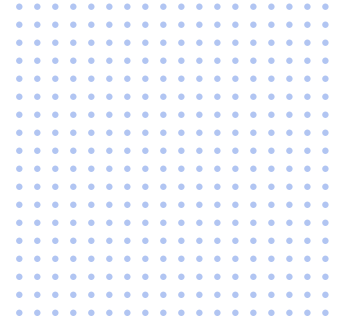




FOR CMA FINAL EXAM PREPARATION

CMA Final 2024 Question Paper · Paper 13 Corporate and Economic Laws

EXAM	YEAR	TYPE
CMA Final	2024	Question Paper

SUBJECT	DATE
Paper 13 Corporate and Economic Laws	December 2024

FINAL EXAMINATION

December 2024

P-13(CL)
Syllabus 2022**CORPORATE LAWS AND ECONOMIC LAWS**

Time Allowed: 3 Hours

Full Marks: 100

The figures in the margin on the right side indicate full marks.

All sections are compulsory. Each section contains instructions regarding the number of questions to be answered within the section. All working notes must form part of the answer. Wherever necessary, candidates may make appropriate assumptions and clearly state them in the respective answer.

Section-A**(Compulsory)****1. Choose the most appropriate option for the following MCQs:** **2×15=30**

- (i) PQR Ltd., wants to shift its registered office within the city limits. This can be done through
- (A) special resolution.
 - (B) board resolution.
 - (C) approval of the ROC.
 - (D) approval of the Central Govt.
- (ii) In the parlance of the Companies Act, 2013, 'loan' means
- (A) cash credit.
 - (B) short-term loans for revenue purposes.
 - (C) long-term loans.
 - (D) working capital loan.
- (iii) A company may remove a director through/with
- (A) board resolution.
 - (B) special resolution of the shareholders.
 - (C) ordinary resolution of the shareholders.
 - (D) approval of the ROC
- (iv) Which Rule of the Companies (Appointment and Qualification of Directors) Rules, 2014 provides a detailed procedure for making application for allotment of DIN?
- (A) Rule 12
 - (B) Rule 11
 - (C) Rule 10
 - (D) Rule 9

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(2.)

- (v) The Insolvency Professional (IP) proposed shall be continued/rejected by the Adjudicating Authority (AA) based on information on IP, to be sent by the Board. In case none is proposed, the AA shall request for nomination within _____ to Board and Board shall nominate within _____ .
- (A) 7 days, 10 days
(B) 3 days, 10 days
(C) 5 days, 10 days
(D) 10 days, 15 days
- (vi) Under IBC, the Resolution Professional shall file an application to the Adjudicating Authority to extend the period of the corporate insolvency resolution process beyond permitted days, if instructed to do so by a resolution passed at a meeting of the committee of creditors by a vote of _____ of the voting shares.
- (A) 51%
(B) 66%
(C) 75%
(D) 60%
- (vii) The format for compliance report on Corporate Governance by listed entities has been specified to be submitted within specified time limit. Accordingly Annex-IV has to be submitted _____ .
- (A) on quarterly basis
(B) on annual basis
(C) on monthly basis
(D) on a half yearly basis
- (viii) In the context of sustainability reporting, the SEBI has raised the format in May, 2021 for reporting ESG parameters called Business Responsibility and Sustainability Report (BRSR). It seeks disclosure from listed entities on their performance against the principles of National Guidelines on Responsible Business Conduct (NGBRC). Each parameter is divided into leadership (former) and essential indicators (Latter). The binding nature of each are
- (A) former is voluntary and latter is mandatory.
(B) both are voluntary.
(C) both are mandatory.
(D) former is mandatory and latter is voluntary.

(3)

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- (ix) SEBI has three functions rolled into one body. Which of the following is not the function of SEBI?
- (A) Quasi-judicial
 - (B) Quasi-legislative
 - (C) Quasi-official
 - (D) Quasi-executive
- (x) For the purposes of the Competition Act, 2002, the turnover threshold for individual company, operating in India, in combination is ₹ _____ crores.
- (A) 5,000
 - (B) 7,000
 - (C) 8,000
 - (D) 10,000
- (xi) The insurance policy issued by the insurer shall not be questioned after _____ .
- (A) 1 year
 - (B) 2 years
 - (C) 3 years
 - (D) No time limit
- (xii) In case of life insurance and motor accident insurance, the insurable interest must be present
- (A) at the time of taking the policy.
 - (B) at the time of death or accident.
 - (C) both at the time of taking the policy as well as at the time of death or accident.
 - (D) at none of these times.
- (xiii) The judicial authority under SARFESI is
- (A) DRT
 - (B) District Court
 - (C) High court
 - (D) SEBI
- (xiv) The decision of Cyber Appellate Tribunal can be appealed to
- (A) High Court
 - (B) Supreme Court
 - (C) Central Government
 - (D) Not appealable

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- (xv) The cases under PMLA can be tried in
- (A) Common Courts.
 - (B) Special designated Courts set up in this regard.
 - (C) High Court.
 - (D) Supreme Court.

Section-B**Answer any five questions from Question nos. 2 to 8****Each question carries 14 marks****14×5=70**

2. (a) Gautam of Uttar Pradesh incorporated a One Person Company (OPC). In compliance to law, he appointed his brother Rohit as nominee. Both are resident Indian citizens. On 12/02/2024, Rohit left India permanently to settle in Dubai and he has withdrawn his nomination. You are required to answer the following in the light of the provisions of the Companies Act, 2013: 7
- (i) What action shall be taken by Gautam when he gets notice of withdrawal of nomination and within what time limit?
 - (ii) Gautam wants to appoint his minor son (Abhijit). Can Gautam appoint his minor son (Abhijit) as nominee in OPC? Examine, with relevance, the correctness of the same.
 - (iii) In case Gautam fails to appoint a new nominee, what shall be the legal consequences?
- (b) Examine the provisions of the Companies Act, 2013 relating to maintenance of the books of account in electronic form under section 128. 7
3. (a) Mirinda Ltd., is an unlisted company with paid-up capital of ₹ 40 cr. and turnover of ₹ 350 cr. The Company has the following top management personnel:
- (i) Mr. Rajib Mishra, who is promoter and Managing Director of the company;
 - (ii) Mr. Pritam is the Non-executive Chairman;
 - (iii) Mr. Charan Chadha -Director (Finance)
 - (iv) Mr. Anurag Sinha -Director (Operation) is related to the promoter
 - (v) Ms. Supriti -Company Secretary
- The company is in a plan for expansion and therefore wants to avail sizeable loan from a nationalised bank. The bank wants to nominate a director in the Board.
- The MD seeks your advice in the following points:
- (i) Is the present Board properly constituted? If not, what is the non-compliance?
 - (ii) Can Mr. Anurag Sinha be considered as independent director?
 - (iii) What will be the status of the director if nominated by bank? If the said nominated director is a women, would she satisfy the requirement of women director?

(5)

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- (iv) Is there any requirement of a CFO?
You are required to advise the MD suitably. 7
- (b) What is data protection under the Information Technology Act, 2000? Throw light on the data protection law as prevalent in India today. 7
4. (a) Under section 28 of the IBC, 2016, the Resolution Professional will have to take prior approval for some cases, otherwise it will be invalid. What are those cases and what percentage of voting is required in favour of the decision? 7
- (b) What is meant by Corporate Governance? How are the listed entities required to submit periodic report on Corporate Governance to the stock exchanges and what are the areas to be covered in such reports? 7
5. (a) Examine the important aspects relating to due diligence and various aspects to be seen in the context of evaluation of CSR projects before the project costs are incurred. 7
- (b) A public limited company has 600 members. The issued and paid-up capital is ₹ 5 crore consisting of 5 lakh equity shares of ₹ 100 each. 90 members holding 10,000 equity shares filed a petition before the Tribunal for the purpose of relief against oppression and mis-management by majority shareholders. In the light of the above, answer the following: 7
- (i) Examine the relevant provisions of the law and decide whether the said petition is maintainable.
- (ii) In case 40 members subsequently withdrew their consent, what will happen to the petition?
- (iii) In case the total members are less than the requirement, is it possible to file a petition? If so, under what circumstances?
6. (a) Describe Insider Trading as regulated under SEBI (Prohibition of Insider Trading) Regulations, 2015. What Institutional mechanism are to be placed by a listed company to check, control and curb Insider Trading? 7
- (b) (i) What is understood by 'abuse of dominant position' as per the provisions of the Competition Act, 2002? 4
- (ii) State the provisions of the Banking Regulation Act, 1948 relating to disposal of non-banking assets. 3
7. (a) State the persons eligible to claim the benefits under the Liberalised Remittance Scheme. What are the purposes for which such remittances can be made? 7
- (b) State the offences of Money Laundering listed in different schedules under PMLA Act, 2002. 7

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(6)

8. (a) All dues of MSME vendor have to be paid in time. In case of delay in making the payment, there will be some disallowances or interest payments to be made by the buyer under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED, Act, 2006). You are required to throw light on the same. What are to be disclosed in Financial Statements by the buyer entities? 7
- (b) Discuss about the amalgamation by Central Government on public interest as per the provisions of the Companies Act, 2013. 7
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