

THE INSOLVENCY AND BANKRUPTCY BOARD OF INDIA (INSOLVENCY PROFESSIONAL AGENCIES) REGULATIONS, 2016

Q1.

Eligibility of a person to be registered as an Insolvency professional agency shall be :

- (a) Any company registered under companies act
- (b) Private company
- (c) Limited liability partnership
- (d) Section 8 company

Answer:(d)

Q2.

Eligibility criteria for a company to be registered as an insolvency professional agency shall include minimum net worth of :

- (a) 5 crore
- (b) 10 crore
- (c) 15 crore
- (d) 20 crore

Answer:(b)

Q3.

Eligibility criteria for a company to be registered as an insolvency professional agency shall include a paid-up share capital of:

- (a) 3 crores
- (b) 10 crores
- (c) 5 crores
- (d) 15 crores

Answer:(c)

Q4.

Eligibility criteria for a company to be registered as an insolvency professional agency shall not include:

- (a) It should not be a subsidiary of a body corporate through more than one layer
- (b) Not more than 50% of its share capital is held, directly or indirectly, by a person resident outside India
- (c) Is not under the control of person resident outside India
- (d) Its directors and persons hold more than 10% of its share capital

Answer:(b)

Q5.

Application made for the registration as an insolvency professional agency shall be made:

- (a) In Form A along with non-refundable fee of 15 lakh
- (b) In Form A along with non-refundable fee of 5 lakh
- (c) In Form A along with non-refundable fee of 7 lakh
- (d) In Form A along with non-refundable fee of 10 lakh

Answer:(d)

Q6.

Application for the renewal of the registration as an insolvency professional agency shall be made before the expiry of such registration in:

- (a) 3 months
- (b) 9 months
- (c) 45 days
- (d) 6 months

Answer:(d)

Q7.

Non-refundable fee of the application for renewal of the registration as an insolvency professional agency shall be:

- (a) 5 lakhs
- (b) 10 lakhs
- (c) 3 lakhs
- (d) 7 lakhs

Answer:(a)

Q8.

The board shall acknowledge the application for registration as an Insolvency professional agency within:

- (a) 3 days of its receipt
- (b) 7 days of its receipt
- (c) 5 days of its receipt
- (d) 10 days of its receipt

Answer:(b)

Q9.

After the Board is satisfied that the person is eligible to be registered as an Insolvency professional agency, it may grant the certificate of registration within:

- (a) 60 days of its receipt
- (b) 45 days of its receipt
- (c) 90 days of its receipt
- (d) 30 days of its receipt

Answer:(a)

Q10.

The conditions for the registration as an insolvency professional agency shall not include:

- (a) Pay a fee of 10 lakh rupees to the board, payable every year after the year in which the certificate is granted or renewed

- (b) Abide by the Code, rules, regulations, and guidelines thereunder and its bye laws
- (c) Seek approval of the Board when a person, other than a statutory body, seeks to hold more than 10 percent of the shares directly or indirectly of insolvency professional agency
- (d) Take adequate steps for redressal of grievances

Answer:(a)

Q11.

The board shall communicate the rejection of the application for registration of a person as an insolvency professional agency within:

- (a) 15 days
- (b) 45 days
- (c) 60 days
- (d) 30 days

Answer:(b)

Q12.

Notice of receipt of the application for surrender of registration shall be published by the board on its website within:

- (a) 3 days of its receipt
- (b) 7 days of its receipt
- (c) 10 days of its receipt
- (d) 15 days of its receipt

Answer:(b)

Q13.

Approval of the application of surrender by the insolvency professional agency shall be made by the Board within _____ from the last date of submission of objections by the insolvency professional agency :

- (a) 30 days
- (b) 45 days
- (c) 15 days
- (d) 60 days

Answer:(a)

Q14.

The disciplinary Committee formed by the board to issue show cause notice to the insolvency professional agency shall dispose of the show cause notice for the assignment in:

- (a) 9 months
- (b) 1 month
- (c) 6 month
- (d) 3 month

Answer:(c)

Q15.

Any order of no action or warning in disposal of a show cause notice shall not become effective until _____ days have elapsed from the date of issue of the order :

- (a) 45
- (b) 30
- (c) 15
- (d) 60

Answer:(b)

Q16.

With whom and within how many days an Insolvency Professional Agency may prefer an appeal against the impugned order of the Disciplinary Committee?

- (a) National Company Law Appellate Tribunal, 30 days
- (b) National Company Law Tribunal, 30 days
- (c) IBBI , 60 days
- (d) Supreme Court, 60 days

Answer:(b)

Q17.

The certificate of registration as an insolvency professional agency shall be valid for a period of:

- (a) 3 years from the date of issue
- (b) 5 years from the date of issue
- (c) 7 years from the date of issue
- (d) 10 years from the date of issue

Answer:(b)

Q18.

What is the application fee for a person who seeks to establish an insolvency professional agency for an in principle - approval from the Insolvency and Bankruptcy Board of India?

- (a) 1lakh rupees
- (b) 5lakh rupees
- (c) 10lakh rupees
- (d) 20lakh rupees

Answer:(c)

Q19.

What is the validity of an in principle approval granted by the Insolvency and Bankruptcy Board of India with respect to establishment of an Insolvency Professional Agency?

- (a) 6 months
- (b) 1 year
- (c) 2 years
- (d) 5 years

Answer:(b)

**THE INSOLVENCY AND BANKRUPTCY BOARD
OF INDIA (MODEL BYE-LAWS AND
GOVERNING BOARD OF INSOLVENCY
PROFESSIONAL AGENCIES) REGULATIONS,
2016**

Q18.

Company shall submit its bye laws along with the application for its registration as an insolvency professional agency to:

- (a) Adjudicating authority
- (b) Resolution professionals
- (c) Board
- (d) All of the above

Answer:(c)

Q19.

The Governing Board of an Insolvency Professional Agency may amend the bye laws by a resolution passed by votes in favour being not less than _____ the number of the votes, if any, cast against the resolution , by the directors

- (a) Four times
- (b) Five times
- (c) Six times
- (d) Three times

Answer:(d)

Q20.

Resolution passed in accordance to amend the bye laws of the Company shall be filed with the Board for the approval within:

- (a) 7 days from the date of passing it
- (b) 5 days from the date of passing it
- (c) 10 days from the date of passing it
- (d) 3 days from the date of passing it

Answer:(a)

Q21.

The amendment to the bye-laws of Company shall come into effect on the _____day of the receipt of the approval:

- (a) Fourth
- (b) Fifth
- (c) Seventh
- (d) Tenth

Answer:(c)

Q22.

The insolvency professional agency shall file a printed copy of the amended bye-laws with the Board within:

- (a) 15 days from the date of amendment
- (b) 20 days from the date of amendment
- (c) 10 days from the date of amendment
- (d) 5 days from the date of amendment

Answer:(a)

Q23.

The minimum number of directors of the governing board of Insolvency Professional Agency shall be:

- (a) 3
- (b) 7
- (c) 4
- (d) 6

Answer:(b)

Q24.

More than half of the directors of the Governing board shall at the time of their appointment, and at all times during their tenure as directors be:

- (a) Independent directors
- (b) Resident in India
- (c) Both (a) and (b)
- (d) None of the above

Answer:(c)

Q25.

Not more than _____ of the directors of the board shall be insolvency professionals:

- (a) 1/3rd
- (b) 2/3rd
- (c) 1/4th
- (d) 3/4th

Answer:(c)

Q26.

The Directors shall elect an independent director as the _____ of the governing board

- (a) Member
- (b) Secretary
- (c) Chairperson
- (d) President

Answer:(c)

Q27.

The Agency may refuse to accept the surrender of membership by any professional member, if-

- (a) there is any grievance against the professional member
- (b) there is any disciplinary proceeding pending against the professional member
- (c) the professional member has been appointed as a resolution professional, liquidation or bankruptcy trustee for a process under the Code, and the appointment of another professional may be detrimental to such process.
- (d) Any of the above

Answer:(d)

Q28.

Which of the following committee of the insolvency professional agency shall be constituted by the Board:

- (a) Advisory committee
- (b) Membership committee
- (c) Monitoring committee
- (d) All of the above

Answer:(d)

Q29.

The Chairperson of the committees of the insolvency professional agency :

- (a) Has to be Independent Director
- (b) May or may not be Independent director
- (c) Shall not be an independent director
- (d) Shall be whole time director

Answer:(a)

Q30.

The records maintained by the insolvency professional agency of the professional member shall be made available for inspection to:

- (a) Only IBBI
- (b) Only committee of creditors where professional member is IRP
- (c) Adjudicating authority
- (d) All of the above

Answer:(d)

Q31.

According to the model bye-laws regulations, a professional member shall submit information of his records to the agency at least:

- (a) Once in a year
- (b) Twice in a year
- (c) Thrice in a year
- (d) Monthly

Answer:(b)

Q33.

Any order passed by the disciplinary committee of the agency shall be placed on the website of the agency after passing the order in:

- (a) 3 days
- (b) 5 days
- (c) 7 days
- (d) 10 days

Answer:(c)

Q34.

Any person aggrieved of an order of the disciplinary committee may prefer an appeal before the Appellate panel after receiving copy of the final order in:

- (a) 15 days
- (b) 30 days
- (c) 45 days
- (d) 60 days

Answer:(b)

THE INSOLVENCY AND BANKRUPTCY BOARD OF INDIA (INSOLVENCY PROFESSIONALS) REGULATIONS, 2016

Q35.

No individual shall be eligible to be registered as an insolvency professional if he is:

- (a) A minor
- (b) Not a person resident in India
- (c) An undischarged insolvent
- (d) Any of the above

Answer:(d)

Q36.

An individual shall not be eligible for registration as an Insolvency professional, if he :

- (a) Has passed limited insolvency examination
- (b) Has completed pre-registration educational course
- (c) Minimum five years of experience in management
- (d) Both (a) and (c)

Answer:(c)

Q37.

Registration fees which has to be given along with the application given to the board by an individual enrolled with an Insolvency professional agency for the certificate of registration as an insolvency professional shall be:

- (a) 5000
- (b) 10000

- (c) 15000
- (d) 20000

Answer:(b)

Q38.

The board shall acknowledge the application given by an individual for certificate of registration as an insolvency professional within:

- (a) 3 days of its receipt
- (b) 5 days of its receipt
- (c) 7 days of its receipt
- (d) 10 days of its receipt

Answer:(c)

Q39.

Certificate of registration as an insolvency professional may be granted by the board to an individual after it is satisfied with the application within:

- (a) 90 days of its receipt
- (b) 30days of its receipt
- (c) 60 days of its receipt
- (d) 45 days of its receipt

Answer:(c)

Q40.

Application for the certificate of registration made by an individual shall be in which of the following form of the schedule to the insolvency and bankruptcy board of India (insolvency professionals) regulations, 2016?

- (a) Form A
- (b) Form B
- (c) Form C
- (d) Form D

Answer:(a)

Q41.

An insolvency professional shall maintain records of all assignments undertaken by him under the Code after the completion of such assignments for at least:

- (a) One year
- (b) Two year
- (c) Three year
- (d) Five year

Answer:(c)

Q42.

If the board is of the prima facia opinion to refuse the grant of certificate to an applicant as an "insolvency professional" it shall communicate the same to the applicant after receiving the application in:

- (a) 30days
- (b) 45 days

- (c) 60 days
- (d) 15 days

Answer:(b)

Q43.

If an individual is a member of ICWAI/ICAI,ICSI, he shall have a minimum experience in the profession for being eligible to be registered as Insolvency professional of :

- (a) 5 years
- (b) 10 years
- (c) 15 years
- (d) 20 years

Answer:(b)

Q44.

Limited Period registration as an insolvency professional is valid for _____ months.

- (a) 9
- (b) 3
- (c) 6
- (d) 15

Answer:(c)

Q45.

Can a person render services as insolvency professional if he is not a citizen of India?

- (a) Yes, if he becomes a Managing Director of Insolvency Professional entity registered in the form of company.
- (b) Yes, if he becomes a Director of Insolvency Professional entity registered in the form of company.
- (c) Yes, if he becomes a Whole time Director of Insolvency Professional entity registered in the form of company.
- (d) Yes, if he becomes a Manager of Insolvency Professional entity registered in the form of company.

Answer:(b)

Q46.

Shifting of Agency by Insolvency Professional to another can be done by:

- (a) Intimation to both the concerned Insolvency Professional Agencies
- (b) Intimation to the concerned Insolvency Professional Agency where he has been registered
- (c) Taking prior permission from the Insolvency Professional Agency where he will be shifted
- (d) After receiving no objection from both the concerned Insolvency Professional Agencies and approval by the Board

Answer:(d)

Q47.

In how many days should a temporary surrender or a revival of certificate of membership be informed to the Board by the Insolvency professional Agency?

- (a) Not later than 3 days from the date of approval.
- (b) Not later than 7 days from the date of approval.
- (c) Not later than 10 days from the date of approval.
- (d) Not later than 15 days from the date of approval.

Answer:(b)

Q48.

Which of the following entity cannot be recognised as an insolvency professional entities?

- (a) Sole proprietorship
- (b) A company
- (c) Partnership firm
- (d) Limited liability partnership

Answer :(a)

Q49.

A Registered Partnership firm may be recognized as an Insolvency Professional entity if _____ of the partners are registered as Insolvency Professionals.

- (a) Majority
- (b) 33.33 %
- (c) 75 %
- (d) 25 %

Answer:(a)

Q50.

Which of the following company may be recognized as an Insolvency Professional Entity:

- (a) 1/3 of Directors are registered as Insolvency Professionals.
- (b) 2/3 of Directors are registered as Insolvency Professionals.
- (c) All directors are registered as Insolvency Professionals.
- (d) Majority of Whole Time Directors are registered as Insolvency Professionals.

Answer :(d)

THE INSOLVENCY AND BANKRUPTCY (APPLICATION TO ADJUDICATING AUTHORITY) RULES, 2016

Q51.

Financial contract as given in the insolvency and bankruptcy (application to adjudicating authority shall include the debts:

- (a) Term
- (b) Term, tenure, due date and interest
- (c) Term and tenure
- (d) Term, tenure and date

Answer:(b)

Q52.

Where an applicant under corporate insolvency resolution is a transferee of a financial contract the application shall be accompanied by a:

- (a) A transfer agreement
- (b) Assignment agreement
- (c) An affidavit confirming the transfer
- (d) Assignment or relevant document

Answer:(a)

Q53.

Applicant under corporate insolvency resolution shall provide a copy of the application filled with Adjudicating Authority to the :

- (a) NCLT
- (b) IBBI
- (c) Registered office of corporate debtor
- (d) NCLAT

Answer:(c)

Q54.

An operational creditor shall deliver to the corporate debtor:

- (a) Demand notice in Form 3
- (b) Demand notice and invoice with Form 4
- (c) A demand notice
- (d) Demand Notice in Form 3 or invoice copy in Form 4

Answer:(d)

Q55.

Application filled by a financial creditor with the Adjudicating Authority shall be served:

- (a) On Corporate Debtor forthwith
- (b) On Corporate Debtors within 30 days
- (c) Should be served within 7 days
- (d) None of the above

Answer:(a)

Q56.

Withdrawal of application filed by an applicant before adjudicating authority will be permitted by the Adjudicating authority on the request of:

- (a) Financial Creditor before admission
- (b) Applicant before admission
- (c) Operational Creditor before admission
- (d) Applicant after admission

Answer:(b)

Q57.

An application for corporate insolvency resolution process before adjudicating authority by applicant shall be required consent of IRP in:

- (a) Form 1
- (b) Form 2
- (c) Form 3
- (d) Form 4

Answer:(b)

Q58.

Bulky data shall in support of the application to adjudicating authority for insolvency resolution shall be submitted in a:

- (a) CD
- (b) USB flash drive
- (c) CD or USB flash drive
- (d) CD or USB flash drive or similar drive acceptable to adjudicating authority

Answer:(c)

THE INSOLVENCY AND BANKRUPTCY BOARD OF INDIA (INSOLVENCY RESOLUTION PROCESS FOR CORPORATE PERSONS) REGULATIONS, 2016

Q59.

Eligibility for "resolution professional for a corporate insolvency resolution process of a corporate debtor" does not include that a person is :

- (a) not a related party of the corporate debtor
- (b) not an employee or proprietor or a partner of a firm of auditors or company secretaries in practice or cost auditors of the corporate debtor in the last three financial years
- (c) eligible to be appointed as an independent director on the board of the corporate debtor
- (d) above the age of 30 years.

Answer:(d)

Q60.

Mr. Ajay is proposed to be appointed as a resolution professional, he is a partner of a firm that used to be the statutory auditor of the corporate debtor. He considers himself eligible because the firm has not been the auditor of the corporate debtor in the last:

- (a) six months
- (b) twelve months
- (c) Twenty four months
- (d) Thirty six months

Answer:(d)

Q61.

A person shall be considered independent of the corporate debtor, if he is not an employee or proprietor or a partner of a consulting firm that has or had any transaction with a corporate debtor amounting to _____ or more of the gross turnover of such firm in the last 3 financial years.

- (a) 20%
- (b) 10%
- (c) 5%
- (d) 30%

Answer:(b)

Q62.

The public announcement under insolvency resolution process for corporate persons shall be made by:

- (a) Corporate debtor
- (b) IBBI
- (c) Insolvency professional
- (d) DRAT

Answer:(c)

Q63.

The public announcement made under the corporate insolvency resolution process shall be published in _____ newspaper with circulation in the registered/ principal office of the corporate debtor.

- (a) One English and 2 regional language
- (b) One English and one regional language
- (c) English
- (d) One regional language paper

Answer:(b)

Q64.

Expenses on public announcement under the corporate insolvency resolution:-

- (a) Shall not from part of Insolvency Resolution Process Cost
- (b) Shall be completely borne by operational creditors
- (c) Shall be borne by Applicant not reimbursable at all
- (d) Shall form part of Insolvency Resolution Process Cost

Answer:(a)

Q65.

The public announcement under insolvency resolution process for corporate persons shall be made in:

- (a) Form A
- (b) Form B
- (c) Form C
- (d) Form D

Answer:(a)

Q66.

A person claiming to be an operational creditor, other than workman or employee of the corporate debtor, shall submit proof of claim to the interim resolution professional in person, by post or by electronic means in:

- (a) Form A
- (b) Form B
- (c) Form C
- (d) Form D

Answer:(b)

Q67.

A person claiming to be a financial creditor of the corporate debtor shall submit proof of claim to the interim resolution professional in electronic form in:

- (a) Form A
- (b) Form B
- (c) Form C
- (d) Form D

Answer:(c)

Q68.

The cost of proving the debt due to creditor under corporate insolvency process shall be borne by:-

- (a) The corporate Debtor
- (b) The creditor
- (c) Insolvency resolution
- (d) None of the above

Answer:(b)

Q69.

What is the last date to submit Proof of Claims under corporate insolvency process?

- (a) Within 14 days of appointment of Interim Resolution Professional
- (b) Within 14 days of appointment of Resolution Professional
- (c) Within 15 days of appointment of Interim Resolution Professional
- (d) Within 15 days of appointment of Resolution Professional

Answer:(a)

Q70.

The interim resolution professional or resolution professional shall verify every claim as on the insolvency commencement date within _____ date from the last date of receipt of claims:

- (a) 5 days
- (b) 7 days
- (c) 10 days
- (d) 15 days

Answer:(b)

Q71.

The list of creditors verified by the interim resolution professional under Insolvency Resolution Process of corporate debtor shall be filed with:

- (a) IBBI
- (b) NCLT
- (c) DRT
- (d) DRAT

Answer:(b)

Q72.

Notice of a meeting of committee of creditors under insolvency resolution process can be served only_____:

- (a) By hand delivery or by post or by electronic means.
- (b) Only by registered post.
- (c) Only by registered post acknowledgement due.
- (d) Only by E-mail.

Answer:(a)

Q73.

Which of the followings statements is incorrect

- (a) During a video conference the Resolution Professional shall take due and reasonable care to store for safekeeping and marking the physical recording(s) or other electronic recording mechanism as part of the records of the corporate debtor
- (b) During a video conference the Resolution Professional shall record proceedings and prepare the minutes of the meeting.
- (c) During a video conference the Resolution Professional shall take due and reasonable care to ensure that participants attending the meeting through audio and visual means are able to hear and see, if applicable, the other participants clearly during the course of the meeting
- (d) None of the Above.

Answer:(d)

Q74.

The resolution professional shall circulate the minutes of the meeting of committee of creditors to all participants by electronic means within _____ of the said meeting:

- (a) 24 hours
- (b) 48 hours
- (c) 72 hours
- (d) 12 hours

Answer:(b)

Q75.

At the end of the voting period in a meeting of the Committee of Creditors, the voting portal used for the electronic voting shall be _____.

- (a) Blocked after 8 hours.
- (b) Kept open for 24 hours
- (c) Blocked forthwith.
- (d) Kept open for 6 hours

Answer:(c)

PRACTICE