

## QUESTION PAPER FOR LIMITED INSOLVENCY EXAMINATION

**Q.1** The first meeting of the Committee of Creditors shall be held within days of its constitution

- a) 14
- b) 21
- c) 7
- d) 30

**Q.2** Who is covered in the definition of Financial Service Provider under the Code?

- a) Banks
- b) Insurance companies
- c) Financial institutions
- d) All of the above

**Q.3** What are the core services rendered by an information utility?

- a) accepting electronic submissions of financial information
- b) accepting and recording financial information
- c) accepting, recording, authenticating and verifying financial information.
- d) preparing databank of financial information

**Q.4** Which of the following is not a financial institution under the Code?

- a) RBI
- b) SBI
- c) LIC
- d) GAIL

**Q.5** What shall be treated as Debt under the Code

- a) Debt means a liability or obligation in respect of a claim which is due from any person
- b) It includes a financial debt and operational debt
- c) Both (a) & (b)
- d) None of the above

**Q.6** The committee of creditors under the Corporate insolvency resolution process has in relation to the appointment of the Interim Resolution professional, does not have the following option

- a) Confirm the appointment
- b) Reject the IRP

- c) Replace the IRP and Propose alternate person
- d) Appoint one additional person as the IRP

**Q.7** When the committee of creditors under the Corporate insolvency resolution process proposes to replace the Interim resolution professional, it may be done

- a) Directly by them after 75% majority
- b) Directly by them after 75% majority approval and intimation to the Board
- c) Directly by them after 75% majority approval and with prior approval of the new professional by the Board
- d) There is no choice to replace the interim resolution professional

**Q.8** In case the Committee of Creditors has proposed an alternative to replace the Interim resolution professional and application for the approval of the new candidate is pending before NCLT, then

- (a) The Interim professional shall continue
- (b) The new professional shall take over unless rejected
- (c) The corporate debtor shall function without a resolution professional till the approval
- (d) The largest creditor shall appoint one of his officers to be the Resolution professional

**Q9.** The Resolution professional shall continue as the liquidator unless replaced by

- (a) DRT
- (b) NCLT
- (c) Official Liquidator of the MCA
- (d) Insolvency Board

**Q10.** Where the Order for liquidation is passed, the Resolution professional appointed for insolvency resolution shall be replaced by the Adjudicating Authority

- a) In all cases, the resolution professional cannot continue as the liquidator
- b) In no case and the Resolution professional shall continue as the liquidator
- c) When the resolution plan was rejected for failure to meet the requirements of section 30 (2) or the insolvency Board recommends the replacement with reasons in writing
- d) Based on an application by the Committee of Creditors to the Adjudicating Authority

**Q11.** In case of the Resolution professional not being appointed as the liquidator, can a liquidator of a Corporate Debtor be proposed by the Board

- a) No, the appointment is purely internal, the Board has no role to play
- b) Yes, the liquidator can be finalised by the Board and communicated to the Corporate debtor
- c) Yes, the liquidator can be proposed by the Board only based on a request from the Adjudicating Authority
- d) No, the Adjudicating Authority can identify a liquidator from the panel

**Q12.** Who need not be an Insolvency Professional registered under the Act

- a) Interim Resolution Professional
- b) Resolution Professional
- c) Liquidator
- d) Representative of a banking institution on the Committee of Creditors

**Q13.** In case of the Resolution professional not being appointed as the liquidator and where the Adjudicating Authority has requested the Board for a person to be appointed as the liquidator, the Board shall respond with the name of an Insolvency Professional within ... days

- a) 7
- b) 10
- c) 14
- d) 20

**Q 14.** The liquidation fee charged by the liquidator shall be

- a) Slab rates based on share capital
- b) Slab rates based on Net asset Value
- c) Success + Flat fee
- d) Proportion based on value of assets realised

**Q15.** The liquidation fee charged by the liquidator shall be

- a) Paid upfront by the Corporate debtor
- b) Paid from the proceeds of the liquidation estate
- c) Funded by the Financial Creditors
- d) Funded by the Committee of Creditors

**Q16.** The liquidator's duties and responsibilities do not include

- a) to carry on the business of the corporate debtor for its beneficial liquidation
- b) to verify claims of all the creditors
- c) to evaluate the assets and property of the corporate debtor in the manner as may be specified by the Board and prepare a report
- d) Sell immovable properties without the consent of the secured creditors

**Q17.** The liquidator shall aggregate all assets of the entity in liquidation under a

- a) Insolvency estate
- b) Resolution estate
- c) Liquidation estate
- d) Not required to aggregate at all

**Q18.** The Liquidator consults certain key creditors in relation to certain decisions. The views of the stakeholders are

- a) Binding on the liquidator
- b) Never binding on the liquidator
- c) Not Binding on the liquidator subject to certain specific provisions
- d) He must not consult any stakeholder

**Q19.** Where the application has been made in relation to a firm under the Bankruptcy process for a partnership firm, it shall apply only to

- a) The Managing partner
- b) To the majority partner
- c) To all partners
- d) To partners resident in India

**Q20.** After the Bankruptcy order is passed, the assets of the non corporate person shall vest in

- a) Liquidation estate
- b) Bankruptcy estate
- c) Resolution Estate
- d) Creditors estate

**Q21.** The bankruptcy trustee can apply to ..... to declare an undervalued transaction as void to reverse the effect of this transaction

- a) IBBI
- b) DRT
- c) DRAT
- d) Insolvency professional agency

**Q22.** The time limit for evaluation an undervalued transaction is that the transaction should been entered into during the period of ..... years ending on the filing of the application for bankruptcy

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

**Q23.** The time limit for evaluation a preferential transaction is that the transaction should been entered into during the period of ..... years ending on the filing of the application for bankruptcy

- a) 1 year with associate, 6 months with others
- b) 2 years with associates, 6 months with others
- c) 1 year with associate, 9 months with others
- d) 1 year with associate, 4 months with others

**Q24.** The following do not constitute undervalued transactions by a bankrupt with a person

- a) Gift made to the person
- b) It is in consideration of marriage
- c) No consideration has been received by that person from the bankrupt
- d) It is in the ordinary course of business

**Q25.** The resolution professional shall call a meeting of the committee of creditors by giving not less than \_\_\_ days notice.

- a) 14 days.
- b) 21 days.
- c) 7 days.
- d) 28 days.

**Q26.** The committee of creditors may reduce the notice period for convening a meeting from seven days to such other period but not less than \_\_\_\_\_ hours.

- a) 48 hours.
- b) 24 hours.

- c) 72 hours.
- d) 96 hours.

**Q27.** Notice of a meeting of COC 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.

**Q28.** Notice for the meeting shall inform the participants about \_\_\_\_.

- a) Venue, date & time.
- b) Venue, date, time and authorized representative.
- c) Venue, date, time and option of video conferencing.
- d) Venue, date, time, option to attending the video conferencing and permission to an authorised representative.

**Q29.** A meeting of COC shall have a valid quorum if members represent at least \_\_\_\_.

- a) 33% of the voting rights in person only.
- b) 33% of the voting rights either in person or by video conferencing.
- c) 50% of the voting rights in person only.
- d) 50% either in person or by video conferencing.

**Q30.** In case a meeting of COC cannot be held for want of quorum, the meeting shall stand adjourned to \_\_\_\_.

- a) Same time and place next week.
- b) Same time and place on the 10th day.
- c) Same time and place in two weeks.
- d) Same time and place next day.

**Q31.** In case of adjourned meeting where sufficient quorum is not present \_\_\_\_ shall constitute the quorum.

- a) Members representing 33% of voting rights.
- b) Members present.
- c) Members representing 20% of voting rights.
- d) Members representing 25% of voting rights.

**Q32.** The \_\_\_\_ shall act as a chair person of the meeting of the COC.

- a) The largest financial creditor.
- b) Resolution professional.
- c) The C.E.O.
- d) As elected by the meeting.

**Q33.** The resolution professional shall ensure the requirement of quorum at \_\_\_\_.

- a) At the beginning of the meeting.
- b) Throughout the meeting.
- c) At the end of the meeting.
- d) Each and every hour.

**Q34.** Which of the followings statements is incorrect

- a) During a video conference the Resolution Professional shall safeguard the integrity of the meeting by ensuring sufficient security and identification procedures.
- 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 to store for safekeeping and marking the physical recording(s) or other electronic recording mechanism as part of the records of the corporate debtor
- d) None of the Above.

**Q35.** The RP shall circulate the minutes of the meeting to all participants within \_\_\_\_\_ of the meeting.

- a) By hard copy within 24 hours.
- b) By hard copy within 20 hours.
- c) By electronic means within 48 hours.
- d) By electronic means within 24 hours.

**Q36.** Once the vote on a resolution is cast by the electronic means in a meeting of COC, a member can \_\_\_\_\_.

- a) Can change it within 24 hours.
- b) Not change the same
- c) Can change it within 48 hours.
- d) Can change it within 72 hours.

**Q37.** 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) Kept open for 24 hours.
- b) Blocked forthwith.
- c) Kept open for 6 hours.
- d) Blocked after 8 hours.

**Q38.** Disciplinary proceedings can be instituted against an insolvency professional agency by

- a) National Company Law Tribunal
- b) Ministry of Corporate affairs
- c) High Court
- d) IBBI

**Q39.** With respect to disciplinary actions against Insolvency Professional Agency, the Board shall constitute \_\_\_\_\_

- a) Investigation Committee
- b) Enquiry Committee
- c) Disciplinary Committee
- d) Monitoring Committee

**Q40.** The Order of Disciplinary Committee in disposal of a show cause notice may provide for :

- a) No action
- b) Warning
- c) A reference to the Board to take any action under section 220 (5)
- d) Any of the above

**Q41.** The corporate person shall from the liquidation commencement date cease to carry on its

- a) purchase and sale activities
- b) Banking transactions
- c) business affairs except required for beneficial winding up of its business.
- d) economic affairs

**Q42.** An insolvency professional shall be eligible to be appointed as a liquidator if he is

- a) a related party of the corporate person;
- b) a partner of a firm of auditors or company secretaries or cost auditors of the corporate person;
- c) ineligible to be appointed as an independent director on the board of the corporate person
- d) has not been an employee of a legal or a consulting firm, that has or had any transaction with the corporate person contributing 10 per cent or more of the gross turnover of such firm, at any time in the last three years.

**Q43.** Under what circumstances can serving of the notice by an Inspecting Authority be dispensed with.

- a) No, it cannot be dispensed with
- b) Where the Inspecting Authority believes Notice is not mandatory
- c) Where the Inspecting Authority has an apprehension that records of the service provider may be destroyed, mutilated, altered, falsified or secreted.
- d) None of the above.

**Q44.** To whom shall the interim inspection report be submitted by the Inspecting authority?

- a) He is not required to make an interim report to anyone.
- b) The Interim Report is prepared and is confidential, only for the Inspecting authority's use.
- c) Is submitted to the Board
- d) Is submitted to the Adjudicating Authority.

**Q45.** If the Board is satisfied from the interim inspection report that there is a gross violation of the provisions of the Code, rules or regulations, by the service provider and an immediate action is warranted the Board shall refer the matter to the-

- a) Disciplinary Committee
- b) Expert Advisory Committee
- c) Income Tax Department
- d) NCLT

**Q46.** The liquidator shall make a public announcement in Form \_\_\_\_\_

- a) Form A of Schedule I
- b) Form B of Schedule II.
- c) Form C of Schedule III.
- d) Form D of Schedule II.

**Q47.** The liquidator shall submit a Preliminary Report to the Adjudicating Authority within \_\_\_\_\_ days from the liquidation commencement date

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

**Q48.** The liquidator shall submit the first Progress Report to the Adjudicating Authority within days after the end of the quarter in which he is appointed.

- a) 15 days
- b) 20 days
- c) 30 days
- d) 45 days

**Q49.** An insolvency professional becomes a liquidator on 13th February, 2017, and ceases to act as liquidator on 12th February, 2019. He shall submit Progress Reports for 13th February - 31st March, 2017 by

- a) 15th April, 2017
- b) 20th April, 2017
- c) 15th May, 2017
- d) 20th May, 2017

**Q50.** Which of the following statements is not a criterion for a person being a public company to be eligible for registration as an Information Utility under the regulations devised by IBBI?

- a) Its sole object is to provide core services and other services under these Regulations, and discharge such functions as may be necessary for providing these services
- b) It has a minimum net worth of fifty crore rupees
- c) Its bye-laws are in accordance with Chapter VI
- d) None of the above

**Q51.** Applications for Renewal of Registration to operate as Information Utilities shall be made:

- a) at least 6 months before the expiry of Registration
- b) at least 12 months before the expiry of Registration
- c) not required as the Registration once granted is for lifetime.
- d) None of the above.

**Q52.** A person who is seeking to establish an Information Utility is supposed to make an application regarding "in principle approval" to:

- a) NCLAT
- b) IBBI
- c) HC
- d) DRAT

**Q 53.** A complaint shall be filed with a fee of:

- a) Rs. 1000
- b) Rs. 2500
- c) Rs. 1500
- d) Rs 3000

**Q 54.** If the grievance does not require any redress, the same shall be closed within ..... of its receipt:

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



**Q55.** In what circumstances the fee shall be refunded?

- a) If in the opinion of the Board, the complaint is not frivolous.
- b) If the details of the complaint and grievance are complete.
- c) Where more than one complaint on same issue has been filed.
- d) Where the complaint has demand for refund based on certain circumstances.

**Q56.** Par value of a share means\_\_\_\_\_.

- a) face value of the share
- b) dividend value of the share
- c) the latest traded value of the share on the stock-exchange
- d) fair market value of the share

**Q57.** Who among the following need not be given notice for the general meeting of a company?

- a) a member of the company
- b) an assignee of an insolvent member of the company
- c) the auditor of the company
- d) a debenture holder of the company

**Q58.** Financial statement of a company does not include\_\_\_\_\_.

- a) due and drawn statement
- b) balance sheet
- c) cash flow statement
- d) profit and loss account

**Q59.** When a company has failed to commence its business within one year of its incorporation, \_\_\_\_\_.

- a) the registrar may strike off its name from the register of companies
- b) it will be given a dormant status
- c) its registration will be suspended
- d) it will be referred to official liquidator Ans.(a)

**Q60.** Can a member function as a Bench of National Company Law Tribunal?

- a) Yes, a technical member, if duly authorised.
- b) Yes, a judicial member, if duly authorised.
- c) Yes, only in exigencies when no other member is available.
- d) No, a member cannot function as a Bench.

**Q61.** A company which has not been carrying on any business or operation, or has not made any significant accounting transaction during the last two financial years, or has not filed financial statements and annual returns during the last two financial years is\_\_\_\_\_.

- a) an inactive company
- b) a shell company
- c) a company undergoing insolvency resolution process
- d) a dormant company

**Q62.** Mr. X, a partner of a limited liability partnership defrauded creditors of the limited liability partnership for fraudulent purpose. The liability of the limited liability partnership\_\_\_\_\_.

- a) shall be unlimited

- b) shall be limited
- c) shall be limited, but the rest of liability will be that of Mr. X
- d) shall be nil, as all the liability will be that of Mr. X

**Q63.** Every limited liability partnership shall file a duly authenticated\_\_\_ with the Registrar within sixty days of closure of its financial year.

- a) Auditor's Report
- b) Cash Flow Statement
- c) Annual Return
- d) Profit and Loss Statement

**Q64.** A valid Agreement is one which\_\_\_.

- a) creates legal and social obligations on the parties
- b) creates only rights of a party
- c) is written on a piece of paper and signed by the parties
- d) creates legally binding rights and obligations on the parties to it

**Q65.** A contract in which one person promises to compensate the other person for the loss suffered by him, due to the conduct of the promisor or of any other person, is known as\_\_\_.

- a) contract of indemnity
- b) contract of guarantee
- c) quasi-contract
- d) contingent contract

**Q66.** Under the Sale of Goods Act, 1930, 'delivery' means\_\_\_\_\_.

- a) gratuitous transfer of possession from one person to another
- b) involuntary transfer of possession from one person to another
- c) voluntary transfer of possession from one person to another
- d) transfer of possession irrespective of whether it is gratuitous, involuntary or voluntary, from one person to another.

**Q67.** In terms of the Partnership Act, 1932 the partner of a firm where partnership is at will may retire \_\_\_\_\_.

- a) with the consent of all the other partners
- b) in accordance with an express agreement by the partners
- c) by giving notice in writing to all the other partners of his intention to retire
- d) without the consent of all the other partners

**Q68.** 'A' transfers a garden to B for his life, with a proviso that, in case B cuts down a particular neem tree, the transfer shall cease to have any effect. B cuts down the tree. Decide the case in the light of Transfer of Property Act, 1882.

- a) B loses his life interest in the garden.
- b) B does not lose his life interest in the garden.
- c) No such provision is made under the Transfer of Property Act, 1882.
- d) The transfer will become void-ab-initio.

**Q69.** A suit for recovery of possession can be filed under the Specific Relief Act, 1963,\_\_\_.

- a) for immovable property only
- b) for movable property only

- c) for both immovable and movable property
- d) only by the owner in respect of property to which he has rightful title

**Q70.** When an instrument has been lost, then as per the Negotiable Instrument Act, 1881, until the contrary is proved, it shall be presumed that it was\_\_\_\_\_.

- a) an expired instrument
- b) duly stamped
- c) duly registered
- d) duly signed

**Q71.** Which of the following decides applications from the banks and financial institutions for recovery of debts due to them?

- a) Debt Recovery Tribunal
- b) Debt Recovery Appellate Tribunal
- c) Securities Appellate Tribunal
- d) Central Board of Direct Taxes

**Q72.** As per the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, what constitutes a 'non-performing asset'?

- a) An asset of a borrower which has been classified by a credit rating agency as doubtful.
- b) An asset or an account of a borrower which has been classified by a bank as substandard or doubtful or loss asset, after 90 days of default.
- c) An account for which a borrower has refused to repay.
- d) An asset of borrower's subsidiaries company which has failed to repay any of its debt.

**Q73.** The Hon'ble Supreme Court, in the matter of *Mardia Chemicals Ltd. Vs. Union of India*, held that the requirement of deposit of 75% of amount claimed before entertaining an appeal (petition) under Section 17 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest, 2002 is\_\_\_\_\_.

- a) valid but in the interest of justice, the amount to be deposited should be reduced to 45%
- b) an arbitrary condition against all the canons of reasonableness
- c) mandatory and must be complied with
- d) a matter of executive prerogative and the court does not have the jurisdiction to interfere in such matters

**Q74.** The arbitration agreement as defined in Section 7(2) of The Arbitration and Conciliation Act, 1996 may be\_\_\_.

- a) in form of contract and a separate agreement
- b) in form of contract and a written agreement
- c) in the form of an arbitration clause in a contract or in the form of a separate agreement
- d) in the form of an implied oral agreement

**Q75.** In computing the period of limitation of any suit for the execution of a decree, the institution or execution of which has been stayed by injunction or order, the time of the continuance of the injunction or order from the day on which it was \_ shall be excluded.

- a) issued
- b) filed
- c) admitted
- d) heard first

**Q76.** As per the SEBI (Delisting of Equity Shares) Regulations, 2009 delisting of which of the following is not permitted?

- a) convertible securities'
- b) authorised equity shares recognised by any stock exchange
- c) sweat equity shares
- d) bonus shares

**Q77.** Fraud triangle with reference to Forensic Audit explains:

- a) the factors that cause someone to commit occupational fraud
- b) the factors that lead to identification of occupational fraud
- c) the factors of internal control system that helps in prevention, early identification and control of frauds
- d) the factors that are required to prove frauds in court of law

**Q78.** Exchange markets and Over the Counter Markets are considered as two types of -.

- a) Inter market
- b) Primary market
- c) Secondary market
- d) Risky market

**Q79.** Which of the following represent the standard of living in a country?

- a) National Income
- b) Per capita income
- c) Poverty ratio
- d) Unemployment rate

**Q80.** The Policy Repo Rate is \_\_\_ the Reverse Repo rate.

- a) higher than
- b) lower than
- c) equal to
- d) 75%

**Q81.** Which of the following is not a settlement machinery appointed by the appropriate authority for the settlement of the industrial disputes under the Industrial Disputes Act, 1947?

- a) Conciliation officers
- b) Labour Courts
- c) Board of Arbitrators
- d) Courts of Inquiry

**Q82.** As per the Constitution of India, which of the following courts is not a 'court of record'?

- a) High Courts and District Courts
- b) District Courts, High Courts and Supreme Court of India
- c) The Supreme Court of India and High Courts
- d) District Court only

**Q83.** Balance sheet of a company does not reflect\_\_\_\_\_.

- a) what the company owns and what the company owes

- b) the assets and liabilities of the company
- c) the financial health of the company
- d) the income and expenditure of the company

**Q84.** The listed entity (which has listed its specified securities) shall submit \_\_\_ standalone financial results to the stock exchange within \_\_\_ days of end of each quarter.

- a) Quarterly and year-to-date; 45
- b) Half-yearly or quarterly or year-to-date; 30
- c) Quarterly and year-to-date; 30
- d) Half-yearly and year-to-date; 45

**Q85.** Basic Earnings per Share (EPS) is calculated as \_\_\_.

- a) Net profit /total number of shares
- b) (Net profit - preferred dividend)/weighted average number of outstanding shares
- c) (Net Profit - Preference Share Capital) /Average shares outstanding
- d) (Net Profit - Dividend) /Total shares outstanding

**Q 86.** In which of the following case, Hon'ble NCLT has upheld that 'shareholder has a right to decide whether approving or disapproving the decision be proceeded with the Corporate Insolvency Resolution Process under Section 10 of the IBC. Such right does not stand curtailed by Deed of Pledge.?'

- a) Edelweiss Asset Reconstruction Co. Ltd. Vs. Synergies Dooray Automotive Ltd. &Ors.
- b) Consolidated Engineering Co. &Anr. Vs. Golden Jubilee Hotels Pvt. Ltd.
- c) Export Import Bank of India &Anr Vs Astonfield Solar (Gujarat) Pvt Ltd &Anr
- d) Tata Steel Limited Vs. Liberty House Group Pvt. Ltd. &Ors.

**Q 87.** In which of the following case, Hon'ble NCLT has held that 'Since, the attachment order passed by the court under Prevention of Money Laundering Act is hit by the provisions of Section 14 of IBC and considering the overriding effect of IBC under Section 238 of the Code, the attachment order under PMLA Act is a nullity and non-est in law and hence it will not have any binding force'?

- a) SREI Infrastructure Finance Limited Vs. Sterling SEZ and Infrastructure Limited
- b) State Bank of India Vs. ARGL
- c) Affinity Finance Services Pvt Ltd Vs Kiev Finance Limited
- d) Small Industries Development Bank of India Vs Tirupati Jute industries Limited

**Q 88.** The Hon'ble Supreme Court in *Mobilox Innovations (P) Limited vs. Kirusa Software (P) Limited*

Case, has interpreted the expression "\_\_\_\_\_".

- a) Operational Creditor
- b) Existence of Dispute
- c) Time value of money
- d) Doctrine of Repugnancy

**Q 89.** In the case of *SreeMetaliks Limited and another vs. Union of India*, it was held by Hon'ble Calcutta High Court that\_\_\_\_\_.

- a) Section 7 of the Insolvency and Bankruptcy Code, 2016 is unconstitutional
- b) Section 7 of the Insolvency and Bankruptcy Code, 2016 must be read with the Section 424 of the Companies Act, 2013

- c) the National Company Law Tribunal and National Company Law Appellate Tribunal have to adhere to the principles of natural justice barring exceptional circumstance
- d) the principles of natural justice is expressly ousted from Section 7 of the Insolvency and Bankruptcy Code, 2016

### Case Analysis

Mr. Ram hold the first meeting of his team as Interim Resolution Professional of Rahul Cosmetics Limited (“Rahul”). An application was made to the Adjudicating Authority by a joint lending forum, led by Laxmi Bank who are owed Rs.1.3 crore, which was satisfied that a default had occurred (Rahul had not made any repayments on the principal debt for six months, having also defaulted for three months towards the end of last year).

The Adjudicating Authority communicated the order under section 5(a) of the Insolvency and Bankruptcy Code, 2016 (“the Code”) and sent notice of commencement of the corporate insolvency resolution process.

Mohan, one of the senior members of M's team asks to see M privately and reveals at the meeting that his cousin is on the board of Rahul. He explains that they have not seen each other socially for more than five years and have not discussed this matter. Mohan is a forensic accountant and a skilful strategist and M is very keen for him to remain on the team.

Rahul deals in cosmetics for reconstructive surgery or as an alternative for surgical intervention and thus, holds several licenses for live animal research and the blending of volatile chemical compounds and the current status of the licenses needs to be ascertained.

Having completed an early “walk round” of the main site, and having talked to Rahul’s main Security Officer, Mr. Ram selects a series of offices in the main building of the company’s headquarters and call a meeting of three members of his team. With reference to the above-mentioned facts, answer the following questions:

**Q 90.** With respect to the stated position of Mohan, what shall be the reasonable step by Mr. Ram?

- a) Mohan may remain on the team as his relationship with his cousin is a distant one and it is reassured that he has had no social contact with him in the past five years
- b) Mohan has to leave the team and return to the office as he is effectively an “independent director” of Rahul and cannot be allowed to be part of the CIRP process
- c) Mohan may remain on the team as he is a junior member without any significant influence
- d) Mohan must leave the team and return to the office as the Code of Conduct places high value on independence and impartiality

**Q 91.** As an Interim Resolution Professional, Mr. Ram must ensure that Form 2 shall be duly submitted with what type of contents?

- a) Relevant disclosure requirements and it must be sent to the Adjudicating Authority by the petitioning creditor
- b) Relevant disclosure requirements and it must be sent to the IBBI by the petitioning creditor
- c) Relevant disclosure requirements and it must be sent to the Ministry of Corporate Affairs by the petitioning creditor
- d) Relevant disclosure requirements and it must be sent to the High Court by the petitioning creditor

**Q92.** With respect to the circular issued by IBBI on January 16, 2018 requiring certain disclosures to be made by the Insolvency Professional in a Resolution Process in the interests of transparency, by when must the disclosure be made relating to the relationship between Mohan and his cousin?

- a) Within 2 days of the appointment of the Interim Resolution Professional
- b) Within 2 days of the constitution of the Committee of Creditors
- c) Within 3 days of the appointment of the Interim Resolution Professional
- d) Within 3 days of the constitution of the Committee of Creditors

**Q93.** Who shall be held responsible for the loss suffered by Rahul, after the commencement of CIRP, on account of non-compliance with the law due to a license for cosmetic products from animal testing not being renewed on time?

- a) The directors of the company, if their names were on the original application for the said license
- b) The Insolvency Professional will be responsible, and any loss will not form part of the insolvency Resolution Process cost
- c) The Company itself is responsible as it is a separate legal entity and all contracts and transactions are being performed in its name
- d) The senior employees and personnel of the company will be responsible as they are in the most senior position with the greatest knowledge of the practices of the business

**Q 94.** After the Commencement of CIRP, Mr. Ram shall ensure publishing of Form G for Invitation for Expression of Interest by?

- a) Within 75 days of the date of commencement of the Resolution Process
- b) Within 90 days of the date of commencement of the Resolution Process
- c) Within 105 days of the date of commencement of the Resolution Process
- d) Within 115 days of the date of commencement of the Resolution Process

**Q95.** Mr. Ram shall appoint Registered Valuers by?

- a) within 27 days of the date of commencement of the Resolution Process
- b) within 37 days of the date of commencement of the Resolution Process
- c) within 47 days of the date of commencement of the Resolution Process
- d) within 57 days of the date of commencement of the Resolution Process

**Answers**

1. (C)	2. (D)	3. (C)	4. (D)	5. (C)	6. (D)	7. (C)	8. (A)	9. (B)	10. (C)
11. (C)	12. (D)	13. (B)	14. (D)	15.( B)	16. (D)	17.( C)	18. (C)	19. (C)	20. (B)
21. (B)	22. (B)	23. (B)	24. (D)	25. (C)	26. (B)	27. (A)	28. (D)	29. (B)	30. (D)
31. (B)	32. (B)	33. (B)	34. (D)	35. (C)	36. (B)	37. (B)	38. (D)	39. (C)	40. (D)
41. (C)	42. (D)	43. (C)	44. (C)	45. (A)	46. (B)	47. (B)	48. (A)	49. (A)	50. (C)
51. (A)	52. (B)	53. (B)	54. (A)	55. (A)	56. (A)	57. (D)	58. (D)	59. (C)	60. (B)
61. (A)	62. (A)	63.( C)	64. (D)	65.( A)	66. (C)	67.( C)	68. (A)	69. (C)	70. (B)
71. (A)	72. (B)	73. (B)	74. (C)	75. (A)	76. (A)	77.( A)	78. (C)	79. (B)	80. (A)
81. (C)	82. (D)	83. (D)	84. (A)	85.( B)	86. (C)	87.( A)	88. (B)	89. (C)	90. (D)
91. (A)	92. (C)	93. (B)	94. (A)	95.( C)					