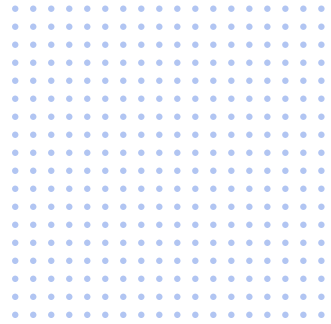




FOR CMA FINAL EXAM PREPARATION

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

EXAM

CMA Final

YEAR

2024

TYPE

Question Paper

SUBJECT

Paper 13 Corporate and Economic Laws

DATE

June 2024

FINAL EXAMINATION

June 2024

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

Time Allowed: 3 Hours

Full Marks: 100

*The figures in the margin on the right side indicate full marks.**Where necessary, candidates may make appropriate assumptions and clearly state them in the respective answer.**This paper contains two Sections A and B. Section A is Compulsory and contains Question No. 1 of 30 marks.**Section B contains Questions Nos. 2 to 8 each of 14 marks.***Section-A****(Compulsory)****1. Choose the most appropriate option from the four alternatives given: 2×15=30**

- (i) ABC Ltd., has 35% shares in XYZ Ltd. The majority of directors of XYZ Ltd. are appointed and removed by ABC Ltd., XYZ Ltd. is _____.
 (A) Not a subsidiary of ABC Ltd.
 (B) Depends on the Board of ABC Ltd.
 (C) Depends on the Board of XYZ Ltd.
 (D) A subsidiary of ABC Ltd.
- (ii) The paid-up capital requirement in a public company in which the number of independent directors shall be at least 2, is ₹ _____ crores or more.
 (A) 10
 (B) 20
 (C) 30
 (D) 50
- (iii) As per the Companies Act, 2013, in certain companies, a director may be appointed by small shareholders. Small shareholder means, shareholders who hold shares worth of face value of maximum _____.
 (A) ₹ 5,000
 (B) ₹ 10,000
 (C) ₹ 20,000
 (D) ₹ 50,000

- (iv) In case of open offer by a public company to its shareholders, the type of bank account where the amount payable to shareholders are kept is called _____ account.
- (A) Open Offer
(B) Escrow
(C) Current
(D) Special Current
- (v) XYZ Co. Ltd. was incorporated on 1st April, 2023. Its paid up capital of ₹ 10 lakh consisting of 1 lakh equity shares of ₹ 10 each was held by 100 individuals. There are 6 directors on its Board. The quorum for the Annual General Meeting is _____ members to be present personally (AOA has not stipulated larger number).
- (A) 2
(B) 5
(C) 10
(D) 15
- (vi) The Board of Directors of a limited company wants to co-opt an expert in a specialised field. In this context, the correct option is:
- (A) The tenure of the expert directors shall not exceed such period as may be specified in the Articles.
(B) An additional director can be appointed exceeding one-fifth of the total number of directors.
(C) The tenure of the expert directors shall not exceed one year.
(D) Expert directors can be appointed exceeding one-fifth of the total number of directors.
- (vii) Under the IBC, the corporate insolvency resolution process shall be completed within a period of _____ from the date of the application.
- (A) 6 months
(B) 4 months
(C) 180 days
(D) 120 days

- (viii) There are three approaches to sustainability management, commonly known as bottom-line approach. The following is not a part of the three approaches:
- (A) Economic approach
 - (B) Ecological/Environmental approach
 - (C) Social approach
 - (D) Ergonomic approach
- (ix) Amalgamation of banking companies require the approval of _____ of its shareholders.
- (A) One-third
 - (B) Two-thirds
 - (C) One half
 - (D) One-fourth
- (x) Where any application for merger is submitted to the CCI, deemed approval may be presumed if
- (A) no approval is received within 180 days.
 - (B) no approval is received within 90 days.
 - (C) there is no concept of deemed approvals for mergers.
 - (D) no approval is received within 120 days.
- (xi) In case of listed companies, minimum subscription, as per SEBI Regulations, is
- (A) 80% of ticket size.
 - (B) 90% of ticket size.
 - (C) 90% of amount fixed by the company in its Prospectus.
 - (D) 80% of amount fixed by the company in its Prospectus.
- (xii) Business intelligence tools which put BI and data visualization functionality directly into business applications is called as _____.
- (A) Mobile
 - (B) Embedded BI
 - (C) Collaborative BI
 - (D) Real time BI

- (xiii) In the classification of MSMEs, which one of the following criteria for medium enterprises based on
- (1) Investment in plant, machinery and equipment (2) Turnover, is correct?
- (A) (1) not to exceed ₹ 50 crores and (2) not exceeding ₹ 250 crores
- (B) (1) not to exceed ₹ 25 crores and (2) not exceeding ₹ 150 crores
- (C) (1) not to exceed ₹ 100 crores and (2) not exceeding ₹ 500 crores
- (D) No such limits
- (xiv) The Insolvency and Bankruptcy Board has power of _____ Court in respect of issue of summons, discover and production of books, inspection of books/registers and issue of commission for examination of witnesses.
- (A) Session
- (B) High
- (C) Criminal
- (D) Civil
- (xv) As per the IRDA Act, 1999, the minimum paid-up capital requirement for registration in the "Life, General or Health Insurance" sector of insurance business is ₹ _____ crores.
- (A) 100
- (B) 200
- (C) 300
- (D) 500

SECTION B

Answer *any five* questions from Question No. 2 to Question No. 8.

Each question carries 14 marks.

14×5=70

2. (a) Explain the term "Class Action" under section 245 of the Companies Act, 2013.
What are the remedies which can be sought for in a petition for Class Action? 7
- (b) Who are the persons not entitled to initiate insolvency resolution process under the IBC, 2016? 7

3. (a) What is the quorum of Company's Board Meeting in the following cases (explain as per the provisions of the Companies Act, 2013)?
- A public company has 10 directors (including 4 non-executive directors). But 8 directors (including 4 non-executive directors) attended the BOD meeting.
 - Startup Odisha Ltd. is a section 8 company which has 8 non-executive directors. 3 directors attended the meeting.
 - BOD of X Ltd. consists of 9 executive directors and 3 non-executive directors. Total 6 executive directors and 3 non-executive directors attended the BOD meeting. A business was transacted in which one director was interested. Articles of Association has fixed the quorum as 5.
- (b) State the restrictions on dealing in foreign exchange and holding of foreign exchange or foreign securities, as per the provisions of the Foreign Exchange Management Act, 1999.
4. (a) RR Ltd. is a public limited company, having its registered office in Bengaluru, and has been in existence since March, 2010. The following is the summarised position of its financial results for the past four years (₹ in crores):

Particulars	2019-20	2020-21	2021-22	2022-23
Net worth	303	319	368	503
Turnover	500	490	680	890
Net profit	6.1	6.9	7.9	8.9

In the light of above facts, **examine** the following issues:

- Does the company come within the purview of CSR Regulations?
- Is CSR Committee required to be formed?
- What will be the minimum budget for CSR compliance, for the year 2023-24?
- What are the other CSR obligations under the provisions of the Companies Act, 2013?

- (b) The Board of Directors of Mckinsy Ltd., a listed company, appointed Dinesh, as an Executive Director at the Board Meeting held on June 1, 2023. The Company took up this appointment of Dinesh, for approval of the shareholders at its Annual General Meeting (AGM) held on September 29, 2023, but the same was not approved by the shareholders. However, he was appointed as an Additional Director on whole time employment by the Board at its meeting held on September 30, 2023 by passing a resolution to hold the office of directorship till the conclusion of the next AGM, to be held for the year 2024. Is appointment of Dinesh as an Additional Director, by the Board **justified** ? **Examine** the correctness of the aforesaid appointment. 7

5. (a) A PSU awarded two contracts—one in favour of Gaman Infrastructure Project Ltd. (GIPL) and another in favour of Simple Infrastructure Ltd. (SIL). Ranjan was the CMD of GIPL at the time of award of contract. GIPL and SIL had entered into two shareholders agreements which were terminated later on by the GIPL Board . Ranjan sold shares of GIPL before it was intimated to the Nationals Stock Exchange. SEBI charged Ranjan as guilty of insider trading. However, Ranjan took a plea that this was necessary as part of corporate restructuring to prevent GIPL parent company from going into bankruptcy, which was factually found to be correct.

Examine the following issues:

- (i) Is Ranjan an insider in this case? What is his liability, if any?
- (ii) What is the meaning of Unpublished price sensitive information?
- (iii) Are the charges of SEBI correct? 7

- (b) Mr Paras deals with a company in a manner incompatible with the some of the articles mentioned in the Articles of Association of the company. What will be the consequences of the same? Is there any exception in this regard? 7

6. (a) What do you mean by “Business Intelligence” in the context of Cyber Security? What are its benefits? 7
- (b) Discuss about the powers of the Competition Commission of India to order division of enterprise enjoying dominant position. 4
- (c) Briefly enumerate the process of Money Laundering as per the Prevention of Money Laundering Act, 2002. 3

7. (a) Briefly discuss about the principles of Indemnity and Subrogation in the context of principles of insurance. 5
- (b) What are the restrictions on loans and advances by banks, as envisaged by the Banking Regulations Act, 1949? 5
- (c) State the time limit for payments to be made by buyers to MSMEs and the consequences of delayed payment to them. 4
8. (a) Should investments of a limited company be held in its name only? State the requirements of the Companies Act, 2013 in this regard. 7
- (b) **Discuss** about sustainability reporting in the light of the need for filing of Annual Business Responsibility Report as per SEBI guidelines and connected factors in this regard. 7
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