

Insolvency Professional Agency of Institute of Cost Accountants of India

Mock Test 1 – Limited Insolvency Examination

1. When did the Insolvency and Bankruptcy Code 2016 receive the President's assent:
 - a) 5 August 2016
 - b) 28 May 2016
 - c) 5 May 2016
 - d) 15 June 2016

2. Which Legislations are getting repealed on enforcement of IBC?
 - a) The Presidency Towns Insolvency Act 1909, Provincial Insolvency Act 1920 and Sick Industrial Companies (Special Provisions) Act 1985.
 - b) Sick Industrial Companies (Special Provisions) Act 1985, The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002 and The Payment and Settlement Systems Act 2007.
 - c) Provincial Insolvency Act 1920, The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002 and Recovery of Debts due to Banks and Financial Institutions Act, 1993.
 - d) Sick Industrial Companies (Special Provisions) Act 1985 and some provisions of Negotiable Instruments Act, 1881.

3. Who can initiate the Corporate Insolvency Resolution Process (CIRP)?
 - (a) Only Corporate Debtor
 - (b) Financial Creditor and Operational Creditor.
 - (c) Financial Creditor, Operational Creditor and Corporate Debtor.
 - (d) Corporate Debtor and Financial Creditor

4. Who is a Financial Creditor under IBC:
 - (a) Any person to whom a financial debt is owed and includes a person to whom such debt has been legally assigned or transferred to.
 - (b) Any person that has a claim of the services of a second party.
 - (c) Any person to whom a financial debt is owed.
 - (d) Any person who owes financial debt to another.

5. Insolvency resolution process costs under the Code does not include:
 - (a) the amount of any interim finance and the costs incurred in raising such finance
 - (b) the fees payable to any person acting as a resolution professional
 - (c) Any payment of fees for the services of an insolvency professional to any person other than the insolvency professional
 - (d) any costs incurred at the expense of the Government to facilitate the insolvency resolution process

6. Which of the following shall not be considered a financial debt?
 - (a) money borrowed against the payment of interest

(b) any amount raised by acceptance under any acceptance credit facility or its dematerialised equivalent

(c) any receivables sold on non-recourse basis

(d) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument

7. What is initiation date in CIRP:

- a) The date on which a financial creditor, corporate applicant or operational creditor makes an application to the Adjudicating Authority for initiating corporate insolvency resolution process.
- b) The date of admission of an application by a financial creditor, corporate applicant or operational creditor for initiating corporate insolvency resolution process by the Adjudicating Authority.
- c) The date on which a financial creditor, corporate applicant or operational creditor realises the insolvent status of the corporate debtor.
- d) The date on which the corporate debtor is unable to pay its debts to the creditors.

8. Application for corporate insolvency resolution process needs to be preceded by a formal, in a prescribed format, served by an operational creditor to a corporate debtor

- (a) Copy of the invoice
- (b) Acknowledgement of debt
- (c) Notice of debt
- (d) Demand notice

9. Which of the following does not constitute as evidence of default by the operational creditors:

- a) copy of invoice or demand notice.
- b) a contract for the supply of goods and services with corporate debtor.
- c) bank statement.
- d) financial accounts

10. What is the time limit for completion of insolvency resolution process:

- a) 180 days from the date of appointment of resolution professional.
- b) 180 days from the date of default by the corporate debtor.
- c) 80 days from the date of submission of application for insolvency.
- d) 180 days from the date of admission of the application.

11. How much is the extension period for completion of insolvency resolution process:

- a) 90 days.
- b) 180 days.
- c) 120 days
- d) 50 days.

12. What is the term of appointment of interim resolution professional?

- a) 30 days from the date of his appointment.
- b) 14 days from the date of his appointment.
- c) 20 days from the date of his appointment.
- d) 0 days from the date of his appointment

13. A committee of creditors comprises of

- a) financial and operational creditors.
- b) secured creditors only.

- c) all financial creditors.
- d) independent financial creditors only

14. Can an interim resolution professional act as the resolution professional?

- a) No, as it involves conflict of interest.
- b) Yes, if appointed by the committee of creditors with not less than 66% of the voting share of the creditors
- c) Yes, if appointed by the committee of creditors with votes of not less than 66% of the creditors.
- d) Yes, if appointed at a meeting of the committee of creditors with a majority of the creditors present and voting.

15.A Resolution Professional appointed by the Committee of Creditors

- (a) Can never be replaced until the conclusion of the resolution process
- (b) Has a fixed term of 180 days
- (c) Can be replaced with 66% voting in favour of the decision and approval of the Board
- (d) Can be replaced with 66% voting in favour of the decision

16. The Resolution Professional, during the Corporate insolvency resolution process, shall take which of the following acts, without the prior approval of the Committee of Creditors?

- (a) raise any interim finance, less than the amount as decided by the committee of creditors in their meeting
- (b) create any security interest over the assets of the Corporate debtor
- (c) change the capital structure of the corporate debtor
- (d) undertake any related party transactions

17. What is the eligibility for the resolution professional:

- a) A Resolution professional should be above 30 years of age.
- b) Resolution professional should possess sound knowledge and judgement.
- c) Resolution professional and all partners and directors of the insolvency professional entity of which he is a partner or director should be independent of the corporate debtor.
- d) Resolution professional should carry out his tasks fairly and diligently.

18. The Consent of the Resolution Professional should be obtained in which Form?

- a) Form AA
- b) Form A
- c) Form AB
- d) Form B

19. In which form shall a financial creditor submit proof of claim to the interim resolution professional:

- a) Form A of Schedule of the IBBI (CIRP) Regulations 2016.
- b) Form B of Schedule of the IBBI (CIRP) Regulations 2016.
- c) Form C of Schedule of the IBBI (CIRP) Regulations 2016.
- d) Form D of Schedule of the IBBI (CIRP) Regulations 2016.

20. In which form shall an authorised representative submit the dues to numerous workmen or employees?

- a) Form B of Schedule of the IBBI (CIRP) Regulations 2016.
- b) Form C of Schedule of the IBBI (CIRP) Regulations 2016.

- c) Form D of Schedule of the IBBI (CIRP) Regulations 2016.
- d) Form E of Schedule of the IBBI (CIRP) Regulations 2016.

21. What is the time limit within which the first meeting of the committee of creditors is to be held?

- a) Within 7 days of filing report of constitution of committee of creditors with the Adjudicating Authority
- b) Within 7 days of appointment of resolution professional.
- c) Within 7 days of admission of the insolvency case.
- d) Within 7 days of formation of committee of creditors.

22. Who can make a request to convene a meeting of the committee of creditors?

- a) A Members of the Committee representing 50% of the voting rights
- b) Members of the Committee representing 75% of the voting rights.
- c) Members of the Committee representing 33% of the voting rights.
- d) Members of the Committee representing 85% of the voting rights.

23. When shall the Resolution Professional appoint the Registered Valuers?

- a) Within 7days of RP appointment but not later than forty -seventh day from the Insolvency Commencement date
- b) Within 5days of RP appointment but not later than seventy Fifth day from the Insolvency Commencement date
- c) Within 7days of RP appointment but not later than forty -seventh day from the Insolvency initiation date
- d) Within 5days of RP appointment but not later than seventy Fifth day from the Insolvency Initiation date

24. When shall the resolution professional notify the participants and the Adjudicating Authority of any resultant change in the committee due to transfer of debt?

- a) Within 5 days of such change.
- b) Within 2 days of such change.
- c) Within 7 days of such change.
- d) Within 4 days of such change.

25. A resolution applicant shall endeavour to submit the resolution plan

- a) at least 15 days before the maximum period for completion of corporate insolvency resolution process.
- b) within 30 days of the first meeting of committee of creditors.
- c) by the time line set by the committee of creditors.
- d) by the timeline set by the resolution professional

26. The powers and duties of Liquidator includes

- a) To verify claims of all creditors
- b) To take measure to protect and preserve the assets and properties of the Corporate debtor
- c) To sell the immovable and movable property or action claims to any person who is not eligible to be a resolution professional
- d) To take into his custody or control all the assets, property, effects and actionable claims.

27. The Liquidation Estate shall not include

- a) Tangible assets, whether movable or immovable
- b) All proceeds of liquidation as and when they are realised
- c) Assets which may or may not be in possession of the corporate debtor including but not limited to encumbered assets
- d) Assets of any Indian or Foreign subsidiary of the corporate debtor

28. What is the correct order of priority for distribution of the proceeds from the sale of liquidation assets?

- a) Insolvency resolution process costs, workmen dues for the period of 24 months preceding the liquidation commencement date, debts owed to secured creditors, financial debts owed to unsecured creditors.
- b) workmen dues for the period of 24 months preceding the liquidation commencement date, debts owed to secured creditors, Insolvency resolution process costs, financial debts owed to unsecured creditors.
- c) Insolvency resolution process costs, financial debts owed to unsecured creditors. Workmen dues for the period of 24 months preceding the liquidation commencement date, debts owed to secured creditors,
- d) Insolvency resolution process costs, debts owed to secured creditors, financial debts owed to unsecured creditors. workmen dues for the period of 24 months preceding the liquidation commencement date,

29. where the assets of the corporate debtors are completely liquidated, to whom the liquidator shall make the application for the dissolution of corporate debtor?

- a) Registered Valuer
- b) Adjudicating Authority
- c) IBBI
- d) NCLT

30. What are the actions consequent upon the passing of the liquidation order by the Adjudicating Authority:

- a) Public Announcement
- b) Intimation to the authority with which corporate debtor is registered
- c) Public Announcement and Intimation to the authority with which corporate debtor is registered
- d) Public Announcement and Intimation to the Regional Director

31. Under which of the following condition can an Adjudicating Authority order the liquidation of corporate debtor

- a) When the committee of creditors of corporate debtor decides to liquidate after the confirmation of resolution plan
- b) When not less than sixty six percent of voting share of committee of creditors of corporate debtor decides to liquidate before the confirmation of resolution plan
- c) When half of the committee of creditors of corporate debtor decides to liquidate after the confirmation of resolution plan
- d) the committee of creditors of corporate debtor decides to liquidate before the confirmation of resolution plan

32. In case of replacement of liquidator upon the recommendation of IBBI, within how many days IBBI has to propose another name of an Insolvency Professional to the Adjudicating Authority?

- a) within 10 days of the direction issued by the Adjudicating Authority

- b) within 15 days of the direction issued by the Adjudicating Authority
- c) within 30 days of the direction issued by the Adjudicating Authority
- d) within 45 days of the direction issued by the Adjudicating Authority

33. The fees for the liquidation process shall be paid to the liquidator from the proceeds of?

- a) Realised liabilities of corporate debtor
- b) Liquidation estate
- c) Liquidation fund
- d) Capital Reserves of the corporate debtor

34. Within how many days does the liquidator have to intimate the creditors about the acceptance or rejection of their claim:

- a) within 7 days of such admission or rejection of claims
- b) within 10 days of such admission or rejection of claims
- c) within 15 days of such admission or rejection of claims
- d) within 30 days of such admission or rejection of claims

35. Within how many days can a creditor prefer an appeal in case of rejection of his claims:

- a) Within 7 days from the date of receipt of intimation of rejection of claim
- b) Within 14 days from the date of receipt of intimation of rejection of claim
- c) Within 30 days from the date of receipt of intimation of rejection of claim
- d) Within 45 days from the date of receipt of intimation of rejection of claim

36. Who cannot initiate a fast track corporate insolvency resolution process?

- a) financial creditor
- b) operational creditor
- c) corporate debtor
- d) insolvency professional

37. The Fast Track CIRP shall be completed within a period of ----- days from the Insolvency commencement date?

- a) 45
- b) 75
- c) 90
- d) 120

38. Who is the Adjudicating Authority for Corporate insolvency Resolution Process (CIRP)?

- a) National Company Law Tribunal
- b) Insolvency and Bankruptcy Board of India
- c) Debt Recovery Tribunal
- d) Delhi High Court

39. Who is the Appellate authority?

- a) National Company Law Tribunal
- b) National Company Law Appellate Tribunal
- c) Debt Recovery Appellate Tribunal
- d) Special Courts

40. What is the minimum punishment that may be imposed on a director of the corporate debtor who has undertaken a transaction after the insolvency commencement date to defraud the creditors?

- a) Imprisonment for three years or fine of Rs.1 lakh or both.
- b) Imprisonment for one year or fine of Rs.1 lakh or both.
- c) Imprisonment for three years or fine of Rs.5 lakh or both.
- d) Imprisonment for three years or fine of Rs.1 lakh

41. Which of the following grounds is not covered under misconduct in course of corporate insolvency resolution process

- a) Where an officer of the corporate debtor does not deliver to the resolution professional all or part of the property of the corporate debtor in his control or custody.
- b) Where an officer of the corporate debtor prevents the production of any book or paper affecting or relating to the property or affairs of the corporate debtor.
- c) Where an officer of the corporate debtor does not disclose to the resolution professional all the details of property of the corporate debtor.
- d) Where an officer of the corporate debtor does not assist the resolution professional in the preparation of information memorandum.

42. Which of the following reports is the liquidator required to prepare and submit under the liquidation process?

- a) Preliminary Report or Progress Report
- b) Preliminary Report and Progress Report
- c) Preliminary Report and Annual Report
- d) Sale Memorandum and Asset Report

43. The registers and books of accounts maintained by Liquidator, in relation to liquidation of corporate debtor shall be preserved for a period.....

- a) Five years after the dissolution of corporate debtor
- b) Eight years after the dissolution of corporate debtor
- c) Eight years
- d) Five years

44. In what manner shall the liquidator maintain the particulars of consultation with stakeholders?

- a) Form A of Schedule I
- b) Form A of Schedule III
- c) Form A of Schedule II
- d) Form A of Schedule IV

45. Which of the following shall not be considered as an onerous property of corporate debtor?

- a) A Land of any tenure not burdened with onerous covenants
- b) Shares or stocks in companies
- c) Unprofitable contracts
- d) Any other property which is not saleable or is not readily saleable by reason of the possessor thereof being bound either to the performance of any onerous act or to the payment of any sum of money

46. A person is not interested in the onerous property or contract if he

- a) is entitled to the benefit
- b) is subject to the burden of the contract
- c) does not claim an interest in a disclaimed property
- d) is under a liability not discharged in respect of a disclaimed property

47. In what form shall the liquidator make public announcement:

- a) Form A of Schedule II
- b) Form B of Schedule II

- c) Form C of Schedule II
- d) Form D of Schedule II

48. Within how many days shall the first Progress Report be submitted by the Liquidator to the Adjudicating Authority?

- a) Within 15 days from the end of Quarter
- b) Within 15 days from the end of Quarter in which he is appointed
- c) Within 7 days from the end of Quarter
- d) Within 7 days from the end of Quarter in which he is appointed

49. Within how many days shall the Progress Report subsequent to first Progress Report be submitted to Adjudicating Authority:

- a) Within 15 days from the end of Quarter
- b) Within 15 days from the end of Quarter in which he is appointed
- c) Within 7 days from the end of Quarter
- d) Within 7 days from the end of Quarter in which he is appointed

50. In which form shall the stakeholders submit his proof of claim to the liquidator under the liquidation process?

- a) Form A of Schedule II
- b) Form G of Schedule II
- c) Form C of Schedule II
- d) Form E of Schedule II

51. The existence of a security interest may not be proved by a secured creditor on the basis of-

- a) the records available in an information utility
- b) certificate of registration of charge issued by the Registrar of Companies;
- c) proof of registration of charge with the Central Registry of Securitisation Asset Reconstruction and Security Interest of India
- d) Production of bills

52. Within how many days from the liquidation commencement date, shall the liquidator prepare the Asset Memorandum?

- a) 7 days from the liquidation commencement date
- b) 15 days from the liquidation commencement date
- c) 30 days from the liquidation commencement date
- d) 75 days from the liquidation commencement date

53. The liquidator shall file the asset memorandum along with the.....to the Adjudicating Authority?

- a) Preliminary Report
- b) Progress Report
- c) Audited Financial Statements
- d) Quarterly accounts

54. All payments out of the account by the liquidator above shall be made by cheques drawn or online banking transactions against the bank account?

- a) Rs1000
- b) RS 5000
- c) Rs 10000
- d) Rs 15000

55. The Within how many days a liquidator shall distribute the proceeds from realization, from the receipt of the amount to the stakeholders.

- a) 30 days
- b) 45 days
- c) 75 days
- d) 90 days

56. A financial creditor needs to file an application for initiation of corporate insolvency resolution process in Form appended to the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016.

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

57. A corporate applicant is required to obtain a written communication in Form 2 appended to the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 from the proposed interim resolution professional stating that he

- a) agrees to accept the appointment.
- b) refuses to accept the appointment.
- c) agrees to accept the appointment subject to certain conditions.
- d) agrees to accept the appointment jointly with another insolvency professional.

58. IBBI (fast Track Insolvency Resolution Process for Corporate Persons) Regulations 2017 came into force on

- a) June 14, 2017
- b) 28, May 2017
- c) 1st April, 2017
- d) 15th December, 2017

59. A person shall not be considered as Independent of the corporate debtor, if he

- a) Is a related party of the corporate debtor
- b) has not been an employee or proprietor or a partner of a firm of auditors or company secretary in practice or cost auditors of the corporate debtor
- c) has not been an employee or proprietor or a partner of a legal or a consulting firm, which has or had any transactions with the corporate debtor amounting to ten percent or more of the gross turnover of such firm
- d) is eligible to be appointed as an Independent director on the board of corporate debtor

60. A Resolution professional shall convene a meeting if a request to that effect is made by the members of the committee representing

- a) one third of the voting rights
- b) one fourth of the voting rights
- c) thirty three percent of the voting rights
- d) fifty percent of the voting rights

61. The service of notice for the committee meeting by electronic means may not be sent to the participants through

- a) email
- b) as a notification providing electronic link
- c) uniform resource locator
- d) WhatsApp message

62. The sale of unencumbered assets by the corporate debtor, other than in the ordinary course of business for better realisation of value is possible, provided

- a) The book value of all assets sold during the fast track process period in aggregate shall not exceed ten percent of the total claims admitted by Interim Resolution Professional
- b) The assets sold shall not exceed twenty percent of the Claims
- c) The assets are sold under the joint venture agreement
- d) A Bonafide purchaser shall have free and marketable title to such assets

63. Fast track process cost does not include

- a) Interim finance
- b) Fees payable to any person not acting as a resolution professional
- c) Any costs incurred by the resolution professional in running the business of the corporate debtor as a going concern
- d) Amount due to suppliers of essential goods and services under Regulation 31

64. The Information memorandum shall be submitted to each member of the committee by the Resolution Professional within

- a) Within one week of his appointment
- b) Within 10 days of his appointment
- c) Within 14 days of his appointment
- d) Within two weeks of his appointment

65. A private company may not issue securities—

- a) by way of rights issue
- b) by way of bonus issue
- c) through private placement
- d) through public offer

66. The deemed Prospectus needs to be signed by -----directors of Company

- a) One
- b) Two
- c) Three
- d) Majority of

67. In case of matters relating to fresh start, insolvency and Bankruptcy of individuals and Partnership firms, the amount of default is

- a) Not less than one thousand rupees
- b) Not less than two thousand rupees
- c) Not less than Three Thousand rupees
- d) Not less than Five thousand rupees

68. The bankruptcy Trustee can be replaced by the committee of creditors in its meeting by.....

- a) a vote of sixty six percent of the voting share
- b) a vote of seventy-five of the voting shares
- c) a vote of Fifty percent of the voting share
- d) a vote of Ninety percent of the voting share

69. What is the term of office of the chairperson and members other than ex-officio members of IBBI?

- a) Five years
- b) Till they attain the age of Sixty-Five years
- c) Five years or till they attain the age of sixty-five years, whichever is earlier
- d) Three Years

70. On which date the Insolvency and Bankruptcy Board of India (Information Utilities Regulation) came into force?

- a) 28th May 2016
- b) 5 August 2016
- c) 31st March 2017
- d) 1st April 2017

71. A governing body may amend the bye laws of the Information Utility

- a) A By a resolution passed by votes in favour being not less than three times the number of the votes if any cast against the resolution
- b) By a resolution passed by votes in favour being not less than twice the number of the votes if any cast against the resolution
- c) By a resolution passed by votes in favour being not less than one-tenth the number of the votes if any cast against the resolution
- d) By a resolution passed by way of simple majority

72. Who shall be the Chairperson of the Governing Board of an Insolvency Professional Agency:

- a) Any Independent Director
- b) Director with relevant expertise
- c) Any Director who is resident of India
- d) Any Insolvency Professional

73. No individual shall be enrolled as a professional member if he is not eligible to be registered as:

- a) An advocate with the Bar Council of India
- b) A CS/CA/CWA with at least 15 years of experience
- c) A CS/CA/CWA with ICSI/ICAI/ICWA
- d) An Insolvency Professional with the Board

74. What is the time period for preferring an appeal to Membership Committee of an Insolvency Professional Agency:

- a) within 15 days from the receipt of such decision
- b) within 45 days from the receipt of such decision
- c) within 30 days from the receipt of such decision
- d) within 90 days from the receipt of such decision

75. Under which form shall a certificate of registration be granted to an Insolvency Professional Agency by the Insolvency and Bankruptcy Board of India (Board):

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

76. What shall be the minimum net worth of an Insolvency Professional Agency:

- a) Rupees One Crore
- b) Rupees Ten Crores
- c) Rupees Five Crores
- d) Rupees Fifteen Crores

77. What is the mode of serving the show cause notice by Insolvency and Bankruptcy Board of India (IBBI) on Insolvency Professional Agency for disciplinary proceedings:

- a) Electronic means only
- b) Only through registered post with acknowledgement due
- c) Speed Post or Courier
- d) Registered post with acknowledgement due or electronic means

78. An Individual shall not be eligible to be registered as an Insolvency professional if he is a

-
- a) Person resident in India
 - b) Minor
 - c) Fit and proper person as determined by the Board
 - d) Professionally qualified person

79. Innoventive Industries Ltd Vs ICICI Bank Ltd Case law, relates to Existence of Dispute

- a) Overriding Effect of IBC
- b) Application of Law of Limitation
- c) Withdrawal of application after admission

80. The chairperson and a whole-time member shall be entitled to entertainment allowance subject to a maximum of

- a) Rs 6000 per annum
- b) Rs 8000 per annum
- c) Rs 10000 per annum
- d) Rs 12000 per annum

81. In Era Infra Engineering Ltd., Vs. Pride Commercial Projects Pvt. Ltd., NCLAT held that an operational creditor has to give notice of demand to the corporate debtor under the IBC, 2016, for initiating Corporate Insolvency resolution process as-

- (a) this is what the IBC, 2016 requires of all creditors, whether financial or operational.
- (b) the code gave another opportunity of ten days to the operational corporate debtor to pay, which it would be deemed, if new notice not given after the Code came into operation.
- (c) the IBC, 2016 is the special law and is intended to be a complete code on insolvency.

(d) the mere giving of notice under old statute does not amount to start of proceedings to vest a right.

82. In the case of Era Infra Engineering Ltd. vs. Pride Commercial Projects Pvt. Ltd. (Company Appeal (AT) (Insolvency) No. 31 of 2017), the NCLAT held that in case no notice was issued by the Operational Creditor under Section 8 of the Insolvency and Bankruptcy Code, 2016 then_____.

- a) the application under Section 9 of the Insolvency and Bankruptcy Code, 2016, stands dismissed being incomplete
- b) the application under Section 9 of the Insolvency and Bankruptcy Code, 2016, is provisionally admitted
- c) the application under Section 9 of the Insolvency and Bankruptcy Code, 2016 is dismissed however the moratorium on the corporate debtor can be declared
- d) the application under Section 9 of the Insolvency and Bankruptcy Code, 2016 is admitted however no moratorium is declared.

83. Whether the timelines prescribed In the **Surendra Trading Company Vs. Juggilal Kamlatpat Jute Mills**, are mandatory nature of timelines?

- a) Time of seven days prescribed in the Code for removal of defects by an applicant is directory.
- b) The timelines of seven days for removal of defects is mandatory in nature
- c) The timelines prescribed under section 12 are mandatory
- d) The timelines are both mandatory as well as directory

84. Wages' under the Minimum Wages Act, 1948 includes

- a) house rent allowance
- b) value of house accommodation
- c) contribution by employer to any pension fund
- d) travelling allowance

85. A contract for present sale of future goods under the Sale of Goods Act, 1930 operates as a/an

- a) contract of sale
- b) agreement to sell
- c) estoppel
- d) quasi contract of sale

86-90 (Case Study)

Arun Ltd. Has availed of various credit facilities from a number of secure creditors amounting to Rs. 50 Lakhs.

Due to adverse financial condition, it failed to repay the loans to some of the creditors during the financial year 2015-16.

Pritam Ltd., a creditor of Arun Ltd., for an amount of Rs. 80000 has assigned a loan to Zip Ltd. Mr. Mohit another creditor for a loan of Rs 75000 assigned its loan to Zip Ltd.

Mr. Mohit filed a corporate insolvency Resolution case before the NCLT in December 2017 for recovery of its debt from Arun Ltd. Zip Ltd. Also file a separate insolvency case against Arun Ltd. In December 2017. Zip Ltd contended that since it is the assignee of two loan applications for resolution process is maintainable by it.

The Adjudicating Authority on 20th day of receipt of the application rejected the application of Mr. Mohit on the ground that the assignee of the loan has filed a separate application for resolution of insolvency and issued a noticed to Arun Ltd.

Arun Ltd. also filed an insolvency resolution process case concerning the same debt before the NCLT.

86.What is the minimum amount of default for moving an Insolvency Resolution Process?

- a) Rs. 10,000
- b) Rs. 50,000
- c) Rs. 1,00,000
- d) Rs. 10,00,000

87.Insolvency Resolution Process initiated by Zip Ltd. is maintainable before the Adjudicating Authority.

- a) True, as it is the assignee of the debt.
- b) False, only the creditor who has given the loan in respect of which Corporate Debtor has defaulted can file an application before the Adjudicating Authority.

88.Insolvency Resolution Process application is maintainable by

- a) Arun Ltd.
- b) Pritam Ltd.
- c) Zip Ltd.
- d) Arun Ltd. or Zip Ltd.

89.The Adjudicating Authority on 20th day of receipt of the application rejected the application of Mr. Mohit. What is the time period within which the Adjudicating Authority should decide to accept or reject the application?

- a) 7 days of receipt of application
- b) 14 days of receipt of application
- c) 21 days of receipt of application
- d) 30 days of receipt of application

90.The 14 days' time period for admitting or rejecting the application filed before the National Company Law Tribunal

- a) Is directory in the nature
- b) Is mandatory in the nature
- c) Is observatory in nature
- d) Is summary in nature

Answers Mock Test 1

- | | | |
|---------|---------|---------|
| 1. (b) | 32. (a) | 63. (b) |
| 2. (a) | 33. (b) | 64. (d) |
| 3. (c) | 34. (a) | 65. (d) |
| 4. (a) | 35. (b) | 66. (b) |
| 5. (c) | 36. (d) | 67. (a) |
| 6. (c) | 37. (c) | 68. (b) |
| 7. (a) | 38. (a) | 69. (c) |
| 8. (d) | 39. (b) | 70. (d) |
| 9. (b) | 40. (b) | 71. (a) |
| 10. (d) | 41. (d) | 72. (a) |
| 11. (a) | 42. (b) | 73. (d) |
| 12. (a) | 43. (c) | 74. (c) |
| 13. (c) | 44. (c) | 75. (c) |
| 14. (b) | 45. (a) | 76. (b) |
| 15. (c) | 46. (d) | 77. (d) |
| 16. (a) | 47. (b) | 78. (b) |
| 17. (c) | 48. (b) | 79. (b) |
| 18. (a) | 49. (a) | 80. (d) |
| 19. (c) | 50. (b) | 81. (b) |
| 20. (d) | 51. (d) | 82. (a) |
| 21. (a) | 52. (d) | 83. (a) |
| 22. (c) | 53. (a) | 84. (a) |
| 23. (a) | 54. (b) | 85. (b) |
| 24. (b) | 55. (d) | 86. (c) |
| 25. (a) | 56. (b) | 87. (a) |
| 26. (a) | 57. (a) | 88. (d) |
| 27. (d) | 58. (a) | 89. (b) |
| 28. (a) | 59. (a) | 90. (a) |
| 29. (b) | 60. (b) | |
| 30. (b) | 61. (d) | |
| 31. (b) | 62. (d) | |