: Prepare Balance Sheet as at 31st March, 2010 and 31st March, 2011.

(10 marks)

(ii) Discuss the usefulness of preparing cash flow statement.

(5 marks)

EXECUTIVE PROGRAMME
(Old Syllabus)

TAX LAWS

MODULE I- PAPER 3

**PRACTICE TEST PAPER
TAX LAWS**

Time allowed: 3 hours
NOTE: Attempt ALL Questions.

Max. marks: 100

Part A

1. (a) Choose the most appropriate answer from the given options in respect of the following :
- (i) Under section 32 of the Income Tax Act, 1961, licences are depreciated @ -----.
 - (a) 10%
 - (b) 15%
 - (c) Nil rate
 - (d) 25%.
 - (ii) Expected rent shall be higher of the;
 - (a) Municipal value and standard rent
 - (b) Fair rent and actual rent received
 - (c) Standard rent and Fair rent
 - (d) Municipal Value and Fair rent.
 - (iii) Under section 10(10), the maximum amount of gratuity received which is not chargeable to tax shall be;
 - (a) Rs. 3,50,000
 - (b) Rs. 3,00,000
 - (c) Rs. 2,50,000
 - (d) Rs. 10,00,000
 - (iv) Loss from business can be set-off against other income in subsequent assessment year except:
 - (a) Income from speculation business
 - (b) Income under the head house property
 - (c) Income under the head other sources
 - (d) Income under the head Salaries.
 - (v) Every Domestic Company having total income exceeding Rs. 1 crore then the income tax shall be increased by the surcharge at the rate _____ on such Income Tax:
 - (a) 5%
 - (b) 10%
 - (c) 7.5%
 - (d) 2%

(1 mark each)

- (b) State, with reasons in brief, whether the following statements are true or false:
- When annual value of one self occupied house is nil, the assessee will be entitled to the standard deduction @20%.
 - Special provisions of section 44AD for computing profits and gains of business on presumptive basis shall not be applicable if the total turnover of such retail trade exceeds rupees 40 lakhs.
 - Zero coupon bond held for more than 12 months but less than 36 months treated as long term capital asset.
 - The rate of Dividend Distribution Tax for financial year 2013-14 is 15%.
 - Interest free loan to an employee, where the amount of loan does not exceed Rs. 30,000 shall be treated as the tax-free perquisites. *(1 mark each)*

- (c) Mr. Madhur submits the following information for previous year 2013-14 relevant to the assessment year 2014-15:

	Rs.
1. Profit from Business A situated in Delhi	2,50,000
2. Profit from Business B situated in Bombay	80,000
3. Loss from Business C carried in New York (the business is controlled from India but profits are not received in India)	40,000
4. Unabsorbed depreciation of business C	35,000
5. Income from house property situated in India	15,000
6. Income from house property situated in London (rent received in London)	20,000

Find out the Gross Total Income of Madhur for the Assessment Year 2014-15.

(5 marks)

2. (a) Write short notes on the following:

- Cost of Acquisition
- Amortisation of telecom license fee

(5 marks each)

- (b) Raghav sold gold ornaments on 16-07-2013 for a sum of Rs.10,00,000. This gold was purchased in 1978 for Rs. 60,000 by his father. The fair market value of the gold as on 01-04-1981 was Rs.1,00,000. His father gifted the gold to Raghav on 15-07-2013. He spent Rs.2,00,000 till 31-07-2013(the due date for filing of the return) on construction of a house property and deposited Rs. 5,00,000 on 31-07-2013 under capital gain scheme and spent a sum of Rs.4,00,000 for construction of the house property till the stipulated time. Compute the capital gain chargeable to tax on this transaction for various relevant assessment year.

(5 marks)

3. (a) Re-write the following sentences after filling up the blank spaces with appropriate word(s)/figure(s):

- An income derived from land situated in India is_____.

- (ii) Under section 44BB, _____ includes ships, aircraft, vehicles, drilling units, scientific apparatus and equipment used for the purposes of the business of exploration of mineral oils.
- (iii) No notice under section 143(2) shall be served on the assessee after the expiry of _____ from the end of financial year in which return is furnished.
- (iv) Senior citizen means an individual resident in India who is of the age of _____ years or more at any time during the relevant previous year.
- (v) For belated filing of income tax return, the assessee is liable to pay interest @ _____ for every month.

(1 mark each)

(b) Distinguish between the following:

- (i) “Defective return of income” and “Belated return of income”
- (ii) “Normal depreciation” and “Additional depreciation”

(5 marks each)

4. (a) How the valuation of Jewellery to be made under Wealth Tax Act, 1957.

(4 marks)

(b) Examine the applicability of the provisions of section 40 A (3) in the following cases:

- (i) Riyan purchases goods in cash from his brother for Rs. 40,000, whose market value is Rs.35,000.
- (ii) Riyan purchases a building for Rs.10,00,000 and makes the payment in cash.
- (iii) Riyan makes a purchase of goods of Rs.60,000 and makes payment of Rs.45,000 by account payee cheque and Rs.15,000 in cash.

(2 marks each)

(c) Compute the net wealth of R from the following details as on 31-03-2014 for the assessment year 2014-15. The individual is engaged in the business of processing and selling of gold and silver articles and ornaments in India and outside India:

	Rs.
Bank Balance	4,30,000
Unaccounted cash balance	70,000
Gold articles	25,00,000
Jewellery made of silver	14,00,000
Guest house	35,00,000
Motor cars	6,40,000
Factory Building	8,00,000

R has taken a loan of Rs.8,00,000 by mortgaging guest house for purchasing factory building.

(5 marks)

Part B

5. (a) Re-write the following sentences after filling up the blank spaces with appropriate word(s)/figure(s):
- (i) Return of service tax filed in Form No. _____
 - (ii) Every person whose aggregate value of taxable service exceeds Rs. _____ liable to pay Service tax electronically.
 - (iii) An assessee may submit a revised return in form No. ST-3 in triplicate to correct a mistake or omission within a period _____ from the date of submission of return under Rule 7.
 - (iv) The provisions relating to valuation of service tax are contained in section _____ of the Finance Act, 1994.
 - (v) Excess service tax paid may be adjusted with a monetary limit of Rs. _____ for a relevant month or quarter as the case may be.
- (1 mark each)*
- (b) Write short notes on:
- (i) Services Tax Return
 - (ii) Input VAT Credit
- (5 marks each)*
- (c) When does a small service provider require to register under the Service Tax Act, but not liable to collect and pay service tax.
- (5 marks)*

Part C

6. (a) Compute the invoice value to be charged and amount of tax payable under VAT by a dealer who had purchased goods for Rs.2,00,000 and after adding expenses of Rs. 10,000 and of profit of Rs.25,000 had sold out the same.
The rate of VAT on purchases and sales is 12.5%.
- (b) On what type of purchases input tax credit is not available. Enumerate.
 - (c) "A registered dealer can set off the amount of input tax against the amount of his output tax". Explain.
 - (d) Explain the procedure of registration under value added tax (VAT).
- (5 mark each)*
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EXECUTIVE PROGRAMME
(Old Syllabus)

COMPANY LAW

MODULE II - PAPER 4

**PRACTICE TEST PAPER
COMPANY LAW**

Time allowed: 3 hours

Maximum marks: 100

- NOTE:** 1. Answer SIX questions including Question No. 1 which is COMPULSORY.
2. All references to sections relate to the Companies Act, 2013 unless stated otherwise.

Question 1

- (a) The Companies Act, 2013 empowers Securities and Exchange Board of India (SEBI) in certain matters. Discuss.
- (b) Comment on Cost Audit under the Companies Act, 2013.
- (c) State the procedure for setting up a Section 8 company under Companies Act 2013.
- (d) A Foreign Limited Liability Partnership desires to establish a place of business in India. As a Practising Company Secretary advise.

(5 marks each)

Question 2

- (a) State, with reasons in brief on any four, whether the following statements are true or false:
- (i) Declaration from director is essential for Commencement of business.
 - (ii) Central Government has empowered to condone the delay of filing of satisfaction of charge.
 - (iii) Dividend has to be deposited in bank account within 5 days and distributed within 30 days of its declaration.
 - (iv) Adherence to the Secretarial Standards framed by The Institute of Company Secretaries of India is optional under the Companies Act, 2013.
 - (v) A company can not ratify and rectify a pre-incorporation contract.

(4 marks each)

Question 3

- (a) Re-write the following sentences after filling-in the blank spaces with appropriate word(s)/figure(s) :
- (i) A public company can be converted into a private company only with the approval of _____.
 - (ii) An incorporated company has _____ succession.
 - (iii) Additional director is appointed by _____.
 - (iv) Maximum number of companies in which an individual can become director is _____.
 - (v) The _____ acts as the official signature of the company.
 - (vi) Appointment of director in casual vacancy is the prerogative of the _____.

(1 mark each)

(b) Write notes on any two of the following:

- (i) Constructive notice
- (ii) Digital Signature Certificate
- (iii) Independent director.

(5 marks each)

Question 4

Distinguish between the following. Attempt any four:

- (i) 'Trust' and 'Society'.
- (ii) 'Managing Director' and 'Manager'.
- (iii) 'Pre-scrutiny' and 'Service Request Number'.
- (iv) 'Voting by Postal Ballot' and 'Voting by show of hand'.
- (v) 'Resolution requires special notice' and 'special resolution'.

(4 marks each)

Question 5

- (a) Discuss the role and responsibilities of designated partners under LLP Act, 2008.
- (b) Issue of bonus share out of revaluation reserve. Article of Association of company authorising the same. Whether such bonus issue by company is valid. Give your answer with decided case with logical conclusion.

(8 marks each)

Question 6

- (a) Briefly discuss the doctrine of *cypres*.
- (b) Can a company reduce its share capital with sanction of the Court under Companies Act, 1956?
- (c) 'Red-herring Prospectus' and 'Self prospectus' are same. Comment.
- (d) A Hindu Undivided Family (HUF) consisting of member more than twenty (20) treated as Illegal association.

(4 marks each)

Question 7

- (a) Describe the provisions of companies Act 2013 relating to acceptance of deposits from its members.
- (b) What are the 'forfeiture of shares' and 'lien of share'? State the procedure for forfeiture of shares.

(8 marks each)

Question 8

Comment on any four of the following:

- (i) "The directors have uncontrolled and unfettered powers to refuse registration of transfer of shares."
- (ii) "Every company must have a Managing Director."
- (iii) A certificate of incorporation is the conclusive evidence that all the requirements of the Companies Act, 1956 have been complied with.
- (iv) Buy-back of shares does amount to reduction of share capital.
- (v) A relative of director of a company wants to be Director (Finance).

(4 marks each)

EXECUTIVE PROGRAMME
(Old Syllabus)

ECONOMIC AND LABOUR LAWS

MODULE II- PAPER 5

PRACTICE TEST PAPER
ECONOMIC AND LABOUR LAWS

Time allowed: 3 hours

Max. Marks 100

PART A - ECONOMIC LAWS (60 Marks)

Note: *Attempt question No. 1 which is COMPULSORY and any two from rest of this part.*

1. With reference to the relevant legal enactments, write short notes on the following:
 - (a) Environmental Audit
 - (b) Consumer under Competition Act, 2002
 - (c) Current Account Transactions
 - (d) Term of trademark
 - (e) Money laundering.

(4 marks each)
2. (a) Discuss briefly the salient features of National Green Tribunal Act, 2010.
(b) Discuss in detail the Capital Account Transaction under Foreign Exchange Management Act, 1999.

(10 marks each)
3. Discuss the provisions relating to Take-over of Industrial Undertaking by the Central Government without investigation under the Industries (Development and Regulation) Act, 1951.

(20 marks)
4. (a) Discuss in detail the procedure for investigation of combination under Competition Act, 2002.
(b) Discuss the powers vested with the Central Government under Essential Commodities Act, 1955.

(10 marks each)
- 5.(a) What are the differences between law of passing off and infringement of trademark.
(b) Explain the functions of MSME Board.

(10 marks each)

PART B - LABOUR LAWS (40 Marks)

Note: *Attempt all Questions.*

6. Write short notes on:
 - (a) Persons responsible for payment of wages under the Payment of Act, 1936
 - (b) Forfeiture of gratuity.
 - (c) Purposes for which ESI fund may be expended under the ESI Act, 1948.
 - (d) Employment Injury.

(5 marks each)
7. (a) Discuss the provisions of the EPF Act,1952 relating to protection of amount standing to the credit of any member in the fund against attachment.
(b) An electrician, who had to go frequently to a heating room from a cooling plant, contracted pneumonia which resulted in his death. Will it be construed as 'physical injury'?
(c) A worker went on leave. He continued to remain absent from duty even after the expiry of leave. The employer treated the 'absence from duty without leave' as breach of continuity of service for the purposes of the Payment of Gratuity Act, 1972. Is the employer justified?
(d) An employee was suspended, but after an inquiry, he was reinstated with full back wages. He claimed bonus for the period of suspension. Will he succeed?

(5 marks each)

EXECUTIVE PROGRAMME
(Old Syllabus)

SECURITIES LAWS AND COMPLIANCES

MODULE II- PAPER 6

**PRACTICE TEST PAPER
SECURITIES LAWS AND COMPLIANCES**

Time Allowed: 3 Hours

Maximum marks: 100

PART-A

Answer Question No.1 which is COMPULSORY and ANY THREE of the rest from this part.

- 1.(a) State, with reasons in brief, whether the following statements are true or false:
- (i) Nifty Index futures contracts are not cash settled.
 - (ii) The Central Government cannot privately place the government securities with the Reserve Bank of India.
 - (iii) A special delivery is one where the payment for securities is to be made on the same day or the next day.
 - (iv) A beneficial owner with a depository can claim loss to be indemnified by the depository.
 - (v) A promoter can transfer his shares during lock-in period, if shares are acquired in a preferential allotment. *(2 marks each)*
- (b) Choose the most appropriate answer from the given options in respect of the following:
- (i) The mechanism for employees to report to the management at certain events like, unethical behaviour, suspected fraud or violation of the company's code of conduct is known as-
 - (a) Whistle blower policy
 - (b) Surveillance action
 - (c) Market abuse
 - (d) Snap investigation
 - (ii) The declaration in the annual report regarding compliance with Code of conduct by the Board Members and Senior Management on annual basis shall be signed by-
 - (a) CFO
 - (b) Managing Director
 - (c) CEO
 - (d) MD & CEO
 - (iii) Market capitalisation of a listed company is computed by multiplying number of shares available for trade with:
 - (a) Face value of a share
 - (b) Market price of a share
 - (c) Issue price of a share
 - (d) Book price of a share
 - (iv) A company can not buy back the securities from –
 - (a) Free Reserves
 - (b) Securities Premium Account
 - (c) Borrowed money
 - (d) Proceeds of fresh issue
 - (v) Duration of future contract on NSE is-
 - (a) One month
 - (b) Two month
 - (c) Three month
 - (d) Six months. *(1 mark each)*
- 2 (a) Distinguish between any two of the following:
- (i) STP and DMA
 - (ii) Listed cleared securities and Permitted securities
 - (iii) Funds pay-in and Funds pay-out. *(4 marks each)*

- (b) Expand the following:
- (i) SCSB
 - (ii) STR
 - (iii) MTM (1 mark each)
- (c) Briefly explain about Exchange Traded funds. (4 marks)
3. (a) Write short notes on the following:
- (i) Carrot and Stick Bond
 - (ii) Growth Oriented Schemes
 - (iii) Securities Lending (3 marks each)
- (b) What are the obligations of a capital market intermediary under the Prevention of Money Laundering Act, 2002? (6 marks)
4. (a) Briefly explain clause 53 of listing agreement regarding the requirement need to be complied by a company while entering into an agreement with a media company.
- (b) "Buy-back of shares is a corporate financial strategy." Comment.
- (c) Write a note on internal audit of Portfolio Managers. (5 marks each)
5. (a) Discuss the factors considered by credit rating agencies for the rating of manufacturing companies.
- (b) What action lies against SEBI registered intermediaries in case of default/violation under the SEBI Act, 1992?
- (c) "Investment in Mutual fund is risky." Comment (5 marks each)

PART- B

(Answer Any Two questions from this part)

6. (a) What is an Anchor Investor? What are the provisions relating to Anchor Investor In terms of SEBI (ICDR) Regulations, 2009? (7 marks)
- (b) Discuss the advantages of issuing Bonus shares. (4 marks)
- (c) What are the provisions regarding promoters' contribution in case of a public issue? (4 marks)
- (d) What are the alternative eligibility norms for a company to make a public issue? (5 marks)
7. (a) What are the conditions for roll over of debt securities which are not convertible in terms of SEBI (Issue and Listing of Debt Securities) Regulations, 2008? (5 marks)
- (b) Discuss the end use requirements of Foreign Currency Exchangeable Bonds (FCEB). (5 marks)
- (c) What is due diligence in the process of public issue of securities? Explain its scope and significance. (5 marks)
- (d) Explain the role of the following agencies involved in the euro issue:
- (i) Auditors
 - (ii) Overseas depository banks
 - (iii) Legal advisors
 - (iv) Domestic custodian banks
 - (v) Lead managers. (1 mark each)

8. (a) What are the compliances under the listing agreement for Indian Depository Receipts (IDRs) relating to appointment of Company Secretary and undertaking of due diligence of Registrar and Transfer Agent (RTA), etc?
- (b) What are the contents covered in the offering circular for euro-issue offerings?
- (c) Describe the composition of advisory committee constituted by SEBI under SEBI (Investor Protection and Education Fund) Regulations, 2009.
- (d) Discuss the role of Company Secretary under the Listing Agreement for Debt Securities.

(5 marks each)
