

# **Question Bank on IBBI Limited Insolvency Examination**



**Corporate Laws & Corporate Governance Committee  
and  
Indian Institute of Insolvency Professionals  
The Institute of Chartered Accountants of India  
(Set up by an Act of Parliament)  
New Delhi**

**Question Bank**  
**on**  
**IBBI Limited Insolvency Examination**  
(as applicable from 1<sup>st</sup> January, 2018)



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## Message

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We are all aware that Indian Institute of Insolvency Professionals of ICAI (IIPI) is a section 8 company formed by The Institute of Chartered Accountants of India as the first Insolvency Professional Agency in the country.

IIPI has a membership base of around 60% of the total Insolvency Professionals (IPs) registered with IBBI as on date. Of the total 1589 nos. of Insolvency Professionals registered in the country, 958 nos. have been enrolled with IIPI.

As part of its various initiatives, IIPI has entered into an arrangement with the Institute of Chartered Accountants of England and Wales (ICAEW) for Knowledge Sharing through a subsidised membership subscription.

IIPI in association with World Bank Group (WBG) is facilitating in organising training/ workshops with World Bank Support in India, to train and develop the Insolvency Professionals on a continuous basis.

A scheme for setting up exclusive IP Study Groups has been initiated with successful launch of “Knowledge Quest”.

IIPI is also invited to join the panel of the Advisory Committee on Individual/Firm Insolvency and Bankruptcy as a member.

To give Updates on a regular basis towards professional development of members, IIPI also brings out Newsletter.

Besides the Learning Management System on IIPI portal to enable professionals to prepare for the Limited Insolvency Examination, I am very happy that the Corporate Laws & Corporate Governance Committee of ICAI and Indian Institute of Insolvency Professionals of ICAI (IIPI) have taken the joint initiative and are bringing this publication on ‘Question Bank on IBBI Limited Insolvency Examination’ to help the professionals in completing the Limited Insolvency Examination of IBBI.

I would like to thank the Institute of Chartered Accountants of India for all the joint initiatives of IIPI. I would also like to specially thank Corporate Laws & Corporate Governance Committee (CL&CGC) of ICAI under the Chairmanship of CA. Sanjay Kumar Agarwal and CA. K. Sripriya, Convenor of Insolvency and Bankruptcy Laws Group, CL&CGC and also thank the

members of the Board of IIIPI, Shri I. Y. R Krishna Rao, Shro M. Damodaran, Shro Biswamohan Mahapatra, Shri M. D. Mallya for this joint endeavour. I would sincerely thank CA. Nilesh S. Vikamsey, CA. Naveen N. D. Gupta, CA. Devaraja Reddy M and CA. Dhinal A. Shah – the Directors of IIIPI, for their guidance and support in this initiative.

I would like to appreciate the efforts put in by Shri Sunil Pant, CEO IIIPI and the ICAI office Team comprising of CA. Sarika Singhal, Ms. S. Rita, Ms Seema Jangid and CA Ashita Jain for preparing the Question Bank.

I am sure that this publication would be of immense help to the professionals and other stakeholders.

**Justice Anil R. Dave (Retd.)**

Chairman,  
Indian Institute of Insolvency Professionals of ICAI

Date: 10<sup>th</sup> February, 2018

Place: New Delhi

## Foreword

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With the enactment of the Insolvency and Bankruptcy Code, 2016, a new professional avenue has been opened in the form of Insolvency professionals (IP) who play a vital role in the insolvency and bankruptcy resolution process.

The role of IP encompasses a wide range of functions, which include adhering to procedure of law, management as well as accounting and finance related functions. As per the Code, the insolvency resolution processes are to be conducted by the Insolvency Professionals, who are required to be members of an Insolvency Professional Agency which in turn is to be registered with the Insolvency and Bankruptcy Board of India (IBBI). In that way Insolvency professionals form a crucial pillar upon whom rest the effective, timely functioning as well as credibility of the entire edifice of the insolvency and bankruptcy resolution process.

The Insolvency and Bankruptcy Board of India is conducting Limited Insolvency Examination which is a Multiple Choice Question Examination for the professionals with a specified experience to become Insolvency Professionals.

I welcome the Corporate Laws & Corporate Governance Committee and Indian Institute of Insolvency Professionals of ICAI (IIPI) in taking this joint initiative and bringing this publication on '*Question Bank on IBBI Limited Insolvency Examination*' to help the professionals in preparation of Limited Insolvency Examination to become Insolvency Professionals.

I extend my sincere appreciation to the entire team of Committee under the Chairmanship of CA. Sanjay Kumar Agarwal and Vice Chairmanship of CA. (Dr.) Debashis Mitra. I would like to put on record my appreciation to CA. Dhinal A. Shah, Central Council Member and Director IIPI, CA. K. Sripriya, Convenor, Insolvency and Bankruptcy Laws Group, CL&CGC, CA. Ranjeet Kumar Agarwal, Dy-Convenor, Insolvency and Bankruptcy Laws Group, CL&CGC to bring out this timely and very useful publication.

I would also like to put on record my appreciation to the Board of IIIPI for joining in this initiative and bringing out this publication which is so important for our members and other stakeholders.

I am confident that this publication would be of great help to the members and other stakeholders.

**CA. Nilesh S. Vikamsey**  
President ICAI  
Director IIIPI

Date: 10<sup>th</sup> February, 2018  
Place: New Delhi

## Preface

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This publication “Question Bank on IBBI Limited Insolvency Examination” has been specifically designed to prepare for the Limited Insolvency Examination conducted by the Insolvency and Bankruptcy Board of India.

The Insolvency and Bankruptcy Law has created five institutional pillars which will serve the objects and purposes of the law and ensure its effective implementation. They are as follows:-

- Insolvency Professionals
- Insolvency Professional Agencies
- Information Utilities
- Insolvency and Bankruptcy Board of India
- Adjudicating Authority

For one of the Crucial pillars, i.e., Insolvency Professionals, the Insolvency and Bankruptcy Board of India (IBBI) will be conducting two types of Examination, (i) Limited Insolvency Examination; (ii) National Insolvency Examination

The Insolvency and Bankruptcy Board of India has notified the syllabus for Limited Insolvency Examination. The Insolvency and Bankruptcy Board of India is yet to notify the syllabus for National Insolvency Examination.

The Committee launched the Learning Management System to enable the professionals to prepare and complete the Limited Insolvency Examinations of the Insolvency and Bankruptcy Board of India. It is a platform which is available to all on a no cost basis comprises of the entire syllabus in the form of presentations and supplemented by mock tests in each component of the syllabus. A unique feature is that it enables the professionals to do practice at a modular level and prepare for the examination. It contains presentations, texts and practice test on various chapters of Insolvency and bankruptcy Code, 2016 and related laws provided in the syllabus for Insolvency Examination.



The Committee published a book on Insolvency and Bankruptcy Code, 2016 titled as “Frequently Asked Questions on the Insolvency and Bankruptcy Code, 2016”. The book has been designed in a question and answer format and it is comprehensive and a handy book for ready reference by the readers.

Also, the Committee is organising awareness Programmes as well as Intensive Three Days training programmes on Insolvency and Bankruptcy Code, 2016 by ICAI at various places all over the country.

In continuation of all these initiatives, the Corporate Laws & Corporate Governance Committee jointly with the Indian Institute of Insolvency Professionals of ICAI has decided to bring out a publication on Question Bank on IBBI Limited Insolvency Examination covering the entire syllabus applicable from 1<sup>st</sup> January, 2018.

The publication has been designed in a Multiple Choice Question format to assist our members and other stakeholders to enable them to prepare for the Limited Insolvency Examination and to help them in clearing the examination.

In this connection, we take this opportunity in thanking the President of ICAI and Director IIIPI, CA. Nilesh S. Vikamsey and Vice President and Director IIIPI, CA. Naveen N. D. Gupta for their moral support and encouragement in bringing out the publication.

We would like to express our gratitude towards the Board of IIIPI comprising of Hon’ble Mr Justice Anil R. Dave (Retd.), Chairman of the Board and other directors, Shri I. Y. R. Krishna Rao, Shri M Damodaran, Shri Biswamohan Mahapatra, Shri M. D. Mallya and CA. M. Devaraja Reddy, Past President ICAI for joining in this initiative.

We place on record our appreciation to CA. Dhinal A. Shah, member, CL&CGC and Director, IIIPI and CA. K. Sripriya, Convenor of the Insolvency and Bankruptcy Laws Group of CL&CGC, for initiating this publication, CA. Ranjeet Kumar Agarwal, Dy- Convenor of the Insolvency and Bankruptcy Laws Group of CL&CGC and other Committee members, Co-opted members and Special Invitees for their help and guidance in framing and bringing out this publication.

We would like to thank Shri Sunil Pant, CEO IIIPI, CA. Sarika Singhal, Ms. S. Rita, Ms Seema Jangid, CA. Ashita Jain and CA. Swati Gupta who were involved in preparing and putting together the MCQs.

We sincerely believe that the members of the profession, industries and other stakeholders will find the publication immensely useful.

**CA. Sanjay Kumar Agarwal**

Chairman

Corporate Laws & Corporate  
Governance Committee, ICAI

**CA. (Dr.) Debashis Mitra**

Vice Chairman

Corporate Laws & Corporate  
Governance Committee, ICAI

Date: 10<sup>th</sup> February, 2018

Place: New Delhi



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# **PART A**

## **Question Bank on the Insolvency and Bankruptcy Code, 2016**



## Chapter 1

# Insolvency and Bankruptcy Code

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### Section 1 to Section 5

1. When was the Insolvency and Bankruptcy Code 2016 enacted?
  - (a) 28.05.2016
  - (b) 28.06.2016
  - (c) 28.07.2016
  - (d) 28.12. 2016
2. The provisions of the Insolvency and Bankruptcy Code 2016 shall apply to—
  - (a) any company incorporated under the Companies Act, 2013 or under any previous company law
  - (b) any Limited Liability Partnership incorporated under the Limited Liability Partnership Act, 2008
  - (c) partnership firms and individuals
  - (d) All of the above
3. What is the purpose of enactment of the Insolvency and Bankruptcy Code, 2016?
  - (a) To consolidate and amend the laws relating to reorganization and insolvency resolution of corporate persons, partnership firms and individuals
  - (b) To maximize the value of assets of interested persons
  - (c) To increase availability of credit
  - (d) All of the above
4. When will the provisions of insolvency and liquidation of corporate persons be applicable on a corporate person?
  - (a) When the amount of the default is one lakh rupees or more
  - (b) When the amount of the default is ten lakh rupees or more



**Question Bank on the Insolvency and Bankruptcy Code, 2016**

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- (c) When the amount of the default is two lakh rupees or more
  - (d) Amount of default is immaterial
5. Who shall be termed as Corporate Debtor as per the Code?
- (a) Company who owes a debt to any person
  - (b) Corporate person who owes a debt to any person
  - (c) Company who borrows from any company
  - (d) Corporate person who owes a debt to any company
6. What shall be included in Financial Information as per the Code?
- (a) Records of debt of the person
  - (b) Records of assets of assets of the person over which security interest has been created
  - (c) Records of liabilities when the person is insolvent
  - (d) All of the above
7. What is included in property as per the Code?
- (a) Property situated in India
  - (b) Property whether situated in India or outside India
  - (c) Money, goods, actionable claims, land in India
  - (d) Every description of property in India
8. 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
9. 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

### **Insolvency and Bankruptcy Code**

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10. 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
11. Which of the following is not a financial institution under the Code?
  - (a) RBI
  - (b) SBI
  - (c) LIC
  - (d) GAIL
12. Which of the following is not included as a Creditor in the Code?
  - (a) Financial creditor
  - (b) Secured creditor
  - (c) Operational creditor
  - (d) None of the above.
13. What is meant by Security Interest as per the Code?
  - (a) Performance guarantee
  - (b) means a right to claim the property.
  - (c) means a right, title or interest or a claim to property.
  - (d) All of the above.
14. What are the situations in which the provisions of the Code will apply to the entities governed by the Code?
  - (a) Insolvency and voluntary liquidation
  - (b) Insolvency, liquidation, bankruptcy, voluntary liquidation
  - (c) Insolvency and liquidation
  - (d) Insolvency, liquidation and Bankruptcy
15. The Insolvency and Bankruptcy Board of India is appointed by
  - (a) Central Government
  - (b) National Company Law Tribunal

**Question Bank on the Insolvency and Bankruptcy Code, 2016**

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- (c) ARCIL
- (d) Supreme Court
- 16. The key recommendations of the Code were made by the
  - (a) Narasimham committee
  - (b) Raja Chelliah Committee
  - (c) Bankruptcy Law Reforms Committee
  - (d) Tiwari Committee
- 17. The Insolvency and Bankruptcy Code shall apply to
  - (a) Whole of India
  - (b) Whole of India except J & K
  - (c) Whole of India but Part III shall not apply to J & K
  - (d) None of the above
- 18. Default under the Code means:
  - (a) non-payment of debt when part or instalment of the amount of debt is not repaid by the debtor or the corporate debtor
  - (b) non-payment of debt when whole or any part or instalment of the amount of debt has become due and payable and is not repaid by the debtor or the corporate debtor
  - (c) non-payment of debt when part or instalment of the amount of debt as demanded by the creditor is not repaid by the debtor or the corporate debtor
  - (d) None of the above.
- 19. Which of the following is not a Financial service under the Code:
  - (a) Accepting of Deposits
  - (b) Establishing or operating an investment scheme
  - (c) Effecting contracts of Insurance
  - (d) None of the Above
- 20. 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 de-materialised equivalent

## **Insolvency and Bankruptcy Code**

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- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument
  - (d) None of the above.
- 21. 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
- 22. Which amongst the following is not an operational debt?
  - (a) a claim in respect of the provision of goods or services
  - (b) debt in respect of the repayment of dues arising under any law for the time being in force and payable to the Central Government
  - (c) receivables sold or discounted other than any receivables sold on non-recourse basis
  - (d) a claim in respect of the provision of employment
- 23. Resolution applicant as per the Code means :
  - (a) a person, who individually or jointly with any other person, submits a resolution plan to the Adjudicating Authority pursuant to the invitation made under clause (h) of sub-section (2) of section 25
  - (b) a person, who individually or jointly with any other person, submits a resolution plan to the resolution professional pursuant to the invitation made under clause (h) of sub-section (2) of section 25
  - (c) a person, who individually or jointly with any other person, submits a claim to the resolution professional pursuant to the invitation made under clause (h) of sub-section (2) of section 25

### **Question Bank on the Insolvency and Bankruptcy Code, 2016**

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- (d) a person, who individually or jointly with any other person, submits a claim to the Adjudicating Authority pursuant to the invitation made under clause (h) of sub-section (2) of section 25

#### **Section 6 to Section 14**

1. The minimum and maximum amount of default for which an application can be preferred for the Corporate insolvency resolution process as per the Code is
  - (a) Rs 5 lakhs and Rs 1 Crore
  - (b) Rs 1 lakh and Rs 1 Crore
  - (c) Rs 10 lakhs and Rs 50 lakhs
  - (d) Rs 1 crore and Rs 10 crores
2. The Corporate Insolvency Resolution process may be initiated by
  - (a) Financial Creditor and Operational creditor
  - (b) Financial Creditor, Operational Creditor and Corporate debtor
  - (c) Financial Creditor and Corporate Debtor
  - (d) Operational Creditor and Corporate Debtor
3. The Corporate Insolvency Resolution process may be initiated by
  - (a) Creditors singly
  - (b) One or more creditors jointly
  - (c) Creditors and Debtors
  - (d) None of the above
4. Application for initiating Corporate Insolvency Resolution process shall be preferred to
  - (a) Registrar of Companies
  - (b) Regional Director of Companies
  - (c) National Company Law Tribunal
  - (d) Debt Recovery Tribunal
5. RAB Bank Limited , a banking company , has defaulted in the payment of dues to their catering contractor. Can the contractor, as an operational creditor initiate insolvency process against the bank
  - (a) Yes, operational creditors are entitled

### **Insolvency and Bankruptcy Code**

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- (b) No, financial service providers are excluded
  - (c) Yes, banking companies are covered under this code
  - (d) No, catering is an excluded service under the Code
6. Adjudicating authority for the purpose of corporate insolvency resolution is
- (a) NCLT in all cases
  - (b) Debt recovery tribunal upto Rs 5 lakhs of minimum default and NCLT beyond that
  - (c) Debt recovery tribunal upto Rs 10 lakhs of minimum default and NCLT beyond that
  - (d) Debt recovery tribunal upto Rs 25 lakhs of minimum default and NCLT beyond that
7. Persons ineligible to initiate Corporate Insolvency Resolution process includes
- (a) Corporate Debtor having completed corporate insolvency resolution process 12 months preceding the date of making of the application
  - (b) Corporate Debtor having completed corporate insolvency resolution process 3 years preceding the date of making of the application
  - (c) Corporate Debtor having completed corporate insolvency resolution process 18 months preceding the date of making of the application
  - (d) Corporate Debtor having completed corporate insolvency resolution process 2 years preceding the date of making of the application
8. Initiation date means the
- (a) Date of supply of goods or services
  - (b) Date of invoice
  - (c) Date on which an application is made to the adjudicating authority
  - (d) Due date for payment which has not been met by the debtor

**Question Bank on the Insolvency and Bankruptcy Code, 2016**

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9. Insolvency Commencement date means
- (a) Date of supply of goods or services
  - (b) Due date for payment which has not been met by the debtor
  - (c) Date on which an application is made to the adjudicating authority
  - (d) Date of admission of an application for initiating corporate insolvency resolution process by the Adjudicating Authority
10. Insolvency resolution process period is ----- days computed from the insolvency commencement date
- (a) 90
  - (b) 180
  - (c) 270
  - (d) 360
11. Once the application is received, the adjudicating authority shall confirm the existence of default within
- (a) 7 days
  - (b) 14 days
  - (c) 21 days
  - (d) None of the above
12. The Adjudicating Authority before rejecting the application for initiating Corporate Insolvency Resolution Process shall give a notice to the applicant to rectify the defects in the application within ----- days of receipt of such notice.
- (a) 10
  - (b) 14
  - (c) 7
  - (d) 30
13. The time line of 180 days for the Corporate Insolvency Resolution process commences from the
- (a) Date of Debt
  - (b) Date of preferring the application

### **Insolvency and Bankruptcy Code**

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- (c) Date of admission of application by NCLT
- (d) 90 days after the debt is due
- 14. 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
- 15. Resolution Professional proposed by the Financial Creditor under the Corporate Insolvency resolution process at the time of making application can act as
  - (a) Interim Resolution Professional
  - (b) Final Resolution Professional
  - (c) Both of the above
  - (d) None of the above
- 16. Corporate Insolvency Resolution process shall be completed within a period of
  - (a) 120 days from the date of admission of application
  - (b) 180 days from the date of admission of application
  - (c) 140 days from the date of admission of application
  - (d) 100 days from the date of admission of application
- 17. The Corporate Insolvency Resolution process of X Limited could not be completed within 180 days, an extension may be obtained
  - (a) With consent of committee of creditors
  - (b) Application to adjudicating authority
  - (c) With consent of committee of creditors and by Application to adjudicating authority
  - (d) Suo moto extension of 90 days is permitted under the Act
- 18. The Corporate Insolvency Resolution process of X Limited could not be completed within 180 days, the legal counsel informed that an



**Question Bank on the Insolvency and Bankruptcy Code, 2016**

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extension may be sought by a ..... percent majority of voting shares at a meeting of the committee of creditors

- (a) 25%
- (b) 50%
- (c) 75%
- (d) Unanimous

19. The Corporate Insolvency Resolution process of R Limited could not be completed within 180 days, the Company after obtaining due consent of the committee of creditors applied to the adjudicating authority for an extension. An extension of 90 days was granted and now the company wants a further extension. Which of the following is possible

- (a) Another extension for 30 days
- (b) Another extension for 21 days
- (c) Another extension for 90 days
- (d) No extension is possible

20. The Corporate Insolvency Resolution process of R Limited could not be completed within 180 days, the Company after obtaining due consent of the committee of creditors applied to the adjudicating authority for an extension. Now the company wants a further extension which has been approved by the Committee of creditors. Is this act valid

- (a) Yes, two extensions can be obtained of 90 days each
- (b) Yes, three extensions can be obtained of 90 days each
- (c) Yes, one extension upto 90 days can be obtained
- (d) No extension is possible beyond the 180 day period

21. An interim resolution professional should compulsorily be named in the application of

- (a) Operational Creditors and Corporate Applicants
- (b) Financial Creditors and Corporate Applicants
- (c) Financial Creditors and Operational Creditors

## **Insolvency and Bankruptcy Code**

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- (d) Need not be named in any of the cases, the Board can recommend
- 22. The adjudicating authority after receipt of application under the Corporate Insolvency resolution process shall
  - (a) Declare moratorium, cause a public announcement of the process to be made
  - (b) Declare moratorium, cause a public announcement of the process, Appoint Insolvency professional
  - (c) Declare moratorium, cause a public announcement of the process, Appoint Insolvency professional , call for submission of claims
  - (d) Approve and communicate the same to the applicant
- 23. The order of moratorium under the Corporate Insolvency resolution process shall have effect from the date of such order till  
.....
  - (a) Date of appointment of committee of creditors
  - (b) A compulsory period of 90 days
  - (c) A compulsory period of 180 days
  - (d) Completion of the corporate insolvency resolution process
- 24. Moratorium under the Corporate Insolvency resolution process enables
  - (a) Complete Termination of all legal proceedings without any exception
  - (b) Supply of essential goods and services
  - (c) Dissolution of the Board of Directors
  - (d) Appointment of the Resolution Professional to manage the Company
- 25. Moratorium under the Corporate Insolvency resolution process
  - (a) Can Terminate all SARFEASI proceedings
  - (b) Can Prohibit Enforcement or Recovery of security interest under SARFEASI
  - (c) Cannot prohibit transferring assets by the corporate debtor

### **Question Bank on the Insolvency and Bankruptcy Code, 2016**

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- (d) Cannot guarantee the providing of essential goods and services to the corporate debtor

#### **Section 15 to Section 21**

1. The public announcement of the Corporate Insolvency resolution process need not include
  - (a) The Closure date of the insolvency resolution process
  - (b) The Statement of Assets and Liabilities of the Corporate Debtor
  - (c) The last date for submission of claims
  - (d) Details of the interim resolution professional
2. The Adjudicating Authority under the Corporate Insolvency resolution process shall appoint an interim resolution professional within ..... days from the insolvency commencement date
  - (a) 7
  - (b) 14
  - (c) 21
  - (d) 28
3. The term of the Interim Insolvency Resolution professional under the Corporate Insolvency resolution process shall not exceed
  - (a) 15 days
  - (b) 21 days
  - (c) 30 days
  - (d) 45 days
4. The Interim resolution professional under the Corporate Insolvency resolution process
  - (a) Will be vested with powers of the Board of Directors of the Company jointly with the Board
  - (b) Will be vested with powers of the Board of Directors of the Company and the powers of the BOD will be suspended
  - (c) Will not play any active management role but will merely have custody of the assets
  - (d) Will not have any officers of the Company reporting to him

### **Insolvency and Bankruptcy Code**

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5. Financial Institutions during the moratorium period under the Corporate Insolvency resolution process shall
  - (a) Furnish only such classes information as specified by the Board of Directors
  - (b) Furnish all information as requested by the Insolvency Resolution professional
  - (c) Act on instructions and also Furnish all information as requested by the Insolvency Resolution professional
  - (d) Furnish only details of transactions from the date of IRP appointment
6. The interim resolution professional under the Corporate Insolvency resolution process vested with the management of the corporate debtor does not have the power to
  - (a) Execute deeds, receipts and documents on behalf of the corporate
  - (b) To access the electronic records of corporate debtor from information utility
  - (c) To access the books of accounts, records and other relevant documents of corporate debtor with various authorities
  - (d) Undertake suo moto transactions without the Consent of the Committee of Creditors
7. The interim resolution professional under the Corporate Insolvency resolution process vested with the management of the corporate debtor has the power to access the books of accounts, records and other relevant documents of corporate debtor
  - (a) Government , Statutory Authorities
  - (b) Government, Statutory Authorities, Accountants and other specified persons
  - (c) Statutory Authorities
  - (d) Accountants
8. ABC and Co, the tax consultants of M/S X Limited for which an interim resolution professional – Mr A ,has been appointed under the Corporate Insolvency resolution process has refused to furnish information to Mr A on the grounds of client confidentiality. Are they

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right

- (a) Yes, they are right
  - (b) No, the Code provides powers to the IRP to access all information from various parties
  - (c) Partly right, they can do so only after consent of the directors
  - (d) Mr A is not right in even asking for this information
9. The duties of the Interim resolution professional include compilation of business and financial operations for
- (a) 2 years
  - (b) 3 years
  - (c) 4 years
  - (d) 5 years
10. The duties of the Interim resolution professional under the Corporate Insolvency resolution process include to take control and custody of any asset over which the corporate debtor has ownership rights but not the following
- (a) Assets in India and Assets abroad
  - (b) Tangible and intangible assets
  - (c) Assets in possession and not in possession of the corporate debtor
  - (d) Assets of the Indian or foreign subsidiary of the corporate debtor
11. The Interim resolution professional under the Corporate Insolvency resolution process can exercise control and custody of which of the following assets
- (a) Assets over which the corporate debtor has ownership rights but located in a foreign country
  - (b) Assets owned by a third party in possession of the corporate debtor held under trust
  - (c) Assets owned by a third party in possession of the corporate debtor held under contractual arrangements including bailment ;
  - (d) Assets of any Indian or foreign subsidiary of the corporate debtor

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12. The management under the Corporate Insolvency resolution process of the Company refuses to cooperate with the Interim resolution professional. The options available to the IRP include
  - (a) Write to the CEO and BOD
  - (b) Write to the Committee of Creditors for commencement of liquidation proceedings
  - (c) Application to the Adjudicating authority for directions
  - (d) He has to be capable to resolve the conflict
13. The Interim Resolution Professional under the Corporate Insolvency Resolution process wants to perform the following acts. He does not have the powers under the code to
  - (a) appoint a forensic expert to review the transactions of the company
  - (b) renegotiate certain materials purchase contracts in line with prevailing market conditions
  - (c) raise interim finance against certain assets on which are unencumbered
  - (d) to close down the operations which will cause going concern impairment
14. The Interim Resolution Professional under the Corporate Insolvency Resolution process can raise interim finance provided that no security interest shall be created over any encumbered property of the corporate debtor without the prior consent of the creditors whose debt is secured over such encumbered property. The law mandates prior creditor consent which is not required to be obtained where the value of such encumbered property
  - (a) is not less than the amount equivalent to twice the amount of the debt
  - (b) is not less than the amount equivalent the amount of the debt
  - (c) is not less than the amount equivalent to thrice the amount of the debt
  - (d) No the creditor's prior consent is always required
15. The Committee of Creditors shall comprise
  - (a) All financial creditors of the corporate debtor only

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- (b) All financial creditors excluding related parties
  - (c) All financial and operational creditors
  - (d) All financial creditors, 18 operational creditors, 1 workmen representative, 1 employee representative
16. Related party under the Corporate Insolvency Resolution process shall have the right of
- (a) Representation in the committee of creditors
  - (b) Participation in the committee of creditors
  - (c) Voting in a meeting of the Committee of creditors
  - (d) Enforcing his claim for debts against the corporate debtor
17. A person who is a financial and operational creditor ..... be on the Committee of creditors
- (a) Can, to the extent of his financial and operational debts for his voting power
  - (b) Can, to the extent of his financial debts for his voting power
  - (c) Can, to the extent of his 75% of his total debts for his voting power
  - (d) Cannot be on the committee of creditors
18. The voting rights of a person who is a financial and operational creditor shall be decided on the basis of
- (a) Financial debt
  - (b) Operational debt
  - (c) Both
  - (d) One vote per creditor
19. The voting rights of a creditors who have lent in a consortium arrangement to an entity under the Corporate Insolvency resolution process shall be with
- (a) The lead lender only
  - (b) All lenders in proportion to their debt share
  - (c) None of the above
  - (d) One vote per creditor

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20. Under a Corporate Insolvency Resolution process, where the terms of the financial debt extended as part of a consortium arrangement provide for a single trustee or agent to act for all financial creditors, each financial creditor cannot exercise which option
  - (a) Appoint the same trustee to represent them
  - (b) Appoint an insolvency professional to represent them
  - (c) Represent themselves directly
  - (d) Refuse to be part of the Committee of Creditors
21. Decisions of the Committee of creditors appointed under the Corporate Insolvency Resolution process shall be decided
  - (a) Not less than 75% of voting share in all cases
  - (b) Not less than 50% of voting share in all cases
  - (c) Not less than 50% of voting share in certain cases and 75% in certain decisions
  - (d) Only in an unanimous manner
22. The committee of creditors under the Corporate insolvency resolution process, shall have the right to require the resolution professional to furnish any financial information in relation to the corporate debtor at any time during the corporate insolvency resolution process. The Resolution professional shall furnish such information in ..... days
  - (a) 14
  - (b) 7
  - (c) 21
  - (d) 28
23. If a Corporate debtor has no financial creditors, then
  - (a) No proceedings can be initiated under this Code
  - (b) Then Operational Creditors take over as financial creditors
  - (c) Board will take all decisions and no committee is required
  - (d) The code provides that the Board will specify the manner of constitution of the committee



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### **Section 22 to Section 32**

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
2. 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
3. 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
4. In case the Committee of Creditors has proposed an alternative to replace the Interim resolution profession 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

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5. Meetings of the Committee of creditors shall be conducted by
  - (a) The Resolution professional
  - (b) The CEO of the Corporate debtor
  - (c) The representative of the largest financial creditor
  - (d) The CFO of the corporate debtor
6. Which of the following is not entitled to receive notice of the meeting of the Committee of Creditors
  - (a) All Financial Creditors of the Corporate debtor
  - (b) Members of the suspended Board of Directors
  - (c) Partners of the LLP
  - (d) Operational creditors whose dues are less than 10% of the total debt
7. Operational creditors are entitled to receive notice of meetings of Committee of creditors if their aggregate dues are not less than .... % of the total debts of the corporate debtor
  - (a) 20%
  - (b) 10%
  - (c) 15%
  - (d) 5%
8. Financial Creditors can be represented in the meeting of the Committee of Creditors by an Insolvency professional. In this case, the fee of the professional for attending such meetings will be
  - (a) Borne by the Corporate debtor
  - (b) Recoverable from the corporate debtor
  - (c) Borne by the Creditor concerned
  - (d) Fixed by the Committee of creditors
9. Duties of a resolution professional do not include
  - (a) Maintenance of updated list of claims
  - (b) Prepare Information memorandum
  - (c) Present Resolution plans to creditors

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- (d) Raising interim finance on a suo moto basis without consent of Committee of Creditors
- 10. 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 75% voting in favour of the decision and approval of the Board
  - (d) Can be replaced with 75% voting in favour of the decision
- 11. The Insolvency Resolution Professional does not need the consent of the Committee of Creditors to perform which of the following actions
  - (a) Issue additional Securities
  - (b) Seek information from the Company's bankers
  - (c) Make changes in the management of the corporate debtor
  - (d) Change the Statutory auditors
- 12. The Insolvency Resolution Professional under the Corporate Insolvency resolution process has undertaken a related party transaction without the consent of the Committee of Creditors. This action is
  - (a) Void
  - (b) Voidable by the committee of creditors
  - (c) Can be ratified on a post facto basis
  - (d) All acts are within the rights of the Insolvency resolution professional
- 13. In case the IP undertakes an act of raising interim finance etc in excess of the approval of the Committee of creditors, they may report the actions to
  - (a) NCLT
  - (b) DRT
  - (c) IBBI
  - (d) Board of Directors of the Company
- 14. An Information memorandum shall be prepared by

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- (a) Resolution professional
  - (b) Committee of creditors
  - (c) Corporate debtors
  - (d) Financial creditors
15. The resolution plan should ensure that operational creditors
- (a) Have at least a minimum of 20% of their total debts are guaranteed
  - (b) Have also provided their informal consent
  - (c) Would get not less than the value that they would be entitled to in the event of liquidation
  - (d) Have at least a minimum of 25% of their total debts are guaranteed
16. The resolution plan shall be approved by .... % of the ..... creditors in the committee of creditors
- (a) 75% of operational creditors
  - (b) 75% of the financial creditors
  - (c) 75% of the total creditors
  - (d) None of the above
17. The resolution plan can be implemented after
- (a) Approval by the Resolution professional
  - (b) Approval of committee of creditors
  - (c) Approval of Adjudicating authority
  - (d) Approval of committee of creditors and Approval of Adjudicating authority
18. The resolution plan shall not
- (a) Provide for priority is payment of insolvency resolution process costs
  - (b) Provide for management of affairs of the corporate debtor
  - (c) Provide for implementation and supervision of the resolution plan

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- (d) Be implemented before the approval of the Adjudicating authority
- 19. The resolution plan shall be binding on
  - (a) Shareholders
  - (b) Corporate debtor, shareholders and employees and creditors
  - (c) Corporate debtor and shareholders
  - (d) Corporate debtor, shareholders and employees
- 20. Which of the following is incorrect.
  - (a) The approval of the resolution plan signifies the end of the moratorium
  - (b) The approval of the resolution plan requires the insolvency resolution professional to forward all records relating to the conduct of corporate insolvency resolution to the Board
  - (c) All resolution plans need not have to be approved by NCLT. Rejection is also possible
  - (d) No appeals are possible against rejections of Resolution Plans by NCLT

### **Section 55 to Section 58**

- 1. The fast track corporate insolvency resolution process cannot be commenced in respect of specified corporate debtors based on which criteria
  - (a) Assets and Income
  - (b) Class of Creditors
  - (c) Amount of debts
  - (d) Share capital and Net-worth
- 2. The fast track corporate insolvency resolution process shall be completed within ... days
  - (a) 45
  - (b) 60
  - (c) 90
  - (d) 180

### **Insolvency and Bankruptcy Code**

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3. The fast track corporate insolvency resolution process shall be extended by the Adjudicating Authority for a maximum of ... days
  - (a) 45
  - (b) 60
  - (c) 90
  - (d) 180
4. The fast track corporate insolvency resolution process shall be extended on
  - (a) Approval by the Resolution professional
  - (b) Approval of committee of creditors
  - (c) Approval of Adjudicating authority
  - (d) Approval of committee of creditors and Approval of Adjudicating authority
5. The fast track corporate insolvency resolution process shall be extended
  - (a) Once and for 45 days
  - (b) Once and for 90 days
  - (c) Twice at 45 days each
  - (d) Any number of times subject to a maximum of 90 days
6. An application for fast track corporate insolvency resolution process shall be filed by
  - (a) Creditor with evidence of debt with no additional proofs
  - (b) Creditor and corporate debtor with no additional proofs
  - (c) Creditor with proof of evidence of default
  - (d) Creditor or corporate debtor with proof of evidence of default
7. The fast track corporate insolvency resolution process
  - (a) Shall have its own process as per the Code
  - (b) Shall be the same process as per Corporate Insolvency Resolution process
  - (c) Does not need a Committee of Creditors
  - (d) Does not need an Insolvency resolution professional

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### **Section 33 to Section 54**

1. Orders for liquidation cannot be passed by the adjudicating authority if
  - (a) An acceptable Resolution plan is presented for approval within time limits as specified
  - (b) The resolution plan is rejected
  - (c) There is a contravention of the Resolution plan
  - (d) Intimation by RP that committee of creditors has decided to liquidate
2. The NCLT shall not do which act in the event of rejection of a resolution plan
  - (a) Pass orders for liquidation
  - (b) Call the meeting of the shareholders of the corporate
  - (c) Make a public announcement of the liquidation
  - (d) Send a copy of the order to the authority with whom the corporate debtor is registered
3. In case of a contravention of the resolution plan, an application for liquidation can be made by
  - (a) Only the original applicant
  - (b) Only by the corporate debtor
  - (c) By any person other than the corporate debtor whose rights have been prejudicially affected
  - (d) By the financial creditors only
4. In case where a liquidation order has been passed
  - (a) No suit or legal proceedings can be initiated by or against the Corporate debtor in all cases
  - (b) The Corporate Insolvency resolution process is continued and moratorium operates
  - (c) No suit or legal proceedings can be initiated against the Corporate debtor subject to Secured creditors under Sec 52 of the Code

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- (d) A suit can be initiated by the liquidator on behalf of the Corporate debtor without the prior approval of the Adjudicating authority
- 5. The order for liquidation shall be deemed to be a notice of discharge to the officers, employees and workmen of the corporate debtor,
  - (a) In all cases of Corporate debtors
  - (b) Except where the business of the entity is carried on a going concern basis by the liquidator
  - (c) In all cases where number of employees is less than 500
  - (d) In all cases where number of employees is less than 500 and workmen is less than 1000
- 6. Once a liquidation order is passed by NCLT, the Resolution Professional
  - (a) Shall act as the liquidator
  - (b) Shall act as the liquidator once approved by the Adjudicating Authority
  - (c) Shall act as the liquidator once approved by Committee of Creditors and the Adjudicating Authority
  - (d) Shall act as the liquidator unless replaced by the Adjudicating Authority
- 7. The Resolution professional shall continue as the liquidator unless replaced by
  - (a) DRT
  - (b) NCLT
  - (c) Official Liquidator of the MCA
  - (d) Insolvency Board
- 8. 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



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- (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
9. 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
10. 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
11. 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
12. The liquidation fee charged by the liquidator shall be
- (a) Slab rates based on share capital

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- (b) Slab rates based on Net asset Value
  - (c) Success + Flat fee
  - (d) Proportion based on value of assets realised
13. 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
14. 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 immoveable properties without the consent of the secured creditors
15. 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
16. 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

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17. The Liquidator consults certain key creditors in relation to a certain matter. He shall make available the records of such consultation to
  - (a) Only Other stakeholders consulted on the same matter
  - (b) All Financial Creditors of the Corporate Debtor
  - (c) All Creditors of the Corporate debtor
  - (d) All other stakeholders including those not consulted
18. The following assets shall not be included in the liquidation estate of the Corporate Debtor
  - (a) Assets subject to the determination of ownership by the court or authority
  - (b) any assets or their value recovered through proceedings for avoidance of transactions under the Code
  - (c) All sums due to any workman or employee from the provident fund, the pension fund and the gratuity fund
  - (d) All proceeds of liquidation as and when they are realised
19. The following assets shall not be included in the liquidation estate of the Corporate Debtor
  - (a) All proceeds of liquidation as and when they are realised.
  - (b) Any asset of the corporate debtor in respect of which a secured creditor has relinquished interest
  - (c) tangible assets, whether movable or immovable
  - (d) assets of any Indian or foreign subsidiary of the corporate debtor
20. The following assets shall be included in the liquidation estate of the Corporate Debtor
  - (a) Assets owned by a third party which are in possession of the corporate debtor, including assets held in trust for any third party.
  - (b) Personal assets of any shareholder or partner of a corporate debtor as the case may be provided such assets are not held on account of avoidance transactions.

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- (c) Assets in security collateral held by financial services providers and are subject to netting and set-off in multi-lateral trading or clearing transactions.
  - (d) Any assets over which the corporate debtor has ownership rights, including all rights and interests therein as evidenced in the balance sheet of the corporate debtor
- 21. The following assets shall be included in the liquidation estate of the Corporate Debtor
  - (a) assets subject to the determination of ownership by the court or authority
  - (b) Assets of any Indian or foreign subsidiary of the corporate debtor
  - (c) Assets owned by a third party which are in possession of the corporate debtor, including assets held in trust for any third party.
  - (d) Personal assets of any shareholder or partner of a corporate debtor as the case may be provided such assets are not held on account of avoidance transactions
- 22. Liquidator can access the following information sources for admission, proof of claims and identification of liquidation estate assets relating to the Corporate debtor
  - (a) Information Utility as prescribed by the Board only
  - (b) Data Base maintained by the Board only
  - (c) Information systems for financial and non-financial liabilities and securities and assets posted as security interest
  - (d) Information utility, Credit Information Utilities established by law , Data base maintained by the Board and Information systems for financial and non-financial liabilities and securities and assets posted as security interest
- 23. A creditor requiring information from the liquidator is
  - (a) Not entitled to do so during the liquidation process
  - (b) Entitled to receive in 14 days
  - (c) Entitled to receive in 20 days

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- (d) Entitled to receive in 7 days or receive explanation for non receipt
- 24. The claims of creditors shall be collected by the liquidator within a period of \_\_\_\_days from the date of commencement of the liquidation process.
  - (a) 30 days
  - (b) 21 days
  - (c) 45 days
  - (d) None of the above
- 25. A financial Creditor shall submit claims based on
  - (a) Evidence in Information utility as per the Code only
  - (b) Evidence in any government approved utility only
  - (c) Any format where the evidence of the claim is clearly demonstrated
  - (d) In the format as prescribed by the Board
- 26. A claim made by a creditor at the time of commencement of the liquidation process
  - (a) Can be varied or withdrawn within 14 days
  - (b) Can be varied or withdrawn within 21 days
  - (c) Can be varied but not withdrawn
  - (d) Can be withdrawn but not varied
- 27. A claim made by a creditor at the time of commencement of the liquidation process
  - (a) Has to be admitted fully by the liquidator
  - (b) Has to be admitted fully where the claim pertains to a financial creditor
  - (c) Can be rejected fully or partly by the liquidator with no reasons for the same
  - (d) Can be rejected fully or partly by the liquidator with reasons for the same recorded in writing and communicated to the creditor and corporate debtor
- 28. A liquidator rejecting a part or whole of a claim

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- (a) Has absolute powers in doing so and is not accountable. He only needs to record his reasons in writing for internal documentation purposes
  - (b) Needs to document the reasons and communicate the creditor only
  - (c) Needs to document the reasons and communicate the corporate debtor only
  - (d) Needs to document the reasons and communicate to the creditor and corporate debtor
- 29. The liquidator shall communicate his decision of admission or rejection of claims to the creditor and corporate debtor within ..... days of such admission or rejection of claims
  - (a) 7 days
  - (b) 15 days
  - (c) 21 days
  - (d) 28 days
- 30. Appeals against rejections or part acceptance of claims may be filed with
  - (a) The Insolvency Board
  - (b) Official Liquidator
  - (c) NCLT
  - (d) NCLAT
- 31. Appeals against rejections or part acceptance of claims may be filed with NCLT within
  - (a) 14 days
  - (b) 15 days
  - (c) 21 days
  - (d) 28 days
- 32. The liquidator shall apply to ..... for securing orders in respect of Preferential transactions
  - (a) IBBI
  - (b) NCLT

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- (c) NCLAT
  - (d) Insolvency professional Agency
33. A preferential transaction includes
- (a) Any Transfer of property to a creditor without proper consent
  - (b) Any Transfer of property of a corporate debtor to a related party creditor only
  - (c) Any Transfer of property of a corporate debtor to a creditor where such creditor was placed in a more beneficial position beyond 10% , than in the event of a distribution of assets upon liquidation
  - (d) Any Transfer of property of a corporate debtor to a creditor where such creditor was placed in a more beneficial position than in the event of a distribution of assets upon liquidation
34. A preferential transaction includes
- (a) The transfer of assets to a creditor which has the effect of putting such creditor or a surety or a guarantor in a beneficial position than it would have been in the event of a distribution of assets being made in accordance with section 53
  - (b) Transfer made in the ordinary course of the business or financial affairs of the corporate debtor or the transferee
  - (c) Any Transfer of property of a corporate debtor to a related party creditor only
  - (d) Any transfer made in pursuance of the order of a court
35. A preferential transaction needs to be evaluated against which of the following time lines "relevant time" as per the Code vis a vis the insolvency commencement date
- (a) 3 years for related party transactions and 1 year for other parties
  - (b) 4 years for related party transactions and 2 year for other parties
  - (c) 2 years for related party transactions and 1 year for other parties
  - (d) 5 years for related party transactions and 3 year for other parties

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36. The concept of “relevant time” in the context of preferential transactions as 2 years for related party transactions and one year for other parties needs to be reckoned from the ..... date
- (a) Insolvency initiation date
  - (b) Insolvency Commencement date
  - (c) Date of appointment of the Insolvency professional
  - (d) Liquidation Commencement date
37. Related Party Preferential transactions
- (a) Do not include transactions where such related parties are employees
  - (b) Can be considered for application to the Adjudicating Authority only in respect of transactions undertaken within 3 years of the insolvency commencement date
  - (c) Can be considered for application to the Adjudicating Authority only in respect of transactions undertaken within 4 years of the insolvency commencement date
  - (d) Can be considered for application to the Adjudicating Authority only in respect of transactions undertaken within 2 years of the insolvency initiation ( application ) date
38. Transactions pertaining to transfer creating security interest are excluded from preferential transactions provided “new value” is secured. New value represents
- (a) Transactions with new financial or operational creditors ( first time dealing as at the date of undertaking such transactions )
  - (b) Transactions with new financial creditors and representing new credit
  - (c) Transactions which are not in the nature of substitution of financial or operational debts with other financial or operational debts and reflect money or new worth in goods, services or new credit
  - (d) Transactions with existing or new financial creditors and representing new goods, services or new credit
39. The liquidator or resolution professional can apply to ..... to declare an undervalued transaction as void to reverse the effect of this



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- transaction
- (a) IBBI
  - (b) NCLT
  - (c) NCLAT
  - (d) Insolvency professional agency
40. An undervalued transaction includes
- (a) Gifts by the corporate debtor or Transfer of assets of a corporate debtor for a consideration significantly less than the value of consideration provided by the corporate debtor
  - (b) Preferential transactions
  - (c) Extortionate transactions
  - (d) Gifts, Preferential and extortionate transactions
41. Evidence of an undervalued transaction needs to be assessed , before application to NCLT by
- (a) Independent expert
  - (b) IBBI
  - (c) Insolvency professional Agency
  - (d) Statutory auditor of the Corporate debtor
42. An undervalued transaction can be avoided upto what period from the Insolvency commencement date
- (a) 3 years for related party transactions and 1 year for other parties
  - (b) 4 years for related party transactions and 2 year for other parties
  - (c) 2 years for related party transactions and 1 year for other parties
  - (d) 5 years for related party transactions and 3 year for other parties
43. The period within which undervalued transactions can be avoided as 2 years for related party transactions and one year for other parties needs to be reckoned from the ..... date
- (a) Insolvency initiation

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- (b) Insolvency Commencement
  - (c) Date of appointment of the Insolvency professional
  - (d) Liquidation Commencement
44. Application to NCLT for orders for avoidance of undervalued transactions can be preferred by
- (a) Liquidator or resolution professional
  - (b) Liquidator
  - (c) Resolution professional
  - (d) Liquidator or resolution professional, creditor, member, partner of a corporate debtor
45. If the liquidator or insolvency professional does not report an undervalued transaction, (although he had sufficient information) , then the Adjudicating authority can
- (a) Order the liquidator to compensate the loss
  - (b) Report the matter to the Board and request Disciplinary proceedings
  - (c) Remove the liquidator from the post forthwith
  - (d) File a criminal case against the liquidator
46. Which of the following qualifies for application to and orders by the Adjudicating Authority under the category of an extortionate transaction of a corporate debtor
- (a) An extortionate financial or operational debt or payments therefore within 3 years from the insolvency commencement date
  - (b) An extortionate financial or operational debt or payments therefore within 2 years from the insolvency commencement date
  - (c) Required exorbitant payments to be made by the Corporate debtor
  - (d) Debts provided by financial services providers in compliance within the rule of law ( say overdue interest on credit card by a Nationalised bank )

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47. Secured Creditors in a liquidation proceeding
- (a) Should realise their security interest
  - (b) Should relinquish their security interest to the liquidation estate and receive proceeds from sale of assets by liquidator
  - (c) May realise their security interest or relinquish their security interest to the liquidation estate and receive proceeds from sale of assets by liquidator
  - (d) No action can be initiated by them once the liquidation process is on
48. The liquidator is required to verify the security interest of the creditor before the creditor with reference to
- (a) Only the Books and records of the entity in liquidation
  - (b) Only the records of such security interest maintained by an information utility
  - (c) By means as specified by the Board or information utility
  - (d) No, he is not required to perform such checks
49. Realisation of assets by Secured Creditors during a liquidation proceeding
- (a) Can be done suo moto by the secured creditor
  - (b) Cannot be done by the Secured creditor , only relinquishment to estate is possible
  - (c) Is possible subject to verification and permission by the liquidator
  - (d) Is possible subject to verification and permission by the Adjudicating Authority
50. Where the Secured creditor faces resistance in relation to the realising of the Secured asset, he may apply to ..... to facilitate the creditor to realise the security interest
- (a) NCLT
  - (b) NCLAT
  - (c) IBBI
  - (d) Committee of Creditors

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51. Secured creditors in a liquidation proceeding
  - (a) Can realise the secured assets even without the permission of the liquidator
  - (b) Should pay their share of the insolvency resolution costs to the liquidation estate after realisation of their assets
  - (c) Should relinquish their security interest to the liquidation estate and receive proceeds from sale of assets by liquidator
  - (d) Should apply to the IBBI when they face resistance in relation to the realising of the Secured asset
52. Sale proceeds of a secured asset of a secured creditor, in excess of the debts
  - (a) Need to be accounted and disclosed to the liquidator
  - (b) Need to be tendered to the liquidator
  - (c) Need to be accounted for and tendered to the liquidator
  - (d) Can be paid by them directly to other secured creditors
53. When the Sale proceeds of a secured asset of a secured creditor are insufficient to meet the debt obligation,
  - (a) The Secured creditor has no choice but to accept the same as full and final
  - (b) The Secured creditor shall be paid by the liquidator in the manner specified in Sec 53
  - (c) The Secured creditor may apply to NCLT for further orders
  - (d) The Secured creditor may apply to NCLAT for further orders
54. Where a debtor refuses to permit the secured creditor to realise his security interest, an application may be made to
  - (a) Insolvency Professional Agency
  - (b) Insolvency Board
  - (c) National Company law Tribunal
  - (d) Committee of Creditors
55. A secured creditor is able to realise, on sale of the secured asset, an amount lower than his security interest. Can he claim the balance from the liquidation estate

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- (a) Yes, the entire amount of deficit
  - (b) No, it shall be treated as a full and final settlement
  - (c) Yes upto 50% of the deficit
  - (d) Yes, subject to the priority order as set out in Section 53 of the code
56. The following is the order of priority for distribution of liquidation assets
- (a) (Insolvency Process and Liquidation costs), (Workmen 24 month dues & secured creditors who have relinquished interest), (Unsecured creditors), (Secured creditors who have a deficit after enforcing their interest), (Preference shareholders), (Equity Shareholders)
  - (b) (Insolvency Process and Liquidation costs), (Workmen 24 month dues & secured creditors who have relinquished interest), (Secured creditors who have a deficit after enforcing their interest), (Unsecured creditors), (Preference shareholders), (Equity Shareholders)
  - (c) (Insolvency Process and Liquidation costs), ( Secured creditors who have a deficit after enforcing their interest ), (Workmen 24 month dues & secured creditors who have relinquished interest), (Unsecured creditors), (Preference shareholders), (Equity Shareholders)
  - (d) (Secured creditors who have a deficit after enforcing their interest), (Insolvency Process and Liquidation costs), (Workmen 24 month dues & secured creditors who have relinquished interest ), (Unsecured creditors), (Preference shareholders), (Equity Shareholders)
57. The fees to be paid to the liquidator shall be
- (a) Paid by the Committee of Creditors and claimed from the liquidation estate
  - (b) Deducted upfront
  - (c) Deducted proportionately from the proceeds to each class of recipients
  - (d) Either Deducted upfront or Deducted proportionately from the proceeds to each class of recipients

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58. Distribution of proceeds where they are insufficient to meet the debts in full, shall, within a category of similarly ranked recipients, be done
- (a) In the order of contracting the debt ( FIFO basis )
  - (b) Proportionately
  - (c) Rs 10000 for all , then proportionately
  - (d) 10% guaranteed debt and then proportionately
59. A corporate debtor shall be dissolved
- (a) Upon expiry of the date set for liquidation
  - (b) Where the assets of the corporate debtor have been completely liquidated
  - (c) Upon application to the adjudicating authority and approval by them
  - (d) Where the assets of the corporate debtor have been completely liquidated and Upon application to the adjudicating authority and approval by them
60. A copy of the dissolution order passed by the adjudicating authority shall be forwarded to the registering authority ( MCA ) within
- (a) 14 days
  - (b) 7 days
  - (c) 21 days
  - (d) 28 days

### **Section 59**

1. Voluntary liquidations are covered by
- (a) The Companies Act 2013
  - (b) The Insolvency and Bankruptcy Code
  - (c) The Companies Act 2013 and the Insolvency and Bankruptcy Code
  - (d) SARFEASI Act
2. Voluntary liquidations can be initiated
- (a) When a corporate person has not committed any default
  - (b) Only after 3 years of Commencement of the corporate person

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- (c) Only after 5 years of Commencement of the corporate person
  - (d) Only after 3 years of Commencement of the corporate person and When a corporate person has not committed any default
3. For initiation of Voluntary liquidation, a declaration of solvency ( no debts or assets are sufficient to discharge liabilities ) should be given by
- (a) Two directors
  - (b) Two directors and 80% shareholders
  - (c) Two directors and 80% shareholders and statutory auditors
  - (d) Majority of the directors
4. Voluntary liquidations shall be supported by a declaration by ..... on ..... and .....
- (a) All Shareholders, Solvency, With no intent to defraud any person
  - (b) Majority of directors , Solvency ,With no intent to defraud any person
  - (c) 3 directors, Solvency With no intent to any person
  - (d) All directors , Solvency , With no intent to defraud any person
5. Voluntary liquidations shall be supported by
- (a) Declaration of solvency of the company by directors and Declaration by directors that there is no intent to defraud creditors, Financial Statements for the period as specified and report of a registered valuer
  - (b) Declaration of solvency of the company by directors and Declaration by directors that there is no intent to defraud creditors, Financial Statements for the period as specified
  - (c) Declaration of solvency of the company by directors and Declaration by directors that there is no intent to defraud creditors, report of a registered valuer
  - (d) Declaration by directors that there is no intent to defraud creditors, Financial Statements for the period as specified and report of a registered valuer

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6. A ..... resolution from members, in a general meeting, approving the liquidation shall be obtained within .... Weeks of declaration by directors
  - (a) Ordinary – 4 weeks
  - (b) Ordinary – 2 weeks
  - (c) Special – 2 weeks
  - (d) Special – 4 weeks
7. Where the company has debts owed to any person, the special resolution passed by the members to liquidate the company shall be approved by Creditors representing in value terms
  - (a) Half of the debts of the company
  - (b) Two thirds of the debts of the company
  - (c) One fourth of the debts of the company
  - (d) Creditors approval is not needed for voluntary liquidation
8. The special resolution passed by the shareholders to liquidate the company shall be approved by Creditors representing 2/3rds of the value of the debt within
  - (a) 14 days
  - (b) 7 days
  - (c) 21 days
  - (d) 28 days
9. After the completion of the shareholders resolution for voluntary liquidation and the creditors approval, the company needs to notify, within 7 days, the
  - (a) Board and Registrar of Companies
  - (b) Board and Registrar of Companies and IPA
  - (c) Board and Registrar of Companies and NCLT and IPA
  - (d) None of the above
10. After the completion of voluntary liquidation the company needs file an application for ..... To .....
  - (a) Dissolution to the RoC



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- (b) Dissolution to the Adjudicating Authority
- (c) Dissolution to the Board
- (d) All of the above

#### **Section 80 to Section 93**

1. The Conditions for an individual or a partnership firm who can apply for a fresh start order does not include persons whose
  - (a) Annual income does not exceed Rs.100,000
  - (b) Aggregate value of assets does not exceed Rs 20000
  - (c) Aggregate value of qualifying debts does not exceed Rs 35000
  - (d) He does not own a dwelling unit
2. The application for a Fresh Start Order may be made by the
  - (a) Person themselves
  - (b) By a Resolution professional
  - (c) Person themselves or By a Resolution professional
  - (d) By the creditor
3. The application for a Fresh Start Order is
  - (a) Approved / Rejected by the Adjudicating Authority
  - (b) Approved / Rejected by the Adjudicating Authority based on report of Resolution Professional
  - (c) Automatically approved in all cases through a straight through process
  - (d) Automatically approved in cases where debt is less than Rs 35000 through a straight through process
4. The Fresh Start Order issued by the Adjudicating Authority
  - (a) Should be by a public announcement
  - (b) Should be shared with all creditors
  - (c) Should be shared with debtors and creditors
  - (d) Need not be shared with any one
5. The Fresh Start Order issued by the Adjudicating Authority
  - (a) Only states the fact of a Fresh Start Process

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- (b) Also specifies the qualifying debts
  - (c) Also specifies the qualifying debts and other amounts qualifying for discharge
  - (d) Needs to be signed by the Resolution Professional also
6. Which of the followings is false. During the Fresh Start process, in the moratorium period
- (a) The debtor can act as a director of a Company and perform the relevant acts
  - (b) Suits and legal proceedings against the debtor are stayed
  - (c) Creditors cannot initiate actions for any debt
  - (d) The debtor shall inform his business partners that he is undergoing a fresh start process
7. During the Fresh Start process, in the moratorium period, which is followings is correct
- (a) The debtor cannot travel outside the country
  - (b) The debtor can act as a director of a Company and perform the relevant acts
  - (c) Suits and legal proceedings against the debtor are not stayed
  - (d) The debtor can alienate his assets
8. The moratorium period under the Fresh Start Order process lasts for ... days
- (a) 45
  - (b) 60
  - (c) 180
  - (d) 120
9. During the Fresh Start Order process, the Resolution Professional
- (a) Can amend claims suo moto
  - (b) Cannot make any amendments to the debts specified in the Fresh Start order
  - (c) Can amend claims based on objections from Creditors

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- (d) Can amend claims based on objections from Creditors and apply for orders to the Adjudicating Authority
- 10. In a Fresh Start Process, a creditor who is aggrieved by the action of a Resolution Professional in the matter of recording his objections,
  - (a) Cannot initiate any process as the decision of the Resolution Professional is binding and final
  - (b) Can apply to the Adjudicating Authority
  - (c) Prefer a complaint to the IBBI
  - (d) Prefer a complaint to the IPA to which the Resolution Professional belongs
- 11. During the Fresh Start Order process, the Resolution Professional , who has received any objections
  - (a) Shall give an opportunity for the creditor to be heard
  - (b) Shall give an opportunity for the debtor to be heard
  - (c) Shall give an opportunity for the creditor and debtor to be heard
  - (d) None, he can take suo moto decisions on acceptance of objections
- 12. The debtor in a Fresh Start process has the following responsibilities in relation to material changes since the date of application
  - (a) Material errors or omissions in information / documents supplied
  - (b) Change in financial circumstances since the date of application impacting the FSO process
  - (c) Material errors or omissions in information / documents supplied and Change in financial circumstances since the date of application impacting the FSO process
  - (d) None of the above, the Resolution Professional needs to keep a check on the above
- 13. A Resolution Professional in a Fresh Start Order process can be replaced by
  - (a) The debtor on a suo moto basis
  - (b) The Creditor on a suo moto basis
  - (c) Either by debtor or creditor on a suo moto basis

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- (d) Either by debtor or creditor based on an application made to the Adjudicating Authority
- 14. A Resolution Professional in a Fresh Start Order process cannot seek directions from the Adjudicating Authority for the following acts of the debtor
  - (a) Alienation of assets by the debtor
  - (b) Non-disclosure of material information since the application date by the debtor
  - (c) Travel outside India undertaken by the debtor
  - (d) Review of objections filed by creditors
- 15. A Resolution Professional in a Fresh Start Order process cannot apply to the Adjudicating Authority for the revocation of a Fresh Start order in which of the following circumstances
  - (a) Material changes since the date of application not reported to him
  - (b) Debtor has acted in a malafide manner in non compliance with the section
  - (c) Travelled abroad and failed to return back
  - (d) Too many objections from creditors
- 16. The logical sequence of events in a Fresh Start Order is
  - (a) Application to AA , FSO , Final list of Qualifying Debts by RP, Discharge Order
  - (b) Application to AA , FSO , Discharge Order , Final list of Qualifying Debts by RP
  - (c) Application to AA , Final list of Qualifying Debts by RP , FSO , Discharge Order
  - (d) Application to AA , Discharge Order, FSO , Final list of Qualifying Debts by RP
- 17. The Discharge Order from the Adjudicating Authority can discharge the debtor from ..... From the date of application to the date of discharge order , in respect of the debts specified therein
  - (a) Interest
  - (b) Penalties

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- (c) Other sums owed under contract
  - (d) Interest, Penalties and Other sums owed under contract
18. Excluded debt as defined in Part III of the IBC 2016 does not include-
- (a) Liability to pay fine imposed by a court or tribunal
  - (b) Liability in relation to student loan
  - (c) Liability to pay maintenance to any other person under any law for the time being in force
  - (d) Liability in relation to credit card debt
19. Qualifying debt in case of insolvency resolution and bankruptcy for individuals and partnership firms does not include-
- (a) an excluded debt
  - (b) a debt to the extent secured
  - (c) any debt which has been incurred three months prior to the date of application for fresh start process
  - (d) liability to pay damages for negligence, nuisance or breach of a statutory, contractual or other legal obligation
20. Immediate family of the debtor in case of insolvency resolution and bankruptcy for individuals and partnership firms includes –
- (a) His brother
  - (b) His son who is a Software Engineer in a Company
  - (c) His dependent mother
  - (d) His sister
21. Which of the following statements is not correct with respect to interim-moratorium, when an application is filed under Fresh Start Process?
- (a) any legal action or legal proceeding pending in respect of any of his debts shall be deemed to have been stayed during interim-moratorium period
  - (b) no creditor shall initiate any legal action or proceedings in respect of such debt during interim-moratorium period
  - (c) XYZ Bank files a case in the Court for such debt owed by the debtor

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- (d) an interim moratorium shall commence on the date of filing of said application in relation to all the debts
- 22. The application for Fresh Start Process shall not contain which of the following information?
  - (a) the interest payable on the debts and the rate thereof as stipulated in the contract
  - (b) a list of security held in respect of any of the debts
  - (c) financial information of his brothers and sisters to two years prior to the date of the application
  - (d) the reasons for making the application
- 23. Interim- moratorium period in case of fresh start order means –
  - (a) an interim moratorium shall commence on the date of filing of application and shall cease at the end of 180 days
  - (b) an interim moratorium shall commence on the date of filing of application and shall cease at the end of 90 days
  - (c) an interim moratorium shall commence on the date of filing of application and shall cease to have effect on the date of admission or rejection of such application
  - (d) an interim moratorium shall commence on the date of admission of application and shall cease at the end of 180 days
- 24. Where an application is filed under Fresh Start process by the debtor himself and not through Resolution professional, the Adjudicating Authority shall direct the Board within -----days of the receipt of an application to nominate a Resolution
  - (a) 10
  - (b) 7
  - (c) 14
  - (d) 21
- 25. The Board shall nominate a resolution professional within -----days of receiving the direction issued by Adjudicating Authority for doing so in case of an application filed for Fresh Start Process
  - (a) 10
  - (b) 14

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- (c) 7
  - (d) 21
26. The resolution professional shall examine the application made under fresh start process within how many days of his appointment and submit a report to the Adjudicating Authority
- (a) 14 days
  - (b) 7 days
  - (c) 15 days
  - (d) 10 days
27. The resolution professional shall reject the application made under fresh start process on which of the following reasons
- (a) the debts disclosed in the application by debtor are qualifying debts
  - (b) the debtor has made correct representation in the application and with respect to the documents or information submitted
  - (c) a fresh start process, insolvency resolution process or bankruptcy process is subsisting against the debtor
  - (d) the debtor is not an undischarged bankrupt
28. The resolution professional may apply to whom for directions in relation to any other matter under fresh start process for which no specific provisions have been made?
- (a) IBBI
  - (b) Adjudicating Authority
  - (c) IPA in which he is a member
  - (d) Appellate Authority
29. The discharge order shall be forwarded to whom for the purpose of recording an entry in the register?
- (a) IBBI
  - (b) Adjudicating Authority
  - (c) IPA in which he is a member
  - (d) Appellate Authority

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30. Which of the following statements is correct with regard to discharge order?
- (a) It shall discharge the spouse and the person from any liability in respect of the qualifying debts
  - (b) It shall discharge the dependent parent and the person from any liability in respect of the qualifying debts
  - (c) It shall not discharge any other person from any liability in respect of the qualifying debts
  - (d) It shall discharge the dependent child and the person from any liability in respect of the qualifying debts
31. The Resolution Personnel shall prepare a final list of qualifying debts and submit such list to Adjudicating at least -----days before the end of moratorium period.
- (a) 10
  - (b) 7
  - (c) 30
  - (d) 14

### **Section 94 to Section 100**

1. The application for a Resolution Process by an individual or a partnership may be made by the
- (a) Person themselves
  - (b) By a Resolution professional
  - (c) Person themselves or By a Resolution professional or by a Creditor
  - (d) By the creditor
2. The application for a Resolution Process by debtor who is a partner in a firm may be made
- (a) if all partners or a majority apply jointly
  - (b) Only if all partners consent by an affidavit
  - (c) By the person singly
  - (d) Only if all partners witness the application



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3. The application for a Resolution Process by non corporate debtor (not under Fresh Start Process) cannot be made if
  - (a) He is an undischarged bankrupt
  - (b) His annual income exceeds Rs 60000
  - (c) His debts are in excess of Rs 35000
  - (d) He has a dwelling residential unit
4. A Creditor can apply under the Resolution Process in respect of a partnership debt
  - (a) Only Singly against a partner
  - (b) Only Singly against the firm
  - (c) Jointly with other creditors against any of the partners or the firm
  - (d) Jointly with other creditors against any of the partners
5. A Creditor can apply under the Resolution Process in respect of a partnership debt and needs to enclose the following
  - (a) Proof of debt
  - (b) Unpaid demand notice
  - (c) Proof of debt and default
  - (d) Proof of debt and default and unpaid demand notice
6. Interim Moratorium under the Resolution process for non corporates
  - (a) Is not An order to cease business operations
  - (b) Does not Stay pending legal action
  - (c) Does not Prevent initiation of fresh legal action
  - (d) Is valid for 180 days
7. Interim Moratorium under the Resolution process for non corporates
  - (a) Is valid for 180 days
  - (b) Is valid for 90 days
  - (c) Commences on date of application and ceases on date of admission
  - (d) Commences on date of application and ceases on 90 days therefrom

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8. Where in a Resolution process for non corporates, no resolution professional is proposed in the application, the ..... will nominate to the Adjudicating Authority
  - (a) IBBI
  - (b) IPA
  - (c) DRT
  - (d) NCLAT
9. A Resolution professional in a non corporate resolution process can be replaced
  - (a) Suo moto by the debtor
  - (b) Suo moto by the creditor
  - (c) Suo moto by the debtor and creditors jointly
  - (d) Based on application and approval from the adjudicating Authority
10. State which is True – A Resolution professional in a non corporate resolution process
  - (a) Can Recommend a Fresh Start process to the Adjudicating Authority
  - (b) Cannot Request proof of payment of debt from Corporate debtor
  - (c) Can Reject the application without recording reasons in writing
  - (d) Can approve the application for resolution without reference to the Adjudicating Authority
11. The application for Insolvency resolution filed by a non corporate can be
  - (a) Decided by the Resolution Professional only
  - (b) Decided by the IBBI
  - (c) Decided directly by the Adjudicating Authority
  - (d) Decided directly by the Adjudicating Authority based on report of Resolution Professional recommending or rejecting the application
12. The Adjudicating Authority Order admitting the application shall be
  - (a) Communicated to the creditors only on a standalone basis

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- (b) Communicated to the debtor only on a standalone basis
  - (c) Communicated to both debtors and creditors only on a standalone basis
  - (d) Communicated to the creditors along with the report of the Resolution Professional
13. If an application has been preferred by a non corporate debtor for insolvency resolution with an intent to defraud creditors, the Adjudicating Authority may
- (a) Reject the application and Order bankruptcy directly
  - (b) Reject the application and File a criminal complaint
  - (c) Simply reject the application with no further actions
  - (d) Reject the application and pass orders for creditors to proceed with Chapter IV bankruptcy

### **Section 101 to Section 120**

1. The moratorium under the Individuals and Partnerships Insolvency resolution process shall have effect from the date of admission of application till
- (a) A compulsory period of 90 days
  - (b) A compulsory period of 180 days
  - (c) A compulsory period of 60 days
  - (d) A period of 180 days or the date of passing of an order on the Repayment Plan
2. The public announcement for claims under the Individuals and Partnerships Insolvency resolution process shall call for claims in ..... Within a time line of ..... days
- (a) English newspaper in circulation in the state, 21 days
  - (b) English and vernacular newspaper in circulation in the state, 21 days
  - (c) English and vernacular newspaper in circulation in the state , 15 days
  - (d) English newspaper in circulation in the state, 15 days

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3. The public announcement for claims under the Individuals and Partnerships Insolvency resolution process need not contain details of
  - (a) Total debt due by the debtor
  - (b) Details of the order admitting the application
  - (c) Last date for submission of claims
  - (d) Particulars of the Resolution Professional
4. Creditors responding to the public announcement for claims under the Individuals and Partnerships Insolvency resolution process shall respond by
  - (a) E mail or courier
  - (b) Speed post
  - (c) Registered letter
  - (d) Electronic communication or through Courier, Speed post or registered letter
5. The Resolution Professional shall consolidate claims under the Individuals and Partnerships Insolvency resolution process based on
  - (a) Books and records of the debtor
  - (b) Information in the application of the debtor and Response to public announcement
  - (c) Information in the application of the debtor
  - (d) Response to public announcement
6. The Resolution Professional shall consolidate claims under the Individuals and Partnerships Insolvency resolution process within .... Days of public announcement
  - (a) 21
  - (b) 30
  - (c) 45
  - (d) 60
7. The Repayment Plan shall be prepared by
  - (a) Debtor
  - (b) Debtors and creditors

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- (c) Debtor in consultation with the Resolution Professional
  - (d) Resolution Plan by himself
8. The Repayment Plan under the non corporate insolvency resolution process can be implemented
- (a) As soon as it is prepared
  - (b) After it is prepared and submitted to the Adjudicating Authority
  - (c) After it is prepared and approved by Creditors and the Adjudicating Authority
  - (d) After it is prepared and approved by the IBBI
9. A Meeting of the creditors ..... in the non-corporate insolvency resolution process
- (a) Is Compulsory
  - (b) Should never be convened
  - (c) Is discretion of the Resolution Professional
  - (d) Can be relaxed provided the reasons for the same are indicated in the report of the Resolution professional submitted with the Repayment plan
10. If a Meeting of the creditors is held, then the following creditors of the non corporate person are entitled to receive notice
- (a) Financial Creditors only
  - (b) All creditors present in the list compiled by the Resolution Professional
  - (c) Operational creditor
  - (d) Top creditors accounting for 80% by value of debt
11. Creditors of a non corporate person
- (a) Cannot amend , modify the repayment plan
  - (b) Can vote even if he is an associate of the debtor
  - (c) Is not entitled to receive notice of the meeting unless he is a financial creditor
  - (d) Can appoint a proxy

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12. A Secured Creditor of a non corporate person participating in a meeting of creditors in relation to a secured debt
  - (a) Can never vote
  - (b) Can participate and retain his right to enforce the security interest
  - (c) Can participate and vote and retain his right to enforce the security interest
  - (d) Can participate and vote but shall forfeit his right to enforce the security interest in respect of his secured debt
13. A Secured Creditor of a non corporate person participating in a meeting of creditors in relation to a secured debt does not forfeit his right of enforcement of security
  - (a) Always forfeits his right
  - (b) He can never participate as only unsecured creditors are invited to attend the meeting
  - (c) Provided he submits an affidavit that his participation and voting pertains to his unsecured debt and the value of such debt is disclosed
  - (d) Provided he submits an affidavit that his participation and voting pertains to his unsecured debt
14. The Repayment plan shall be approved by .... % of the ..... creditors in the non corporate insolvency resolution process
  - (a) 75% of operational creditors
  - (b) 75% of all those present or by proxy
  - (c) 75% of the financial creditors
  - (d) 50% of the financial creditors and 75% of operational creditors
15. The Resolution Professional in the non corporate insolvency resolution process shall prepare a report of the Creditors meeting to approve the resolution plan and provide copies to
  - (a) Debtor
  - (b) Creditors present in meeting
  - (c) Debtors and all creditors

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- (d) Debtors and all creditors and Adjudicating Authority
- 16. The Resolution Plan submitted to the Adjudicating Authority
  - (a) Is final and cannot be amended by the authority
  - (b) Can be modified by the Adjudicating authority but no further directions
  - (c) Can be rejected or modified by the Adjudicating authority with further directions for implementation
  - (d) Cannot be rejected at all
- 17. The resolution Professional in the non corporate insolvency resolution process shall report on the Repayment plan to the Adjudicating authority
  - (a) Only when the implementation plan is completed
  - (b) Both when completed or terminated prematurely
  - (c) No reporting is necessary
  - (d) He shall only report to the Creditors and not to the adjudicating authority
- 18. The resolution Professional in the non corporate insolvency resolution process shall report on the Premature termination of Repayment plan to the Adjudicating authority and such report need not contain which of the following
  - (a) Receipts and payments in pursuance of the repayment plan
  - (b) Reason for premature termination
  - (c) Details of creditors whose claims have not been satisfied
  - (d) Request and recommendation for a bankruptcy order
- 19. When can a Bankruptcy order not be issued by the Adjudicating authority
  - (a) Application preferred by debtor to defraud creditors
  - (b) When repayment plan has been accomplished fully
  - (c) When repayment plan has a premature closure and some creditors have not been paid
  - (d) When Repayment plan is rejected by the Adjudicating authority

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20. The process in the non corporate insolvency resolution process acquires conclusion on the issuance of ..... by the adjudicating authority
- (a) A release order
  - (b) A resolution order
  - (c) A discharge order or A full and final settlement order
  - (d) A discharge order or order to apply for bankruptcy

### Section 121 to Section 128

1. An application for bankruptcy of a debtor cannot be made, by a creditor individually or jointly with other creditors or by a debtor, to the Adjudicating Authority in the following circumstances
- (a) where an order has been passed by an Adjudicating Authority under subsection 4 of section 100
  - (b) where an order has been passed by an Adjudicating Authority under subsection 2 of section 115
  - (c) where an order has been passed by an Adjudicating Authority under subsection 3 of section 118
  - (d) Directly without applying for insolvency resolution process
2. Which is true - An application for bankruptcy of a debtor by a debtor
- (a) Can be withdrawn without the leave of the Adjudicating Authority
  - (b) Can be filed without a bankruptcy trustee also
  - (c) Can be filed without an order from the adjudicating authority permitting the option under this process
  - (d) Cannot be filed by a debtor
3. An application for bankruptcy of a debtor by a creditor shall include
- (a) Details of debts only
  - (b) Records of insolvency resolution and its inconclusiveness
  - (c) Records of insolvency resolution and Copy of order permitting the creditor to apply for bankruptcy only
  - (d) Records of insolvency resolution and Copy of order permitting the creditor to apply for bankruptcy and Details of debts



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4. An application for bankruptcy of a debtor by a Secured creditor shall be made for
  - (a) All debts
  - (b) Only unsecured portion of the debt along with the estimated value of the unsecured portion
  - (c) Only secured debts
  - (d) Only unsecured portion of the debt
5. The Insolvency Professional appointed as the trustee in case of bankruptcy is called as
  - (a) Liquidator
  - (b) Insolvency Trustee
  - (c) Bankruptcy Trustee
  - (d) Interim Trustee
6. The Adjudicating Authority shall pass a bankruptcy order within ..... days of receiving the confirmation or nomination of the bankruptcy trustee
  - (a) 7
  - (b) 14
  - (c) 21
  - (d) 28
7. The bankruptcy order passed by the Adjudicating Authority shall continue to have effect
  - (a) till the debtor is discharged under a Discharge Order
  - (b) 90 days
  - (c) 180 days
  - (d) 270 days
8. The bankruptcy order shall
  - (a) Not affect the rights of the secured creditors
  - (b) Not affect the rights of the secured creditors except for their interest component

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- (c) Not affect the rights of the secured creditors except for interest after the bankruptcy commencement date if he does not take any action to realise his security within thirty days from the said date
  - (d) Not affect the rights of the secured creditors except for interest after the bankruptcy commencement date if he does not take any action to realise his security within twenty one days from the said date
- 9. Interim Moratorium under the Bankruptcy process for non corporates
  - (a) Is valid for 180 days from application date
  - (b) Is valid from date of application to bankruptcy commencement date
  - (c) Is valid for 90 days from application date
  - (d) Is valid for 40 days from application date
- 10. 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
- 11. 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

### **Section 129 to Section 148**

- 1. On receipt of the Bankruptcy order, the bankrupt partnership shall submit
  - (a) Statement of financial position of the firm only
  - (b) Statement of financial position of the partners only
  - (c) Statement of financial position of the firm and all the partners

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- (d) No submissions need be made, it will be handled by the Bankruptcy trustee
- 2. The public notice calling claims from creditors under the bankruptcy process shall be given by
  - (a) IBBI
  - (b) Adjudicating Authority
  - (c) Bankruptcy Trustee
  - (d) Bankrupt person
- 3. The public notice under the bankruptcy process shall be
  - (a) Published in leading newspapers, Placed on website of the Adjudicating authority, Affixed on the premises of the Adjudicating authority
  - (b) Published in leading newspapers, Placed on website of the Adjudicating authority,
  - (c) Published in leading newspapers, Placed on website of the Adjudicating authority, Affixed on the premises of the debtor
  - (d) Placed on website of the Adjudicating authority, Affixed on the premises of the Adjudicating authority
- 4. The Bankruptcy Trustee shall, after receipt of claims, call a meeting of the creditors specifying
  - (a) There is no obligation to call a meeting
  - (b) Date, Time and Place only
  - (c) Date, Proxy forms only
  - (d) Date, Proxy forms and mode of proxy voting
- 5. Proxy voting in a meeting of creditors in the Bankruptcy process
  - (a) Is not possible
  - (b) Is possible only with the consent of the Adjudicating Authority
  - (c) Is possible only when the proxy is present physically
  - (d) Is possible in person or by electronic means
- 6. The agenda of the meeting of creditors convened by the Bankruptcy trustee shall include that a

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- (a) A committee of creditors shall be constituted
  - (b) A committee of creditors may be constituted
  - (c) Committee of creditors is not at all relevant in the bankruptcy process
  - (d) Committee of creditors need not be constituted in the meeting but by the trustee himself
- 7. The following creditors shall not be entitled to vote in meetings of the committee of creditors
  - (a) Operational Creditors
  - (b) Associates of the Debtor and Creditors not named in the list submitted to the adjudicating authority to whom notice of meeting has not been sent
  - (c) Financial Creditors
  - (d) There is no voting at the meetings of the Committee of Creditors
- 8. The Bankruptcy Trustee can approach the Adjudicating Authority for a Discharge order
  - (a) On a suo moto basis
  - (b) Only After completion of one year from the bankruptcy commencement date
  - (c) After completion of one year from the bankruptcy commencement date or 7 days After the approval of the Report of the Administration of the estate is approved by the Committee of Creditors whichever is earlier
  - (d) After the approval of the Report of the Administration of the estate is approved by the Committee of Creditors
- 9. The discharge order shall release the bankrupt
  - (a) From All bankruptcy debts
  - (b) From 75% of all debts
  - (c) From unsecured debts
  - (d) From All debts except debts incurred by means of fraud or breach of trust to which he was a party

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10. A Bankrupt can
- (a) Function as An employee of a private limited company
  - (b) be appointed or acting as a public servant
  - (c) be elected to any public office where the appointment to such office is by election
  - (d) be elected or sitting or voting as a member of any local authority.
11. A bankrupt, from the bankruptcy commencement date, shall
- (a) Not Be A director of a Company only, he can be engaged as a promoter
  - (b) Not Be A Key management Personnel only, he can promote a company
  - (c) Be entitled to travel abroad on his free will
  - (d) Not act as a director of any company, or directly or indirectly take part in or be concerned in the promotion, formation or management of a company
12. A bankrupt, from the bankruptcy commencement date
- (a) Cannot travel abroad
  - (b) Can travel abroad at any time without restrictions
  - (c) Can travel abroad with the consent of the Adjudicating Authority
  - (d) Can travel abroad with the consent of the IBBI
13. A bankruptcy order
- (a) Can be modified only never recalled
  - (b) Can be recalled never modified
  - (c) Can be modified or recalled subject to the provisions of the law
  - (d) Can never be modified or withdrawn
14. The fee charged by the Bankruptcy trustee 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 the estate of the bankrupt

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15. A Bankruptcy Trustee can be replaced by
  - (a) The debtor on a suo moto basis
  - (b) The Creditor on a suo moto basis
  - (c) Either by debtor or creditor on a suo moto basis
  - (d) By Committee of Creditors based on an application made to the Adjudicating Authority
16. In case of resignation of a Bankruptcy Trustee
  - (a) The new trustee shall be recommended by the Board on a reference made by the Adjudicating Authority who shall appoint the person
  - (b) The trustee shall be appointed by the largest creditor
  - (c) The new trustee shall be appointed by the debtor
  - (d) The process can be continued without a trustee
17. The office of the Bankruptcy Trustee shall conclude
  - (a) On completion of one year from the date of his appointment
  - (b) On preparation of the Report on the administration of the Bankruptcy process
  - (c) On preparation of the Report on the administration of the Bankruptcy process and approval of the same by the Adjudicating Authority
  - (d) On preparation of the Report on the administration of the Bankruptcy process and approval of the same by the Committee of Creditors

### **Section 149 to Section 178**

1. The bankruptcy trustee shall perform the following functions in accordance with the provisions of the Code
  - (a) investigate the affairs of the bankrupt
  - (b) realise the estate of the bankrupt;
  - (c) distribute the estate of the bankrupt
  - (d) investigate the affairs of the bankrupt, realise the estate of the bankrupt; and distribute the estate of the bankrupt

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2. The bankrupt shall assist the bankruptcy trustee in carrying out his functions by informing any
  - (a) Increase in income only
  - (b) Acquisition and devolution of assets
  - (c) Increase in income and Acquisition and devolution of assets
  - (d) No, he is not required to assist the Trustee
3. The bankruptcy Trustee shall hold property, make contracts, sue and be sued in
  - (a) His personal capacity
  - (b) In his official name
  - (c) Both in his personal capacity and in his official name
  - (d) The Trustee cannot do the above acts
4. The estate of the bankrupt shall vest in the bankruptcy trustee ..... from the date of his appointment
  - (a) Immediately
  - (b) Within 30 days
  - (c) Within 60 days
  - (d) Within 90 days
5. The estate of the bankrupt shall vest in the bankruptcy trustee immediately from the date of his appointment through a
  - (a) Conveyance
  - (b) Assignment
  - (c) Transfer
  - (d) Without conveyance, assignment or transfer
6. The estate of the bankrupt shall not include
  - (a) Moveable and immoveable property
  - (b) Tangible and intangible assets
  - (c) Assets of the bankrupt held in India or abroad
  - (d) all sums due to any workman or employee from the provident fund, the pension fund and the gratuity fund

### **Insolvency and Bankruptcy Code**

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7. Any disposition of property made by the debtor, during the period between the date of filing of the application for bankruptcy and the bankruptcy commencement date shall be
  - (a) Void, except in case of a person who has received in good faith and for value
  - (b) Voidable at the option of Committee of Creditors
  - (c) Voidable at the option of Bankruptcy Trustee
  - (d) Valid action
8. Any disposition of property made by the debtor, during the period between the date of filing of the application for bankruptcy and the bankruptcy commencement date shall be void except where the person who has received the property does so
  - (a) In good faith without value
  - (b) In good faith and for value
  - (c) In good faith and for value and without notice of the filing for bankruptcy
  - (d) Void in all cases without exceptions
9. State which is the correct answer - The bankruptcy trustee shall be entitled to claim for the estate of the bankrupt any after-acquired property
  - (a) Without giving any notice
  - (b) After giving due notice
  - (c) Including excluded assets
  - (d) Including Property devolved on the bankrupt after the discharge order
10. Onerous property includes
  - (a) Large land banks in excess of 10 acres
  - (b) Any profitable contract
  - (c) any other property comprised in the estate of the bankrupt which is unsaleable or not readily saleable
  - (d) Property subject to litigation



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11. 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
12. 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
13. 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
14. 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
15. An extortionate credit transaction is a transaction for or involving the provision of credit to the bankrupt by any person that
  - (a) Requires exorbitant interest and is unconscionable under the principles of law relating to contracts

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- (b) Requires exorbitant interest or is unconscionable under the principles of law relating to contracts
  - (c) Any transaction declared as such by the Bankruptcy trustee
  - (d) Such transactions are not covered in the bankruptcy process but only in Corporate Liquidations
16. If a bankrupt dies, then the proceedings shall
- (a) Stand abated
  - (b) Stand terminated
  - (c) continue after modification by Adjudicating Authority
  - (d) continue as if he were alive
17. The following is the order of priority for distribution of final dividend :
- (a) (Costs and Expenses for Bankruptcy Process), (Workmen 24 month dues & secured creditors), (Employees 12 months dues), (Government Dues) , (Unsecured creditors)
  - (b) (Workmen 24 month dues & secured creditors), (Government Dues) , (Unsecured creditors), (Insolvency Process and Liquidation costs)
  - (c) (Workmen 24 month dues & secured creditors), (Government Dues), (Insolvency Process and Liquidation costs), , (Unsecured creditors)
  - (d) (Government Dues) ,(Insolvency Process and Liquidation costs), (Workmen 24 month dues & secured creditors), (Unsecured creditors)
18. The ranking of Interest payments, if any made out of the Surplus remaining post payment of debts shall be determined on the basis of-
- (a) Amount of Debts
  - (b) Equality
  - (c) Nature of debts
  - (d) Decision of the board
19. What shall be done with the Surplus which remains in hand after the payments of the debts?
- (a) Shared and distributed equally among the Creditors

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- (b) Returned to the Board
  - (c) Used in paying Interests
  - (d) Retained with the Bankruptcy trustee.
20. How shall the unsecured creditors rank in the priority of payment of debts?
- (a) According to the amount of Debts
  - (b) Equally
  - (c) As per agreement
  - (d) Shall rank equally amongst themselves unless contractually agreed to the contrary by such creditors
21. In case a Bankrupt dies , the surplus that remains in the hands of the bankruptcy trustee after payment in full of all the debts due from the deceased bankrupt shall be-
- (a) Paid to the Board
  - (b) Paid to the legal representatives of the estate of the deceased bankrupt.
  - (c) Paid to the Adjudicating Authority
  - (d) None of the above.
22. If a bankrupt dies , the claims by the legal representatives of the deceased bankrupt for payment of the proper funeral and testamentary expenses incurred shall rank equally to
- (a) Secured Creditors
  - (b) Unsecured Creditors
  - (c) Government Dues
  - (d) These claims are not considered
23. A bankrupt shall give notice to the bankruptcy trustee of devolution of any property, acquisition of any property or increase in his income within\_\_\_\_ days
- (a) 3 days
  - (b) 5 days
  - (c) 7 days

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- (d) 14 days
- 24. In order to perform his duties a Bankruptcy trustee may by his official name-
  - (a) Execute any power of attorney
  - (b) Sue and be sued
  - (c) Employ persons to assist him
  - (d) All of the above.
- 25. In order to perform his duties a Bankruptcy trustee may by his official name-
  - (a) Hold property of every description
  - (b) Make contracts
  - (c) Enter into engagements in respect of the estate of bankrupt
  - (d) All of the above
- 26. In order to perform his duties a Bankruptcy trustee cannot by his official name-
  - (a) Execute any power of attorney
  - (b) Enter into engagements in respect of the estate of bankrupt.
  - (c) Employ persons to assist him
  - (d) None of the above
- 27. In order to perform his duties a Bankruptcy trustee cannot by his official name-
  - (a) Execute any power of attorney
  - (b) Sue and be sued
  - (c) Employ persons to assist him
  - (d) None of the above.
- 28. Which of the following acts if performed by a Bankruptcy Trustee requires approval of the Committee of creditors
  - (a) carry on any business of the bankrupt as far as may be necessary for winding it up beneficially.
  - (b) bring, institute or defend any legal action or proceedings relating to the property comprised in the estate of the bankrupt.

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- (c) accept as consideration for the sale of any property a sum of money due at a future time subject to certain stipulations such as security
  - (d) All of the above.
29. Property of the debtor means
- (a) All the property of the debtor, whether or not it is comprised in the estate of the bankrupt, but shall not include property held by the debtor in trust for any other person.
  - (b) All the property of the debtor.
  - (c) All the property of the debtor, but shall not include property held by the debtor in trust for any other person.
  - (d) None of the above.
30. After-acquired property means any property which has been acquired by or has devolved upon the bankrupt after the
- (a) bankruptcy commencement date
  - (b) bankruptcy application date
  - (c) bankruptcy trustee appointment date
  - (d) None of the above.
31. An undervalued transaction should have
- (a) been entered into during the period of 2 years ending on the filling of the application for bankruptcy
  - (b) caused bankruptcy process to be triggered
  - (c) Both (a) & (b)
  - (d) None of the above
32. A transaction between a bankrupt and his associate entered into during the period of two years preceding the date of making of the application for bankruptcy shall be deemed to be \_\_\_\_\_
- (a) an undervalued transaction
  - (b) an extortionate transaction
  - (c) an overvalued transaction
  - (d) None of the above.

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33. When shall a bankrupt be deemed to have entered into a transaction giving preference to any person-
- (a) the person is the creditor or surety or guarantor for any debt of the bankrupt.
  - (b) the bankrupt does anything or suffers anything to be done which has the effect of putting that person into a position which, in the event of the debtor becoming a bankrupt, will be better than the position he would have been in, if that thing had not been done.
  - (c) Both (a) & (b)
  - (d) None of the above

### **Section 206 to Section 208**

1. A person can render services as an Insolvency professional if
  - (a) Only if is a Chartered Accountant, Cost Accountant, Company Secretary or a lawyer
  - (b) Only If he is registered with an authorised Insolvency professional agency
  - (c) Only If he is registered with an authorised Insolvency Professional Agency and the Insolvency and Bankruptcy Board of India
  - (d) Only if he has relevant experience for 3 years
2. An insolvency professional can play which of the following roles under the Code
  - (a) Interim resolution professional, Resolution Professional,
  - (b) Interim resolution professional, Resolution Professional, Liquidator
  - (c) Interim resolution professional, Resolution Professional, Liquidator
  - (d) Interim resolution professional, Resolution Professional, Liquidator, Bankruptcy Trustee
3. An insolvency professional can play which all of the following roles in respect of Corporate debtors
  - (a) Interim resolution professional, Resolution Professional, Liquidator, Bankruptcy Trustee

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- (b) Interim resolution professional, Resolution Professional
  - (c) Interim resolution professional, Resolution Professional, Liquidator
  - (d) Bankruptcy Trustee
4. An insolvency professional should allow the ..... to inspect his records and submit record of proceedings to the .....
- (a) Insolvency professional Agency, Insolvency Professional Agency
  - (b) Insolvency professional Agency, Adjudicating Authority
  - (c) Insolvency professional Agency, IBBI
  - (d) IBBI, Adjudicating Authority

#### **Section 209 to Section 216**

1. No person shall carry on its business as information utility under this Code without a certificate of registration issued by
- (a) Insolvency professional Agency
  - (b) Insolvency and Bankruptcy Board of India
  - (c) Reserve Bank of India
  - (d) NCLT
2. Application for Registration of Information Utilities received by the Board shall be acknowledged within \_\_\_\_\_ days of its receipt.
- (a) 7
  - (b) 5
  - (c) 10
  - (d) 15
3. If the Information utility obtains registration by making a false statement or misrepresentation or any other unlawful means the Board can .....
- (a) Cancel the Certificate of Registration
  - (b) Suspend the Certificate of Registration
  - (c) Cancel or suspend the Certificate of Registration

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- (d) Cancel or suspend the Certificate of Registration after giving them an opportunity of being heard
- 4. The Order for cancelling/ suspending the Certificate of Registration shall be made only by –
  - (a) Chairperson of IBBI
  - (b) Whole-time members of IBBI
  - (c) Any member of IBBI
  - (d) By NCLT
- 5. Any Information Utility which is aggrieved by the order of the Board rejecting the application may prefer an appeal to the
  - (a) National Company Law Appellate Tribunal
  - (b) Civil Court
  - (c) Debt Recovery Appellate Tribunal
  - (d) Supreme Court
- 6. An Information utility shall provide certain specified services including ..... to any person if such person complies with the terms and conditions as may be specified by regulations.
  - (a) Restricted Services
  - (b) Specialized Services
  - (c) Core Services
  - (d) Non Core Services
- 7. Pick the wrong statement from below : For the purposes of providing core services to any person, every information utility shall –
  - (a) Create, and Store financial information in a universally accessible format
  - (b) Accept electronic submissions of financial information from persons who are under obligations to Submit financial information;
  - (c) Have direct access to information to RBI
  - (d) Have inter-operability with other information utilities.



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### **Section 217 to Section 220**

1. Any person aggrieved by the functioning of an Insolvency Professional, Insolvency professional agency or Information utility may apply to
  - (a) The IBBI
  - (b) NCLT
  - (c) NCLAT
  - (d) Supreme Court
2. Where any person aggrieved by the functioning of an Insolvency Professional has applied to the Board, the Board may
  - (a) Appoint a person / persons to investigate the matter
  - (b) Refer the matter to NCLT
  - (c) Refer the matter to NCLAT
  - (d) Refer to the matter to the Supreme Court
3. Where any person aggrieved by the functioning of an Insolvency Professional has applied to the Board, and the Board has received the report from the person conducting the investigation, it shall Refer the report to
  - (a) Disciplinary Committee of the Board
  - (b) Disciplinary Committee of the NCLT
  - (c) Disciplinary Committee of the Insolvency professional agency
  - (d) Supreme Court
4. Where any person aggrieved by the functioning of an Insolvency Professional has applied to the Board, and an investigation report has been received by the Disciplinary Committee. If the Committee is satisfied that sufficient cause exists against the Insolvency professional, they may
  - (a) Suspend the registration
  - (b) Cancel the registration
  - (c) Suspend or cancel the registration
  - (d) Suspend or cancel the registration and may impose penalty

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5. In case of contravention of the Code by the Insolvency Professional, Insolvency professional agency or Information utility and the extent of loss or unlawful gain is not quantifiable, the total amount of the penalty imposed shall not exceed more than
  - (a) one crore rupees
  - (b) fifty lakhs rupees
  - (c) seventy five lakh rupees
  - (d) five crore rupees
6. The members of the disciplinary committee of IBBI shall consist of only
  - (a) All members of the Board
  - (b) Whole-time members of the Board
  - (c) Members of the Board and NCLT members
  - (d) Majority of NCLT members

### **Section 60 to Section 67**

1. The Adjudicating Authority, in relation to insolvency resolution and liquidation for corporate persons including corporate debtors and personal guarantors thereof shall be
  - (a) National Company Law Tribunal
  - (b) Debt recovery tribunal upto Rs 5 lakhs of minimum default and NCLT beyond that
  - (c) Debt recovery tribunal upto Rs 10 lakhs of minimum default and NCLT beyond that
  - (d) Debt recovery tribunal upto Rs 25 lakhs of minimum default and NCLT beyond that
2. Where a corporate insolvency resolution process or liquidation proceeding of a corporate debtor is pending before a National Company Law Tribunal, an application relating to the insolvency resolution or bankruptcy of a personal guarantor of such corporate debtor shall be filed before
  - (a) National Company Law Appellate Tribunal
  - (b) Debt Recovery Tribunal
  - (c) National Company Law Tribunal

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- (d) Debt Recovery Appellate Tribunal
- 3. Any person aggrieved by the order of the National Company Law Tribunal under the Code may prefer an appeal to the
  - (a) High Court of relevant jurisdiction
  - (b) National Company Law Appellate Tribunal
  - (c) Supreme Court
  - (d) Debt Recovery Appellate Tribunal
- 4. Any person aggrieved by an order of the National Company Law Appellate Tribunal may file an appeal to the
  - (a) High Court of relevant jurisdiction
  - (b) No further remedy exists
  - (c) Supreme Court , on a question of law arising out of such order
  - (d) Debt Recovery Appellate Tribunal
- 5. In computing the period of limitation specified for any suit or application in the name and on behalf of a debtor for which an order of moratorium has been made under the Code in relation to Corporate debtors, the period during which such moratorium is in place shall be –
  - (a) Fully excluded
  - (b) Partly excluded
  - (c) Fully included
  - (d) Partly included
- 6. Where an application is not disposed of within the period specified in this Code, the National Company Law Tribunal shall record the reasons for not doing so within the period so specified; and the President of the National Company Law Tribunal may, after taking into account the reasons so recorded, extend the period specified in the Act but not exceeding
  - (a) 10 days
  - (b) 15 days
  - (c) 21 days
  - (d) 30 days

### **Insolvency and Bankruptcy Code**

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7. If, any person initiates the insolvency resolution process or liquidation proceedings fraudulently or with malicious intent for any purpose other than for the resolution of insolvency, or liquidation, as the case may be, the adjudicating authority may impose upon such person a penalty
  - (a) Rs 1 lakh to Rs 1 crore
  - (b) Rs 5,000 to Rs 50,000
  - (c) Rs 50,000 to Rs 5 lakhs
  - (d) Rs 5 lakhs to Rs 25 lakhs
8. What is territorial jurisdiction in relation to insolvency resolution and liquidation of corporate persons:
  - (a) The registered office of the corporate person
  - (b) The Permanent Residential Address of the applicant
  - (c) The Corporate office of the Corporate Person
  - (d) Anywhere in India
9. Which of the following is not a valid ground to appeal
  - (a) there has been material irregularity in exercise of the powers by the resolution professional during the corporate insolvency resolution period
  - (b) where the resolution plan does not comply with any other criteria specified by the Board.
  - (c) the insolvency resolution process costs have not been provided for repayment in priority to all other debts
  - (d) proof of claims was not submitted by one or more of the creditors during the insolvency resolution process
10. Which is the highest appellate authority in case of IBC
  - (a) NCLAT
  - (b) District Court
  - (c) Supreme Court
  - (d) High Court.

### **Section 188 to Section 194**

1. The Insolvency and Bankruptcy Board of India is appointed by –

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- (a) RBI
  - (b) Central Government
  - (c) National Company Law Tribunal
  - (d) Supreme Court
2. The Insolvency and Bankruptcy Board of India shall be a body corporate having –
- (a) perpetual succession and a common seal,
  - (b) power to acquire, hold and dispose of property, both movable and immovable,
  - (c) power to contract, and by the said name, sue or be sued.
  - (d) All of the above
3. Which of the following Union Ministry Officer is not a Member of the Insolvency and Bankruptcy Board of India –
- (a) Ministry of Industries
  - (b) Ministry of Finance
  - (c) Ministry of Corporate Affairs
  - (d) Ministry of Law
4. No. of members in the Insolvency and Bankruptcy Board of India
- (a) 7
  - (b) 10
  - (c) 5
  - (d) 12
5. Ratio of Whole-time Members to be nominated by the Central Government for Insolvency and Bankruptcy Board of India –
- (a) 2 out of 5 Members
  - (b) 4 out of 5 Members
  - (c) 3 out of 5 Members
  - (d) 1 out of 5 Members
6. The Chairperson and members of the Board other than ex-officio members are appointed by –

- (a) RBI
  - (b) Selection Committee
  - (c) Supreme Court
  - (d) President of India
7. The term of office of the Chairperson and Members of the Board shall be –
- (a) 6 years or 65 years whichever is earlier
  - (b) 3 years or 65 years whichever is earlier
  - (c) 5 years or 65 years whichever is earlier
  - (d) 2 years or 65 years whichever is earlier
8. .... shall preside over the Meeting of the Board.
- (a) Only the Chairperson
  - (b) Chairperson or any other member chosen by members present to preside, when Chairperson is unable to attend
  - (c) Chairperson of the Board or Chairperson of the Selection Committee
  - (d) Chairperson or any other member chosen by Chairperson to preside, when Chairperson is unable to attend
9. All questions which come up before any meeting of the Board shall be decided by –
- (a) Majority votes of the members present and voting
  - (b) Chairperson only
  - (c) 2/3rd Votes of the Members present and voting
  - (d) Chairperson and 2/3rd Votes of the Members present and voting
10. No act or proceeding of the Board shall be ..... by reason of any vacancy in, or any defect in the constitution of, the Board
- (a) Valid
  - (b) Invalid
  - (c) Voidable
  - (d) Rescinded

### **Question Bank on the Insolvency and Bankruptcy Code, 2016**

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11. For whose appointment it is not required to obtain the recommendation of Selection Committee –
  - (a) Chairperson
  - (b) Ex officio member
  - (c) Whole-time member
  - (d) All of the above
12. In which of the following condition, the Central Government shall not remove a member from office unless a reasonable opportunity has been given–
  - (a) if he is an undischarged bankrupt as defined under Part III
  - (b) if he has become physically or mentally incapable of acting as a member
  - (c) if he has been convicted of an offence, which in the opinion of Central Government involves moral turpitude
  - (d) if he has, so abused his position as to render his continuation in office detrimental to the public interest

### **Section 196**

1. The Insolvency and Bankruptcy Board governs the functioning of
  - (a) Insolvency professionals
  - (b) Insolvency professionals, Agencies and Information utilities
  - (c) Information utilities
  - (d) Insolvency professionals, Agencies and Information utilities and NCLT
2. The Board shall, subject to the general direction of the ....., perform its following functions
  - (a) Central government
  - (b) NCLT
  - (c) NCLAT
  - (d) Supreme Court
3. The syllabus for the Insolvency Examinations will be set by
  - (a) NCLT

- (b) IBBI
  - (c) Insolvency Professional Agencies
  - (d) Information Utilities
4. The Insolvency and Bankruptcy Board can not
- (a) register insolvency professional agencies, insolvency professionals and information utilities and renew, withdraw, suspend or cancel such registrations
  - (b) publish such information, data, research studies and other information as may be specified by regulations
  - (c) nominate one of its members to be part of the insolvency proceedings of a corporate debtor
  - (d) issue necessary guidelines to the insolvency professional agencies, insolvency professionals and information utilities
5. The Board may make model bye-laws to be adopted by insolvency professional agencies which cannot provide for
- (a) the minimum standards of professional competence of the members of insolvency professional agencies;
  - (b) the standards for professional and ethical conduct of the members of insolvency professional agencies ;
  - (c) requirements for enrolment of persons as members of insolvency professional agencies which shall be non-discriminatory
  - (d) for certain entities with networth erosion to commence insolvency resolution process

**Section 179 to Section 183**

1. Adjudicating Authority in relation to Insolvency Matters of Individuals and Firms shall be –
- (a) National Company Law Tribunal
  - (b) Debt Recovery Tribunal
  - (c) Insolvency and Bankruptcy Board of India
  - (d) High Courts



**Question Bank on the Insolvency and Bankruptcy Code, 2016**

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2. The Debt Recovery Tribunal shall be the one having territorial jurisdiction over the place where the Individual Debtor –
  - (a) actually and voluntarily resides
  - (b) carries on business
  - (c) personally works for gain
  - (d) actually and voluntarily resides, carries on business or personally works for gain
3. The Debt Recovery Tribunal shall have jurisdiction to entertain or dispose of –
  - (a) any suit or proceeding by or against the individual debtor
  - (b) any claim made by or against the Corporate debtor
  - (c) any question of priorities or any other question arising out of or in relation to corporate debtors
  - (d) any suit or proceeding by or against the corporate debtor
4. Which of the following Authority has jurisdiction to entertain any suit or proceedings in respect of any matter on which the Debt Recovery Tribunal or the Debt Recovery Appellate Tribunal has jurisdiction under this Code ( except on a question of law )
  - (a) Civil Court
  - (b) National Company Law Tribunal
  - (c) None other than DRT or DRAT
  - (d) Insolvency and Bankruptcy Board of India
5. Which of the following Authorities has power to grant injunction against the Action taken by DRT or DRAT?
  - (a) National Company Law Tribunal
  - (b) Insolvency and Bankruptcy Board of India
  - (c) High Court
  - (d) No court, tribunal or authority
6. Time limit to file an appeal before the Debt Recovery Appellate Tribunal is\_\_\_\_\_ days from Order of the Debt Recovery Tribunal.
  - (a) 15

## **Insolvency and Bankruptcy Code**

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- (b) 30
  - (c) 45
  - (d) 21
7. The Debt Recovery Appellate Tribunal may allow the appeal to be filed within a further period not exceeding ..... days, if there is sufficient cause for not filing within 30 days.
- (a) 15
  - (b) 10
  - (c) 7
  - (d) 3
8. An appeal from an order of the Debt Recovery Appellate Tribunal on a question of law under this Code shall be filed within ..... days before the Supreme Court.
- (a) 35
  - (b) 45
  - (c) 50
  - (d) 60
9. An appeal from an order of the Debt Recovery Appellate Tribunal on a question of law under this Code shall be before –
- (a) High Court
  - (b) National Company Law Tribunal
  - (c) Insolvency and Bankruptcy Board of India
  - (d) Supreme Court
10. The Supreme Court may allow the appeal to be filed within a further period not exceeding ..... days, if there is sufficient cause for not filing within 45 days.
- (a) 10
  - (b) 15
  - (c) 7
  - (d) 3

### **Question Bank on the Insolvency and Bankruptcy Code, 2016**

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11. The Chairperson of the DRAT may allow an application/ Order to be disposed off for a further period not exceeding ..... days, if the case is not disposed off within the prescribed time limit.
  - (a) 7
  - (b) 15
  - (c) 10
  - (d) 3
12. In computing the period of limitation specified for any suit or application in the name and on behalf of a debtor for which an order of moratorium has been made under this Part, the period during which such moratorium is in place shall be-
  - (a) Fully excluded
  - (b) Fully included
  - (c) Partly excluded
  - (d) Partly included
13. An appeal from an order of the Debt Recovery Appellate Tribunal on ..... under this Code shall be filed before the Supreme Court.
  - (a) Question of Law
  - (b) Question of priorities
  - (c) Question of Fact
  - (d) All of the above.

### **Section 184 to Section 187**

1. Penalty for providing false information in any material particulars to the resolution professional under Individual insolvency is –
  - (a) 1 year imprisonment and/ or Rs.5 Lakhs
  - (b) 2 years imprisonment and/ or Rs.5 Lakhs
  - (c) 1 year imprisonment and/ or Rs.2 Lakhs
  - (d) 3 years imprisonment and/ or Rs.5 Lakhs
2. If a creditor, under Individual insolvency, promises to vote in favour of the repayment plan dishonestly by accepting any money, property or security from the debtor and such amount is not quantifiable, the total amount of fine shall not exceed –

## **Insolvency and Bankruptcy Code**

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- (a) Rs. 2 Lakhs
  - (b) Rs. 5 Lakhs
  - (c) Rs. 1 Lakh
  - (d) Rs. 50,000
3. Penalty for false representation or willful omission or concealment of any material information under the Individual Insolvency process
- (a) Imprisonment which may extend to 9 months, or with fine which may extend to Rs. 5 Lakhs, or with both
  - (b) Imprisonment which may extend to 6 months, or with fine which may extend to Rs. 50,000, or with both
  - (c) Imprisonment which may extend to 6 months, or with fine which may extend to Rs. 5 Lakhs, or with both
  - (d) Imprisonment which may extend to 3 months, or with fine which may extend to Rs. 5 Lakhs, or with both
4. Penalty for withholding, destroying or altering Books of Accounts and Financial Information –
- (a) Imprisonment which may extend to 1 year, or with fine which may extend to Rs. 2 Lakhs, or with both
  - (b) Imprisonment which may extend to 1 year, or with fine which may extend to Rs. 5 Lakhs, or with both
  - (c) Imprisonment which may extend to 1 year, or with fine which may extend to Rs. 3 Lakhs, or with both
  - (d) Imprisonment which may extend to 1 year, or with fine which may extend to Rs. 1 Lakh, or with both
5. Where loss incurred due to Fraudulent Misapplication/ Breach of duty of the Bankruptcy Trustee is not quantifiable, the amount of fine imposed shall not exceed –
- (a) Rs. 2 Lakhs
  - (b) Rs. 5 Lakhs
  - (c) Rs. 3 Lakhs
  - (d) Rs. 4 Lakhs

**Question Bank on the Insolvency and Bankruptcy Code, 2016**

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6. Failure to account for any loss incurred of any substantial part of property comprised in the estate of the bankrupt shall be punishable with-
- (a) Imprisonment for a term which may extend to 2 years, or with fine, which may extend to 2 times of the value of the loss, or with both.
  - (b) Imprisonment for a term which may extend to 2 years, or with fine, which may extend to 3 times of the value of the loss, or with both.
  - (c) Imprisonment for a term which may extend to 2 years, or with fine, which may extend to 5 times of the value of the loss, or with both.
  - (d) Imprisonment for a term which may extend to 2 years, or with fine, which may extend to 10 times of the value of the loss, or with both.
7. Penalty for absconding or attempting to abscond after the bankruptcy commencement date-
- (a) Imprisonment which may extend to 1 year, or with which may extend to Rs 1 lakhs, or with both.
  - (b) Imprisonment which may extend to 1 year, or with which may extend to Rs 2 lakhs, or with both.
  - (c) Imprisonment which may extend to 1 year, or with which may extend to Rs 3 lakhs, or with both.
  - (d) Imprisonment which may extend to 1 year, or with which may extend to Rs 5 lakhs, or with both.
8. Which of the following statement is correct under Section 187?
- (a) Bankruptcy Trustee shall be liable under this section even if he seizes or disposes of any property which is not comprised in the estate of the bankrupt and at that time had reasonable grounds to believe that he is entitled to seize or dispose that property.
  - (b) Bankruptcy trustee shall not be liable under this section if he seizes or disposes of any property which is comprised in the estate of the bankrupt and at that time had reasonable grounds to believe that he is entitled to seize or dispose that property.

## **Insolvency and Bankruptcy Code**

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- (c) Bankruptcy trustee shall not be liable under this section if he seizes or disposes of any property which is not comprised in the estate of the bankrupt and at that time had reasonable grounds to believe that he is entitled to seize or disposes that property.
  - (d) Bankruptcy trustee shall not be liable under this section if he seizes or disposes of any property which is not comprised in the estate of the bankrupt but at that time he had no reasonable grounds to believe that he is entitled to seize or dispose that property.
9. Fraudulent Misapplication/ Breach of Duty of the Bankruptcy Trust causing loss, shall be punishable with-
- (a) Fine which shall not be less than 3 times the amount of the loss caused to persons concerned.
  - (b) Imprisonment for a term which may extend to 3 years
  - (c) Both (a) & (b)
  - (d) (a) or (b) or both (a) and (b)

### **Section 235 to Section 241**

1. The Resolution Professional or Liquidator can apply to ..... for issuance of a request, relating to property of the Corporate debtor which is held abroad in a country with which the government has reciprocal arrangements for enforcing the provisions of the Code
  - (a) Adjudicating Authority
  - (b) NCLAT
  - (c) Supreme Court
  - (d) Ministry of External Affairs
2. Notwithstanding anything in the Code of Criminal Procedure, 1973, offences under of this Code shall be tried by the Special Court established under Chapter XXVIII of the
  - (a) Companies Act, 2013
  - (b) Criminal Procedure Code
  - (c) Insolvency and Bankruptcy Code
  - (d) No trial is possible

**Question Bank on the Insolvency and Bankruptcy Code, 2016**

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3. The ..... may, by notification, make rules for carrying out the provisions of this Code
  - (a) Central Government
  - (b) IBBI
  - (c) NCLT
  - (d) NCLAT
4. The rules ..... include aspects beyond the purview of the Act and relating to provisions not contained in the Act
  - (a) May, sometime
  - (b) Shall, if necessary
  - (c) Shall Never
  - (d) There are no rules under the Insolvency and Bankruptcy Code
5. The ..... may, by notification, make regulations for carrying out the provisions of this Code
  - (a) Central Government
  - (b) IBBI
  - (c) NCLT
  - (d) NCLAT
6. The power to make regulations on the manner of making payment of insolvency resolution process costs , the manner of repayment of debts of operational creditors and the other requirements to which a resolution plan shall conform shall be made by
  - (a) Central Government
  - (b) IBBI
  - (c) NCLT
  - (d) NCLAT
7. The rules relating to the form, the manner and the fee for making application before the Adjudicating Authority for initiating corporate insolvency resolution process by operational creditor or financial creditor shall be made by
  - (a) Central Government

## **Insolvency and Bankruptcy Code**

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- (b) IBBI
  - (c) NCLT
  - (d) NCLAT
8. The rules and regulations made under the Code shall be placed before
- (a) Both houses of parliament
  - (b) NCLT
  - (c) NCLAT
  - (d) Only Rules need to be placed before Both houses of parliament
9. The regulations relating to the supply of essential goods or services to the corporate debtor under sub-section (2) of section 14 shall be made by
- (a) Central Government
  - (b) IBBI
  - (c) NCLT
  - (d) NCLAT



## Chapter 2

# Application to Adjudicating Authority Rules

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### Rule 3 and Rule 4

1. Financial contract means a contract between a corporate debtor and a \_\_\_\_\_.
  - (a) Financial Creditor
  - (b) Operational Creditors
  - (c) Both (a) & (b) (Financial Creditors and Operational Creditors)
  - (d) Banker
2. Financial contract should include \_\_\_\_\_ of debt.
  - (a) Term
  - (b) Term, tenure, due date and interest
  - (c) Term and tenure
  - (d) Term, tenure and date
3. Financial creditor can make an application for initiating corporate insolvency resolution \_\_\_\_\_.
  - (a) Single
  - (b) Jointly with other financial creditors
  - (c) Jointly with any creditor
  - (d) Jointly with Operation Creditors
4. Where an applicant under corporate insolvency resolution is an assignee 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

### **Application to Adjudicating Authority Rules**

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5. Applicant under corporate insolvency resolution shall provide a copy of the application filled with Adjudicating Authority to the :
- (a) NCTL
  - (b) Corporate Debtor(s)
  - (c) NCLAT
  - (d) DRT

#### **Rule 5 and 6**

6. An operational creditor shall deliver to the corporate debtor:-
- (a) A demand notice in any Form
  - (b) Demand Notice in Form 3 or invoice copy in Form 4
  - (c) Demand notice in Form 3
  - (d) Demand notice and invoice with Form 4
7. The demand notice of an operational creditor shall be served on the corporate debtor by:-
- (a) Registered Post
  - (b) Speed post
  - (c) Courier
  - (d) Speed Post or Registered Post with Acknowledgement
8. Application filled by a financial creditor with the Adjudicating Authority \_\_\_\_\_.
- (a) Need not be served on anyone
  - (b) Should be served on Corporate Debtor forthwith
  - (c) Should be served on Corporate Debtors within 30 days
  - (d) Should be served within 15 days
9. An application for commencement of insolvency resolution in respect of operational creditors can be initiated in respect of.
- (a) Undisputed debts as on date of Application
  - (b) Debts provided they are undisputed even after admission of application
  - (c) Disputed debts
  - (d) Disputed and undisputed debts

## **Question Bank on the Insolvency and Bankruptcy Code, 2016**

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### **Rule 8**

10. Withdrawal of application will be permitted by AA on the request of \_\_\_\_\_.
- (a) Financial Creditor before admission
  - (b) Applicant before admission
  - (c) Operational Creditor before admission
  - (d) Applicant after admission

### **Rule 9**

11. An application for corporate insolvency resolution process before AA by applicant shall be
- (a) With written Consent of proposed IRP in a letter
  - (b) Does not require any consent from the IRP
  - (c) Requires consent of IRP in Form 2
  - (d) Consent can be provided after admission of the application
12. Creditors other than financial or operational creditors shall file their claim in form for corporate insolvency resolution process?
- (a) Form A
  - (b) Form B
  - (c) Form D
  - (d) Form F
13. The existence of the claim of the other creditors for corporate insolvency resolution process may be proved on the basis of –
- (a) the records available in an information utility, if any or documentary evidence demanding satisfaction of the claim
  - (b) the records available in an information utility, if any or bank statements of the creditor showing non-satisfaction of claim
  - (c) the records available in an information utility, if any or an order of court or tribunal that has adjudicated upon non-satisfaction of claim, if any.
  - (d) Any of the above

## **Application to Adjudicating Authority Rules**

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### **Rule 10**

14. Bulky supporting which are relevant to an application filed before AA for insolvency resolution.
  - (a) Need not be filed at all
  - (b) Need to be Filed only in hard copy
  - (c) Filed in electronic form in scanned format
  - (d) Filed in electronic form in an alterable format
15. Bulky data shall in support of the application to AA 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 AA

## Chapter 3

# Corporate Insolvency Resolution Regulations

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### Regulation 3 to 6

1. Who is eligible to be a Resolution Professional?
  - (a) A person above the age of 30 years.
  - (b) Any person having knowledge of Accounts, Finance and Economics
  - (c) Any person who is independent of the Corporate Debtor.
  - (d) None of the above.
2. An insolvency professional will be considered independent if he
  - (a) If it is debtor to a corporate debtor
  - (b) He is eligible to be appointed as an Independent Director
  - (c) Employee of Statutory Auditor
  - (d) Cost Auditor Firm
3. Mr. X is proposed to be appointed as a RP, 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) 2 years
  - (b) 3 years
  - (c) 6 months
  - (d) 18 months
4. The timeline beyond which a partner of a statutory auditor of a corporate debtor is eligible to be appointed as a RP is
  - (a) 5 years
  - (b) 4 years
  - (c) 7 years

### **Corporate Insolvency Resolution Regulations**

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- (d) 3 years
- 5. A person shall be considered independent of the corporate debtor, if he is not an employee or proprietor or a partner of a legal 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) 13%
  - (b) 25%
  - (c) 10%
  - (d) 30%
- 6. A& B, two resolution professionals being partners of the same law firm would like to represent— A as the RP, B as the representative of the largest financial creditor. This can \_\_\_\_\_.
  - (a) Be done without restrictions
  - (b) not be done not permissible under the code
  - (c) Be done with the approval of NCLT
  - (d) Be done with the permission of NCLT
- 7. The public announcement under CIR shall be done by
  - (a) NCLT
  - (b) DRT
  - (c) DRAT
  - (d) Insolvency Resolution Professional
- 8. An IRP shall make a public announcement within \_\_\_\_\_ days of his appointment.
  - (a) 5 days
  - (b) 3 days
  - (c) 7 days
  - (d) 14 days
- 9. The public announcement under the CIR process shall be published in \_\_\_\_\_ newspaper with circulation in the registered/ principal office of the corporate debtor.
  - (a) English

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- (b) One English and one regional language
  - (c) One regional language paper
  - (d) One English and 2 regional language
10. In addition to public announcement in one English & one regional language paper, the interim resolution professional.
- (a) Cannot publish any additional public announcement
  - (b) Can publish an advertisement in the location where the Corporate debtor conducts material business operation
  - (c) Can publish a Public announcement in a newspaper in the nearest metro
  - (d) Can publish a Public announcement in a newspaper in the location of the largest financial creditor
11. The public notice under the corporate insolvency process shall be issued or placed in
- (a) One English, one regional website, Corporate debtor website , website of board.
  - (b) One English newspaper and regional language
  - (c) One regional language paper and website of debtor
  - (d) One English and website of debtor
12. Expenses of public announcement shall be borne by:-
- (a) Operational creditors
  - (b) Applicant
  - (c) Financial creditor
  - (d) All creditors
13. Expenses on public announcement:-
- (a) Shall not from part of Insolvency Resolution Process Cost
  - (b) Shall be completely borne by financial creditors
  - (c) Shall be borne by Applicant not reimbursable at all
  - (d) Shall form part of Insolvency Resolution Process Cost

### **Corporate Insolvency Resolution Regulations**

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14. "An Insolvency Professional shall make a Public announcement immediately on his appointment as an Interim resolution professional." What does Immediately mean:
- (a) Immediately' means not later than two days from the date of his appointment.
  - (b) Immediately' means not later than three days from the date of his appointment.
  - (c) Immediately' means not later than seven days from the date of his appointment.
  - (d) Immediately' means not later than fifteen days from the date of his appointment.
15. Can the expenses borne by an applicant for Public announcement be claimed?
- (a) No
  - (b) Yes, fully
  - (c) Yes, to the extent committee of creditors ratifies.
  - (d) None of the above.

#### **Regulation 7 to 15**

16. The provisional financial statements of the corporate debtor are required to be furnished when application for insolvency resolution is made by.
- (a) Any creditor
  - (b) Corporate Applicant
  - (c) Financial Creditor
  - (d) Operational Creditor
17. The following are the formats of claims to be submitted by operational creditors, financial creditors, workmen & employees respectively :-
- (a) Same format for all
  - (b) B, C, D
  - (c) B, D, C
  - (d) B, C, C
18. Claims by workmen & employees shall:-



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- (a) Be admitted only when submitted by the concerned workmen
  - (b) Shall be admitted provided proof of employment for the relevant period of dues is also furnished
  - (c) Not be permitted under the Insolvency Resolution Process
  - (d) Shall be certified by Labour Inspector
19. The cost of proving the debt due to creditor shall be borne by:-
- (a) The Debtor
  - (b) The creditor
  - (c) All creditors jointly
  - (d) All Financial creditors
20. A creditor who failed to submit proof of claim within the time stipulated in the public announcement:-
- (a) Has no remedy
  - (b) May permit proof any time before approval of a resolution plan
  - (c) Can get his claim included with the consent of NCLT
  - (d) Can get its claim included with the consent of NCLAT
21. A financial creditor who submits his proof after the last date for submission as per public announcement:-
- (a) Cannot be included in the Committee of Creditors
  - (b) Can be included in Committee of Creditors from Date of Admission of such claim
  - (c) Can be included from date of Constitution of Committee
  - (d) Can be included in Committee of Creditors without voting
22. What is the last date to submit Proof of Claims
- (a) Within 14 days of appointment of Interim Resolution Professional
  - (b) Within 14 days of appointment of Resolution Professional
  - (c) Within 21 days of appointment of Interim Resolution Professional
  - (d) Within 21 days of appointment of Resolution Professional

### **Corporate Insolvency Resolution Regulations**

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23. All creditors other than financial creditors may submit the proof of claims
- (a) in person, by post or by electronic means
  - (b) in person only
  - (c) by post only
  - (d) by electronic means only
24. Who shall determine the amount of claim due to creditor
- (a) Resolution Professional
  - (b) Committee of Creditors
  - (c) Corporate Debtor
  - (d) Adjudicating Authority
25. The IRP or RP shall verify every claim as on the insolvency commencement date within \_\_\_\_\_ date from the last date of receipt of claims.
- (a) 21
  - (b) 28
  - (c) 14
  - (d) 7
26. The list of creditors shall be available for inspection \_\_\_\_\_.
- (a) Only to other claimants
  - (b) To claimants, officers of corporate debtors and website of the entity
  - (c) Only to officers of the Corporate Debtors
  - (d) Only displayed on websites
27. The list of creditors of a corporate debtor shall be displayed on the website of:-
- (a) All creditors
  - (b) Corporate Debtor.
  - (c) MCA
  - (d) MCA and NCLT

## **Question Bank on the Insolvency and Bankruptcy Code, 2016**

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### **Regulation 16 to 26**

28. Where a corporate debtor has no financial creditors, the committee of creditors will constitute of \_\_\_\_\_ .
- (a) Twenty largest operational creditors by value plus one representative from workmen and one representative from employees.
  - (b) Twenty four largest operational creditors by value plus one representative from workmen and one representative from employees.
  - (c) Eighteen largest operational creditors by value plus one representative from workmen and one representative from employees.
  - (d) Twenty five largest operational creditors by value plus one representative from workmen and one representative from employees.
29. In case a corporate debtor has no financial creditors, the committee of creditors shall include 18 largest operational creditors & \_\_\_\_\_.
- (a) Two workmen and two employees.
  - (b) One workmen and one employee.
  - (c) Three workmen and three employees.
  - (d) Four workmen and four employees.
30. For the purpose of determination, the voting rights of a committee of creditors comprised only of operational creditors, total debt shall be.
- (a) Amount due to creditors only.
  - (b) Amount due to creditors and workmen.
  - (c) 80% of the amount due to creditors and workmen.
  - (d) Amount due to creditors, workmen and employees.
31. The first meeting of a committee of creditors shall be conducted within \_\_\_\_\_ days of filing the report of such constitution to the AA.
- (a) 10 days.
  - (b) 15 days.

### **Corporate Insolvency Resolution Regulations**

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- (c) 21 days.
  - (d) 7 days.
32. Creditors representing atleast \_\_\_\_\_ % of the voting rights may require a resolution professional to convene a meeting.
- (a) 50%
  - (b) 33%
  - (c) 75%
  - (d) 25%
33. 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.
34. 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.
35. 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.
36. 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.

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- (d) Venue, date, time, option to attending the video conferencing and permission to an authorised representative.
- 37. A meeting of COC shall have a valid quorum if members represent atleast \_\_\_\_\_.
  - (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.
- 38. 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.
- 39. 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.
- 40. 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.
- 41. 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.

### **Corporate Insolvency Resolution Regulations**

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- (d) Each and every hour.
- 42. 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.
- 43. 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.
- 44. 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.
- 45. 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.

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46. At the conclusion of a voting process the resolution professional shall announce the result of the voting
- (a) Immediately at the conclusion of the meeting
  - (b) Within 48 hours of the conclusion of the meeting
  - (c) Within 72 hours of the conclusion of the meeting
  - (d) Within 5 days of the conclusion of the meeting
47. The RP shall circulate the results of the meeting of COC within \_\_\_\_ to all participants.
- (a) 48 hours.
  - (b) Within 36 hours.
  - (c) 22 hours.
  - (d) 24 hours.

**Regulation 27 to 34**

48. The interim Resolution Professional shall within----- days appoint ----- registered valuers to determine the liquidation value.
- (a) 7, 2
  - (b) 14,2
  - (c) 15,3
  - (d) 21,3
49. A registered valuer in a corporate liquidation process cannot be an auditor of the corporate debtor in the past \_\_\_\_ years.
- (a) 3
  - (b) 7
  - (c) 5
  - (d) 2
50. The IRP shall not appoint a registered valuer who is.
- (a) Chartered accountant.
  - (b) His relative
  - (c) Cost accountant
  - (d) Company secretary

### **Corporate Insolvency Resolution Regulations**

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51. If a financial creditor transfers his debt to another creditor, that another creditor shall \_\_\_\_.
- (a) Not be eligible to be on committee of creditors.
  - (b) Shall be eligible forthwith.
  - (c) He shall be eligible provided his debt is more than 10% of total debt.
  - (d) Shall be eligible provided the details are furnished to the interim resolution professional who cognizes for the same.
52. When shall a resolution professional notify the participants and the Adjudicating authority of any resultant change in the committee due to transfer of a debt.
- (a) Within 2 days of change
  - (b) Within 5 days of change
  - (c) Within 7 days of change
  - (d) Within 14 days of change
53. The resolution professional may sell unencumbered assets of the debtor provided such assets do not exceed % of claims admitted.
- (a) 5%
  - (b) 15%
  - (c) 20%
  - (d) 10%
54. Sale of unencumbered assets by the resolution professional \_\_\_\_.
- (a) Shall be done provided book value does not exceed 15% of total admitted claim.
  - (b) Shall be done provided the sale approved by the creditor.
  - (c) Can never be done by the resolution professional.
  - (d) Can be done to any extent provided the sale is critical to protect realizations.
55. Sale of unencumbered assets of the corporate debtor by the resolution professional can be done provided value does not exceed 10% of total admitted claims.
- (a) Book value.



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- (b) Market value.
  - (c) Fair value.
  - (d) Value as determined by registered valuer.
56. Insolvency resolution process costs include
- (a) Interest cost on debt payable contracted
  - (b) Interest on salaries.
  - (c) All costs during 180 days moratorium period.
  - (d) Amounts relating to supply of essential goods & services
57. Electricity costs specified as essential costs include.
- (a) Include all electricity cost.
  - (b) Electricity only for production.
  - (c) Electricity only for office use.
  - (d) Electricity cost provided not at direct input to the output produced or supplied by the corporate debtor.
58. The expenses incurred on or by the interim resolution professional shall be fixed by the
- (a) Applicant only.
  - (b) Committee of creditor.
  - (c) Applicant or adjudicating authority where not fixed by the applicant.
  - (d) The board of directors of corporate debtor.
59. Costs of Insolvency Resolution Professional costs are considered as insolvency resolution process costs with highest priority provided the same is
- (a) Ratified by the committee of creditors
  - (b) Shall be restricted to actual costs or 10 lakhs whichever is lesser.
  - (c) Costs restricted to the maximum of 25 lakhs
  - (d) Costs restricted to 10% of the total value of the debt

## **Corporate Insolvency Resolution Regulations**

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### **Regulation 35 to 36**

60. Liquidation value is the estimated realizable value of the assets , if the corporate were to be liquidated on the.
- (a) Application date
  - (b) Insolvency commencement date.
  - (c) Date of constitution of committee of creditors.
  - (d) At the end of the moratorium period.
61. Liquidation value shall be determined by.
- (a) Two registered valuers.
  - (b) One registered valuer.
  - (c) Three registered valuers.
  - (d) Four registered valuers.
62. Liquidation value shall be determined after .....
- (a) Physical verification of assets only
  - (b) Physical verification of inventories only
  - (c) Due consideration of International Valuation Standards
  - (d) Physical verification of inventory & Fixed Assets and in accordance with international valuation standards.
63. The liquidation value shall be provided by the interim resolution professional to the Committee of Creditors in
- (a) Electronic form.
  - (b) Hard copy of the report only.
  - (c) In Any form within 25 days of insolvency commencement.
  - (d) In electronic form within 1 month of insolvency commencement.
64. Report on the liquidation value shall be provided to
- (a) NCLT.
  - (b) Committee of creditors.
  - (c) BOD's
  - (d) Financial institutions.

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65. The information memorandum shall be submitted by the resolution professional to
- (a) Each member of committee of creditors.
  - (b) NCLT.
  - (c) BOD's
  - (d) Financial institutions.
66. When there is wide variance in the liquidation value of the valuers, the following shall be considered.
- (a) lower of the two
  - (b) Higher of the two
  - (c) Average of the two
  - (d) Another registered valuer shall be appointed and the average of the two closest estimates shall be considered.
67. Information memorandum shall contain audited financial statements for last financial years.
- (a) 2 yrs.
  - (b) 4 yrs.
  - (c) 3 yrs.
  - (d) 5 yrs.
68. Information memorandum shall include provisional financial statements for the current year upto a date not earlier than \_\_\_\_ days from the date of application.
- (a) 21 days
  - (b) 6 months
  - (c) 14 days.
  - (d) 3 months
69. The Information Memorandum shall include names and addresses of the members or the partners holding not less than \_\_\_\_\_ stake.
- (a) 10%
  - (b) 5%

## **Corporate Insolvency Resolution Regulations**

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- (c) 20%
  - (d) 1%.
70. The interim resolution professional can share the information memorandum.
- (a) After receiving an undertaking of confidentiality.
  - (b) Freely
  - (c) Through public announcement.
  - (d) Shall share to the adjudicating authority also.

### **Regulation 37 to 40**

71. Resolution plan may.
- (a) Not provide for amendment of constitutional documents.
  - (b) Provide for reduction in the amount payable to the creditors.
  - (c) Not provide for sale of assets.
  - (d) Not provide for modification of security interest.
72. A Resolution Plan shall include:
- (a) details of the resolution applicant and other connected persons to enable the committee to assess the credibility of such applicant and other connected persons to take a prudent decision while considering the resolution plan for its approval.
  - (b) a statement as to how it has dealt with the interests of all stakeholders, including financial creditors and operational creditors, of the corporate debtor.
  - (c) (a) and (b)
  - (d) (a) or (b)
73. What shall 'details' not include in respect of the resolution applicant and other connected person:
- (a) conviction for any offence , if any, during the preceding ten years;
  - (b) criminal proceedings pending, if any;
  - (c) disqualification, if any, under Companies Act, 2013, to act as a director;

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- (d) identification as a wilful defaulter, if any, by any bank or financial institution or consortium thereof in accordance with the guidelines of the Reserve Bank of India;
74. The expression 'connected persons' does not include-
- (a) persons who are promoters or in the management or control of the resolution applicant;
  - (b) persons who will be promoters or in management or control of the business the corporate debtor during the implementation of the resolution plan;
  - (c) holding company, subsidiary company, associate company and related party of the persons referred to in items (a) and (b).
  - (d) persons who are promoters or in the management immediately two years before the resolution process.
75. The resolution professional shall submit to the committee all resolution plans which comply with the requirements of the Code and regulations made thereunder along with the details of following transactions, if any, observed, found or determined by him:
- (a) preferential transactions u/s 43 and fraudulent transactions u/s 66;
  - (b) undervalued transactions u/s 45;
  - (c) extortionate credit transactions under section 50;
  - (d) All of the above
76. The insolvency resolution process costs and first priority of the same.
- (a) Shall be optionally provided in the resolution plan.
  - (b) Shall be provided if approved by Committee of Creditors.
  - (c) Shall be compulsorily provided for the resolution plan.
  - (d) Need not be provided in the resolution plan.
77. The resolution plan shall provide for
- (a) Term of plan.
  - (b) Implementation schedule.
  - (c) Control of business in the interim period.

### **Corporate Insolvency Resolution Regulations**

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- (d) Term of plan, implementation, see control of business and means of supervision during its implementation.
- 78. The resolution plan shall be presented at least \_\_\_\_ days before expiry of maximum period permitted under section 12 for the corporate insolvency period
  - (a) 30
  - (b) 15
  - (c) 45
  - (d) 60
- 79. The resolution plan is considered to be final provided it is approved by the .
  - (a) Resolution professional.
  - (b) Committee of Creditors & Adjudicating Authority
  - (c) Committee of Creditors.
  - (d) Board of Directors.

## Chapter 4

# Insolvency Professional Agencies Regulations

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### Regulation 3

1. A person shall not be eligible to be registered as an insolvency professional agency unless it is a.
  - (a) Company
  - (b) LLP
  - (c) Company or LLP
  - (d) Section 8 company
2. The eligibility criteria to be registered as an insolvency professional agency includes minimum networth of
  - (a) 15 crore rupees
  - (b) 10 crore rupees
  - (c) 20 crore rupees
  - (d) 5 crore rupees
3. The eligibility criteria to be registered as an insolvency professional agency includes a requirement of a paid up share capital of .
  - (a) 15 crore rupees
  - (b) 5 crore rupees
  - (c) 20 crore rupees
  - (d) 10 crore rupees
4. An insolvency professional agency should not have more than \_\_\_\_ % of its share capital held, directly or indirectly, by persons resident outside India.
  - (a) 45
  - (b) 49
  - (c) 50
  - (d) 51

### **Insolvency Professional Agencies Regulations**

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5. 5. An Insolvency Professional Agency should not be a subsidiary of a body corporate through more than \_\_\_\_\_ layer(s).
- (a) One
  - (b) Two
  - (c) Three
  - (d) Four

#### **Regulation 4**

6. The application fee for registration as an insolvency professional agency is.
- (a) 15 lakh rupees
  - (b) 10 lakh rupees
  - (c) 20 lakh rupees
  - (d) 5 lakh rupees
7. A company eligible for registration as an Insolvency Professional Agency may make an application to the Insolvency and Bankruptcy Board of India in \_\_\_\_\_ of the Schedule to the Insolvency and Bankruptcy Board of India (Insolvency Professional Agencies) Regulations, 2016.
- (a) Form A
  - (b) Form B
  - (c) Form C
  - (d) Form D
8. An Insolvency Professional Agency who has been granted registration under Regulation 5, may ----- before the expiry of such registration, make an application for renewal.
- (a) 1 month
  - (b) 2 months
  - (c) 3 months
  - (d) 6 months
9. If an Insolvency Professional Agency is applying for a renewal of its registration to the Board, what is the non-refundable application fee it needs to pay?



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- (a) One lakh rupees
- (b) Five lakh rupees
- (c) Ten lakh rupees
- (d) Two lakhs rupees

**Regulation 5**

10. An insolvency professional agency may be granted certificated of registration within \_\_\_\_\_ days of receipt of the application by the board.
- (a) 30 days
  - (b) 45 days
  - (c) 60 days
  - (d) 90 days
11. The certificate of registration shall be valid for a period of \_\_\_\_\_ years from the date of issue.
- (a) 3
  - (b) 2
  - (c) 5
  - (d) 4
12. An insolvency professional agency shall pay a fee of \_\_\_\_\_ rupees to a board, payable every year after a year in which the certificate is granted or renewed.
- (a) 5 lakh
  - (b) 3 lakh
  - (c) 2 lakh
  - (d) 4 lakh
13. An Insolvency Professional Agency shall seek approval of the Board when a person, other than a statutory body, seeks to hold more than - \_\_\_\_\_, directly or indirectly, of the share capital of the Insolvency Professional Agency.
- (a) 10%
  - (b) 15%

### **Insolvency Professional Agencies Regulations**

- (c) 20%
- (d) 25%

#### **Regulation 7**

14. An Insolvency Professional Agency may submit an application for surrender of its certificate of registration to the Board , providing :
- (a) The reasons for such surrender
  - (b) Details of all the pending or ongoing engagements under the Code of the Insolvency Professionals enrolled with it
  - (c) Manner in which it seeks to wind up its affairs as an Insolvency Professional Agency
  - (d) All of the above

#### **Regulation 8**

15. 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
16. 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
17. 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

### **Question Bank on the Insolvency and Bankruptcy Code, 2016**

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18. The Order passed by the Disciplinary Committee shall not become effective until -----have elapsed from the date of issue of the order.
- (a) 10 days
  - (b) 15 days
  - (c) 30 days
  - (d) 21 days
19. 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

#### **Regulation 10**

20. 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
21. 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

## Chapter 5

# Model Bye Laws and Governing Board of IPA

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### Regulation 4

1. 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
2. Within how many days from the date of passing of resolution for the amendment of its byelaws, the Insolvency Professional Agency has to file it with the Insolvency and Bankruptcy Board of India?
  - (a) 7 days
  - (b) 14 days
  - (c) 15 days
  - (d) 30 days
3. The Insolvency Professional Agency shall file a printed copy of the amended byelaws with the Insolvency and Bankruptcy Board of India within -----from the date when such amendment is made effective.
  - (a) 7 days
  - (b) 15 days
  - (c) 21 days
  - (d) 30 days

### Regulation 5

4. The Governing board of Insolvency Professional Agency shall have a minimum of \_\_\_\_\_ directors

**Question Bank on the Insolvency and Bankruptcy Code, 2016**

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- (a) 7
  - (b) 4
  - (c) 6
  - (d) 5
5. The Directors of an Insolvency Professional Agency shall be persons \_\_\_\_\_ at the time of their appointment
- (a) Not being independent directors elsewhere
  - (b) Not in public service
  - (c) Residents of India
  - (d) Not Serving on the Boards of Financial institutions
6. No meeting of the Governing Board of Insolvency Professional Agency shall be held without the presence of \_\_\_\_\_ directors
- (a) One director
  - (b) Atleast 1 independent
  - (c) 2 directors
  - (d) More than 2
7. Not more than \_\_\_\_\_ of the Directors of an Insolvency Professional Agency shall be insolvency professionals
- (a)  $\frac{1}{4}$
  - (b)  $\frac{2}{3}$
  - (c)  $\frac{1}{3}$
  - (d)  $\frac{3}{4}$
8. The Directors shall elect an independent director as the \_\_\_\_\_ of the governing board
- (a) Member
  - (b) Secretary
  - (c) President
  - (d) Chairperson

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## Model Bye Laws and Governing Board of IPA

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### Regulation 8

9. The Governing board of Insolvency Professional Agency shall constitute \_\_\_\_\_.
- (a) Membership committee
  - (b) Monitoring committee
  - (c) Grievances redressal committee
  - (d) Membership, Disciplinary, Monitoring and Grievance Redressal Committees
10. The Chairperson of the Monitoring committee of an Insolvency Professional Agency shall be an \_\_\_\_\_ of the agency
- (a) Independent director
  - (b) Dependent
  - (c) Resident
  - (d) Non resident

### Regulation 10

11. An Individual may apply for enrolment as an Insolvency Professional to the \_\_\_\_\_ by submitting an application in such form, in such manner and with such fees as may be specified by the agency
- (a) NCLT
  - (b) Insolvency Professional Agency
  - (c) DRT
  - (d) IBBI
12. If the Application has been rejected, the applicant may appeal to the membership committee of the agency within \_\_\_\_\_ days from the receipt of such decisions
- (a) 20
  - (b) 10
  - (c) 30
  - (d) 15
13. If an applicant is aggrieved of a decision rejecting his application for enrolment as Professional member by an Insolvency Professional

### **Question Bank on the Insolvency and Bankruptcy Code, 2016**

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Agency, to which of the following committees of the Insolvency Professional Agency should the applicant may appeal?

- (a) Monitoring Committee
- (b) Membership Committee
- (c) Grievance Redressal Committee
- (d) Disciplinary Committee

#### **Regulation 15**

14. The Agency shall have a \_\_\_\_\_ to monitor the professional activities

- (a) Professional Policy
- (b) Monitoring policy
- (c) Conduct Policy
- (d) Inquiry Policy

#### **Regulation 16**

15. How many times in a year shall a professional member submit information, including records of ongoing and concluded assignments as an insolvency professional to the Insolvency Professional Agency?

- (a) Atleast Once
- (b) Atleast Two times
- (c) Atleast Three times
- (d) Atleast Four times

16. Which Committees of the Insolvency Professional Agency shall review the information and records submitted by the professional members of the said Insolvency Professional Agency with respect to ongoing and concluded engagements?

- (a) Membership Committee
- (b) Monitoring Committee
- (c) Advisory committee
- (d) Disciplinary Committee

## **Model Bye Laws and Governing Board of IPA**

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### **Regulation 24**

17. The Disciplinary Committee of the Insolvency Professional Agency may pass an order for expulsion of a professional member if the member has committed an offence punishable with imprisonment for a term exceeding\_\_\_\_\_
- (a) 3 Months
  - (b) 6 months
  - (c) 1 Year
  - (d) 3 years

### **Regulation 25**

18. Any person aggrieved of an order of the Disciplinary Committee may prefer an appeal before \_\_\_\_\_ within \_\_\_\_\_ days.
- (a) National Company Law Tribunal, 60 days
  - (b) National Company Law Appellate Tribunal, 30 days
  - (c) Board , 60 days
  - (d) Appellate Panel, 30 days
19. The Appellate Panel shall dispose of the appeal within -----of the receipt of the appeal.
- (a) 21 days
  - (b) 30 days
  - (c) 60 days
  - (d) 45 days

### **Regulation 26**

20. A professional member shall make an application for temporary surrender of his membership of the Agency, if he.
- (a) becomes a person not resident in India
  - (b) takes up employment
  - (c) starts any business, except as specifically permitted under the Code of Conduct
  - (d) Any of the above



**Question Bank on the Insolvency and Bankruptcy Code, 2016**

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21. 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

## Chapter 6

# Insolvency Professional Regulations

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### Regulation 4

1. 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) Not a Professionally qualified person
2. If an individual has been convicted by any competent court, he shall:
  - (a) not be considered eligible to be registered as an Insolvency Professional for a term of three years
  - (b) not be considered eligible to be registered as an Insolvency Professional for an offence involving moral turpitude and a period of three years has not elapsed from the date of expiry of the sentence.
  - (c) not be considered eligible to be registered as an Insolvency Professional, if punishable with imprisonment for a term exceeding six months or for an offence involving moral turpitude, and a period of five years has not elapsed from the date of expiry of the sentence.
  - (d) not be considered eligible to be registered as an Insolvency Professional, if punishable with imprisonment for a term exceeding six months or for an offence involving moral turpitude and a period of two years has not elapsed from the date of expiry of the sentence.
3. The Criteria for determining whether an Individual is fit and proper under the regulations of the Board includes \_\_\_\_\_.
  - (a) Integrity and reputation only
  - (b) Absence of Conviction and restraint orders
  - (c) Competence, including Financial Solvency and Net worth

### **Question Bank on the Insolvency and Bankruptcy Code, 2016**

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- (d) Integrity, reputation, absence of Conviction and restraint orders and competence, including Financial Solvency and Net worth

#### **Regulation 5**

4. One of the Eligibility Criteria for an Individual for registration as an Insolvency Professional is \_\_\_\_\_.
  - (a) Post graduate in Finance
  - (b) A Company Secretary only
  - (c) A Graduate and also passed the Limited Insolvency Examination
  - (d) A Chartered Accountant only
5. For a MBA to be eligible to be registered as an insolvency professional, should have passed the Limited Insolvency Examination and should have \_\_\_\_\_ years of experience in management.
  - (a) 10
  - (b) 15
  - (c) 20
  - (d) 12
6. Which of the following is mandatory qualification and experience required to be registered as an Insolvency Professional with any Insolvency professional Agency
  - (a) Passing of National Insolvency Examination and having experience of 10 years as member of ICSI/ICAI/ICWAI
  - (b) Practiced as a Financial Analyst for more than 10 years
  - (c) 5 years of experience as a member of ICSI/ICAI/ICWAI
  - (d) Passing of National Insolvency Examination or passing of Limited Insolvency Examination and having experience of ten years as member of ICSI/ICAI/ICWAI

#### **Regulation 6**

7. Application for Certificate of Registration by an Insolvency Professional enrolled with an Insolvency Professional Agency shall be made to \_\_\_\_\_.
  - (a) NCLT

### **Insolvency Professional Regulations**

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- (b) Insolvency Professional Agency
  - (c) DRT
  - (d) IBBI
8. In what time, the Board shall acknowledge receipt of an application for certificate of registration as an Insolvency Professional?
- (a) 3 days of Receipt.
  - (b) 7 days of Receipt.
  - (c) 10 days of Receipt.
  - (d) 21 days of Receipt.
9. An individual enrolled with an insolvency professional agency may make an application to the Board in
- (a) Form A
  - (b) Form B
  - (c) Form C
  - (d) Form D
10. An individual may make an application to the Board for registration as an Insolvency Professional with a non-refundable application fee of ---  
-----
- (a) Fifteen thousand rupees
  - (b) Twenty thousand rupees
  - (c) Ten thousand rupees
  - (d) Twenty five thousand rupees

#### **Regulation 7**

11. Board shall within \_\_\_\_\_ days, after due process as it deems fit grant certificate of Registration to the Insolvency Professional
- (a) 60
  - (b) 45
  - (c) 30
  - (d) 15

**Question Bank on the Insolvency and Bankruptcy Code, 2016**

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12. The Board may grant a certificate of registration to an applicant applying for registration to be an Insolvency Professional as per \_\_\_\_\_
- (a) Form A
  - (b) Form B
  - (c) Form C
  - (d) Form D
13. What fee should the Insolvency Professional pay to the Board every 5 Years after the year in which the certificate of registration is granted?
- (a) Five thousand rupees
  - (b) Ten thousand rupees
  - (c) Fifteen thousand rupees
  - (d) Twenty five thousand rupees
14. 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
15. For how many years will an Insolvency professional maintain the records in respect of assignments completed/ undertaken by him:
- (a) 8 years
  - (b) 5 years
  - (c) 3 years
  - (d) None
16. Can a person render services as insolvency professional if he is not a citizen of India?

### **Insolvency Professional Regulations**

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- (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.

#### **Regulation 8**

17. After considering the explanation from the applicant, the Board shall communicate its decision to accept or reject the application within \_\_\_\_\_ days of the receipt of the explanation.
- (a) 15
  - (b) 30
  - (c) 45
  - (d) 60

#### **Regulation 9**

18. Limited Period registration is valid for \_\_\_\_\_ months.
- (a) 9
  - (b) 3
  - (c) 6
  - (d) 15
19. An Individual shall be eligible to be registered for a limited period as an Insolvency Professional if he has been in practice for 15 years as \_\_\_\_\_.
- (a) Chartered Accountant
  - (b) Company Secretary
  - (c) Cost Accountant
  - (d) Chartered Accountant, Company Secretary, Cost Accountant and Lawyer
20. The Insolvency Professional shall \_\_\_\_\_ the pending assignments undertaken before the expiry of his limited registration.

**Question Bank on the Insolvency and Bankruptcy Code, 2016**

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- (a) Terminate
- (b) Complete
- (c) Transfer to another Insolvency Professional
- (d) Let the corporate debtor to decide on the status of

**Regulation 10**

21. 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.

**Regulation 11**

22. The Disciplinary Committee shall endeavour to dispose off the show-cause notice on an Insolvency Professional within a period of \_\_\_\_\_ months of the assignments.
- (a) 3
  - (b) 9
  - (c) 6
  - (d) 12
23. An order disposing off a show cause notice in Disciplinary proceedings may provide for-
- (a) Warning
  - (b) No action
  - (c) Reference to the Board to take any action
  - (d) Any of the above.

**Regulation 12**

24. An Insolvency professional entity can be \_\_\_\_\_.
- (a) Only a Section 8 Company
  - (b) A Registered Partnership Firm
  - (c) An LLP

### **Insolvency Professional Regulations**

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- (d) A Company, A Registered Partnership Firm or an LLP
- 25. 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 %
- 26. Which of the following entity is not eligible to be an Insolvency Professional Entity?
  - (a) Unregistered Partnership Firms
  - (b) Company
  - (c) LLP
  - (d) None of the above.
- 27. 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.
- 28. Can Insolvency Professional be engaged in any employment?
  - (a) Yes, after obtaining prior approval from IBBI
  - (b) Yes, post an expiry of two years from the date of being an Insolvency Professional
  - (c) Yes, any employment which is in line with his profession
  - (d) No, except when he has temporarily surrendered his certificate of membership with the agency he had registered.



## Chapter 7

# Engagement of Research Associates and Consultants Regulations

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1. Who shall appoint the Executive Director as required for engagement of Research Associate and Consultants?
  - (a) IBBI
  - (b) IPA
  - (c) IU
  - (d) IP's
2. How many Research Associate and Consultants can be engaged as per the Regulation by the Board?
  - (a) Maximum 100
  - (b) Only 25
  - (c) Any number as it may deem fit
  - (d) Not empowered
3. The eligibility for Research Associates and Consultants for different disciplines shall be as given in
  - (a) Schedule I
  - (b) Schedule II
  - (c) Schedule III
  - (d) Schedule IV
4. What is the amount of Remuneration payable to Research Associates and Consultants engaged?
  - (a) consolidated remuneration in accordance with Schedule I
  - (b) consolidated remuneration in accordance with Schedule II
  - (c) consolidated remuneration in accordance with Schedule III
  - (d) consolidated remuneration in accordance with Schedule IV

### **Engagement of Research Associates and Consultants Regulations**

5. When will the performance of each Research Associate and Consultant be reviewed
  - (a) every month with reference to tasks assigned and output delivered
  - (b) every 2 months with reference to tasks assigned and output delivered
  - (c) every 6 months with reference to tasks assigned and output delivered
  - (d) every year with reference to tasks assigned and output delivered
6. Invitation to apply for the post of Research Associate and Consultant shall be published -
  - (a) on the website of the Board
  - (b) through Television advertisements
  - (c) Only through specific letter
  - (d) On the website of the Board and if needed a public notice
7. Engagement of Research Associates shall be done in any one of the-
  - (a) Two Levels
  - (b) Four Levels
  - (c) Five Levels
  - (d) Ten Levels
8. A Research Associate or Consultant shall be entitled to which of the below compensation or facility
  - (a) an allowance of Rs 20000/- per month
  - (b) free monthly Medical check up
  - (c) Annual Bonus of Rs 50000/-
  - (d) Annual leave of 12 days
9. Who shall not be a part of Selection Committee constituted for the purpose of selecting Research Associates and Consultants?
  - (a) Chairperson
  - (b) Executive Director

**Question Bank on the Insolvency and Bankruptcy Code, 2016**

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- (c) External expert
  - (d) Ex- Officio Members
10. Level 1 Research Associate shall be engaged at a consolidated monthly remuneration of Rupees
- (a) 40000/-
  - (b) 50000/-
  - (c) 60000/-
  - (d) 70000/-
11. In case the number of candidates in a list of eligible candidates is more than \_\_\_\_\_ the number of Research Associates or Consultants to be engaged, a committee of officers will prepare a short list of candidates.
- (a) Twice
  - (b) Four times
  - (c) Five times
  - (d) Thrice
12. The Executive Director shall inform each candidate in writing by an offer letter of engagement giving not less than \_\_\_\_\_ time to accept the offer of engagement.
- (a) Seven days
  - (b) Ten days
  - (c) Fifteen days
  - (d) Fourteen days
13. After receipt of acceptance from the selected candidates, the Executive Director shall issue a letter of engagement to each candidate giving not less than \_\_\_\_\_ time to join.
- (a) 10 days
  - (b) 15 days
  - (c) 30 days
  - (d) 45 days

#### **Engagement of Research Associates and Consultants Regulations**

14. A selected candidate shall be engaged as Research Associates or Consultants on contractual basis for not less than \_\_\_\_\_ and not more than \_\_\_\_\_.
- (a) Three months, one year
  - (b) Six months, two years
  - (c) Eight months, two years
  - (d) One year, three years

## Chapter 8

# IBBI (Voluntary Liquidation Process) Regulations, 2017

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1. When did the Regulations on Voluntary Liquidation Process came into force?
  - (a) 9<sup>th</sup> December 2016
  - (b) 31<sup>st</sup> January 2017
  - (c) 30<sup>th</sup> March, 2017
  - (d) 1<sup>st</sup> April, 2017
2. What does liquidation commencement date mean?
  - (a) the date on which the proceedings for voluntary liquidation commence
  - (b) the date on which the application for voluntary liquidation is submitted
  - (c) the date on which the submissions for voluntary liquidation commence
  - (d) the date on which the public announcement is made
3. Liquidation proceedings of a corporate person shall be initiated if a declaration is received from-
  - (a) majority of the designated partners, if a corporate person is a limited liability partnership
  - (b) minority of the designated partners, if a corporate person is a limited liability partnership
  - (c) any applicant
  - (d) majority of directors, if a corporate person is a limited liability partnership
4. The declaration for Liquidation shall be accompanied with the following documents, namely:
  - (a) audited financial statements and record of business operations of the corporate person for the previous two years

### **IBBI (Voluntary Liquidation Process) Regulations, 2017**

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- (b) audited financial statements and record of business operations of the corporate person for the previous three years
  - (c) audited financial statements and record of business operations of the corporate person for the previous five years
  - (d) audited financial statements and record of business operations of the corporate person for the previous one year
- 5. 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
- 6. 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.
- 7. An insolvency professional shall not be eligible to be appointed as a liquidator if
  - (a) he is under a restraint order of the Board
  - (b) the insolvency professional entity of which he is a partner is under a restraint order of the Board.
  - (c) the insolvency professional entity of which he is a director is under a restraint order of the Board.
  - (d) All of the above.

**Question Bank on the Insolvency and Bankruptcy Code, 2016**

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8. What Reports are to be prepared and submitted by the Liquidator?
  - (a) Preliminary Report;
  - (b) Annual Status Report;
  - (c) Final Report
  - (d) All of the above
9. The liquidator shall submit a Preliminary Report to the corporate person within \_\_\_\_\_ days from the liquidation commencement date.
  - (a) 30 days
  - (b) 45 days
  - (c) 60 days
  - (d) 21 days
10. The liquidator shall not engage a professional who is his relative, is a related party of the corporate person or has served as an auditor to the corporate person at any time during the \_\_\_\_\_ preceding the liquidation commencement date.
  - (a) Two years
  - (b) Three years
  - (c) Five years
  - (d) Ten years
11. Claims by Operational Creditors are to be filled in Form
  - (e) Form B of Schedule I
  - (f) Form C of Schedule I
  - (g) Form D of Schedule I
  - (h) Form E of Schedule I
12. Claims by Financial Creditors are to be filled in Form
  - (a) Form B of Schedule I
  - (b) Form C of Schedule I
  - (c) Form D of Schedule I
  - (d) Form E of Schedule I

**IBBI (Voluntary Liquidation Process) Regulations, 2017**

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13. Claims by Workmen and Employees are to be filled in Form
  - (a) Form B of Schedule I
  - (b) Form C of Schedule I
  - (c) Form D of Schedule I
  - (d) Form E of Schedule I
14. Claims by stakeholders other than Operational creditors, financial creditors and workmen and employees are to be filled in Form
  - (a) Form C of Schedule I
  - (b) Form D of Schedule I
  - (c) Form E of Schedule I
  - (d) Form F of Schedule I
15. The existence of a security interest may 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) All of the above
16. The capital structure of a corporate person shall be included in-
  - (a) Annual Status Report
  - (b) Preliminary Report
  - (c) Minutes of consultations with stakeholders
  - (d) Final Report
17. The liquidator shall make a public announcement in Form A of Schedule I within \_\_\_\_\_ from his appointment-
  - (a) Five days
  - (b) Seven days
  - (c) Ten days
  - (d) Fifteen days



**Question Bank on the Insolvency and Bankruptcy Code, 2016**

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18. Where there are dues to numerous workmen or employees of the corporate person, an authorized representative may submit one proof of claim for all such dues on their behalf in Form-
- (a) Form B of Schedule I
  - (b) Form C of Schedule I
  - (c) Form D of Schedule I
  - (d) Form E of Schedule I
19. The liquidator shall verify the claims submitted within\_\_\_\_\_ from the last date for receipt of claims-
- (a) 10 days
  - (b) 15 days
  - (c) 30 days
  - (d) 45 days
20. The liquidator shall prepare the list of stakeholders within\_\_\_\_\_ from the last date for receipt of claims-
- (a) 10 days
  - (b) 15 days
  - (c) 30 days
  - (d) 45 days
21. All payments out of the bank account by the liquidator above Rs.\_\_\_\_\_ shall be made by cheques drawn or online banking transactions-
- (a) 2,000
  - (b) 5,000
  - (c) 10,000
  - (d) 15,000
22. The liquidator shall distribute the proceeds from realization within \_\_\_\_\_ from the receipt of the amount to the stakeholders-
- (a) Two months
  - (b) Three months

**IBBI (Voluntary Liquidation Process) Regulations, 2017**

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- (c) Six months
  - (d) Twelve months.
23. The liquidator shall endeavour to complete the liquidation process of the corporate person within \_\_\_\_\_ from the liquidation commencement date-
- (a) Three months
  - (b) Six months
  - (c) Twelve months
  - (d) Eighteen months
24. Any liquidator who retains any money which should have been paid by him into the Companies Liquidation Account shall pay interest on the amount retained at the rate of-
- (a) three per cent per annum
  - (b) six per cent per annum
  - (c) twelve per cent per annum
  - (d) eighteen per cent per annum
25. Any money paid into the Companies Liquidation Account, which remains unclaimed thereafter for a period of \_\_\_\_\_ shall be transferred to the general revenue account of the Central Government-
- (a) Five years
  - (b) Seven years
  - (c) Ten years
  - (d) Fifteen years
26. For how many years the liquidator shall preserve a physical or an electronic copy of the reports, registers and books of account after the dissolution of the corporate person-
- (a) Five years
  - (b) Seven years
  - (c) Eight years
  - (d) Ten years

## Chapter 9

# IBBI (Inspection & Investigation) Regulations, 2017

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1. Who shall not be considered as an associated person?
  - (a) Proprietor
  - (b) Partner
  - (c) Director
  - (d) None of the above.
2. Who is considered as a Service Provider under the Insolvency and Bankruptcy Code?
  - (a) Information Utility
  - (b) Banks
  - (c) Telecommunication Companies
  - (d) None of the above
3. Under what circumstances can an inspection of a Service Provider by the Board be ordered and conducted.
  - (a) to ensure that the records are being maintained by a service provider in the required manner;
  - (b) to ascertain whether adequate internal control systems have been established
  - (c) to ascertain whether circumstance exists which render a service provider unfit or ineligible;
  - (d) All of the above
4. What shall be the contents of an order directing the Inspection of a Service Provider?
  - (a) Scope of Investigation
  - (b) Submission of Inspection Report
  - (c) Reporting of Progress in Inspection
  - (d) All of the above.

**IBBI (Inspection & Investigation) Regulations, 2017**

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5. The Inspecting Authority shall serve a notice of inspection to the service provider at least \_\_\_\_\_ days before the commencement of inspection.
  - (a) 7
  - (b) 10
  - (c) 21
  - (d) 30
6. 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.
7. 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.
8. 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

**Question Bank on the Insolvency and Bankruptcy Code, 2016**

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9. When shall an Interim Order made in response to Interim Inspection Report expire?
- (a) 30 days
  - (b) 60 days
  - (c) 90 days
  - (d) 120 days
10. Can the Investigating Order once tendered by the Board modified?
- (a) No
  - (b) Yes, within 30 days
  - (c) Yes, at any time
  - (d) Yes, within 10 days
11. On hearing the Investigating Authority the competent court may by order, authorise the investigating authority
- (a) to enter, with such assistance, the place or places where records are kept;
  - (b) to search the places in the manner specified in the order;
  - (c) to seize records for the purposes of the investigation.
  - (d) All of the above.
12. The Investigating Authority may requisition the services of \_\_\_\_\_ to assist him in search and seizure under the order.
- (a) Police Officer
  - (b) Body guards
  - (c) Officers of State Government
  - (d) None of the above
13. The Disciplinary Committee shall dispose of the show-cause notice within a period of \_\_\_\_\_ days of the issue of the show-cause notice.
- (a) 30 days
  - (b) 60 days
  - (c) 120 days
  - (d) 180 days

**IBBI (Inspection & Investigation) Regulations, 2017**

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14. As soon the amount of disgorgement is realized, the Board shall invite claims from persons who have suffered loss on account of the contravention through
- (a) Personal Phone calls
  - (b) Personal Emails
  - (c) Public Announcement
  - (d) Announcement on the website

## Chapter 10

# Procedure for Governing Board Meetings

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1. The Governing board shall ordinarily serve notice for\_\_\_\_\_ days for each meeting.
  - (a) Two days
  - (b) Seven days
  - (c) Fifteen days
  - (d) Twenty one days
2. Which of the following statements is not true with respect to Quorum at a Governing Board meeting:
  - (a) Five Members, if the Governing Board has eight or more Members.
  - (b) Three Members, if the Governing Board has less than eight Members
  - (c) Three Members, if the Governing Board has eight or more Members
  - (d) None of the above.
3. Who shall nominate Secretary to the Governing Board?
  - (a) Chairman
  - (b) Official Members
  - (c) Non-Official Members
  - (d) Whole time Members
4. The Oath of Office and Secrecy given in Schedule I shall be taken by
  - (a) The Chairperson and every Whole Time Member before entering upon their duties.
  - (b) The Chairperson before entering upon his duties.

### **Procedure for Governing Board Meetings**

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- (c) The Members of the Governing Board before entering upon their duties.
  - (d) None of the above.
5. Who shall sign a Charter of Conduct confirming his allegiance to the highest standards of ethics and integrity, in the format given at Schedule II?
- (a) The Chairperson and every Whole Time Member before entering upon their duties.
  - (b) The Chairperson before entering upon his duties.
  - (c) Every Member before entering upon his duties.
  - (d) None of the above.
6. What shall be the quorum for meetings of the Committee formed by the Governing Board?
- (a) Thirty percent of Members of the existing strength of the Committee.
  - (b) Fifty percent of Members of the existing strength of the Committee.
  - (c) Sixty percent of Members of the existing strength of the Committee.
  - (d) Seventy five percent of Members of the existing strength of the Committee.
7. The Governing Board may relax any of the regulations in case of \_\_\_\_\_ .
- (a) exigencies warranting such relaxation.
  - (b) At its will
  - (c) Will of the members
  - (d) None of the above
8. What is the minimum number of meetings of the Governing Board in a year?
- (a) Three
  - (b) Two



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- (c) Four
  - (d) Six
9. How many members may require the Chairperson to convene a meeting of the Governing Board at any time?
- (a) Three members
  - (b) Two members
  - (c) Two or three members
  - (d) Four members
10. Who shall not accept any gift to the extent possible from a regulated entity?
- (a) Ex officio Member
  - (b) Chairperson
  - (c) Whole Time Member
  - (d) Any Member

**Chapter 11**

**IBBI (Fast Track Insolvency  
Resolution Process for Corp Persons)  
Regulations, 2017**

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1. What is the time period for completion of the fast track corporate insolvency resolution process?
  - (a) Period of 45 days
  - (b) Period of 90 days
  - (c) Period of 180 days
  - (d) Period of 365 days
2. An insolvency professional shall be eligible to be appointed as a resolution professional for a fast track process of a corporate debtor if
  - (a) he is a related party of the corporate debtor;
  - (b) he has been a partner of Audit Firm at any time preceding three years
  - (c) he has been a proprietor of Audit Firm at any time preceding two years
  - (d) he is not a related party of the corporate debtor.
3. Insolvency professional shall make a public announcement in the prescribed Form –
  - (a) Form A
  - (b) Form B
  - (c) Form C
  - (d) Form D
4. An Operational Creditor shall submit proof of his claim to the interim resolution professional in person in Form \_\_\_\_\_
  - (a) Form A
  - (b) Form B

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- (c) Form C
- (d) Form D
- 5. Who shall bear the cost of proving the debt due to a creditor?
  - (a) Corporate Debtor
  - (b) Insolvency Resolution Professional
  - (c) Creditor
  - (d) None of the above.
- 6. A creditor shall submit proof of his claim on or before
  - (a) forty five days of the Public Announcement.
  - (b) twenty days of the last date mentioned in the Public Announcement
  - (c) ten days of the Public Announcement
  - (d) fourteen days of the Public Announcement
- 7. The claims denominated in foreign currency shall be valued in Indian currency at the official exchange rate as on
  - (a) the fast track commencement date.
  - (b) the date of entering the transaction
  - (c) the reporting period of the transaction
  - (d) None of the above.
- 8. Where the corporate debtor has no financial debtor but has operational creditors the committee shall consist of-
  - (a) all operational creditors
  - (b) 18 largest operational creditors by value, one representative of employee and workmen
  - (c) all workmen
  - (d) all employees
- 9. A resolution professional may convene a meeting of the committee if a request to that effect is made by members of the committee
  - (a) representing thirty per cent of the voting rights.
  - (b) representing thirty three per cent of the voting rights.

**IBBI (Fast Track Insolvency Resolution Process for Corp Persons)...**

- (c) representing twenty per cent of the voting rights.
  - (d) representing ten per cent of the voting rights.
10. What shall be termed as Essential Services?
- (a) electricity
  - (b) water
  - (c) telecommunication services
  - (d) all of the above.
11. The resolution professional may at the meeting of the Committee, in case of Fast Track Insolvency Resolution Process take a vote of \_\_\_\_\_ on any item listed for voting after discussion on the same.
- (a) all the members of the Committee
  - (b) the members of the Committee participating in the meeting
  - (c) No need to take vote
  - (d) 50% of the members of the Committee
12. How many number of registered valuer/s an interim resolution professional shall appoint
- (a) Two
  - (b) One or Two
  - (c) One
  - (d) None of the above

## Chapter 12

# IBBI (Liquidation Process) Regulations, 2016

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1. The Liquidator's fee shall be decided by -
  - (a) Himself
  - (b) Committee of Creditors
  - (c) Board of Directors
  - (d) Insolvency and Bankruptcy Board of India.
2. The existence of debt due to an operational creditor may be proved on the basis of-
  - (a) the records available with an information utility
  - (b) a contract for the supply of goods and services with corporate debtor
  - (c) financial accounts.
  - (d) all of the above
3. The liquidator shall prepare and submit to the Adjudicating Report which of the following Reports:
  - (b) a preliminary report
  - (c) an asset memorandum
  - (d) progress report
  - (e) all of the above.
4. The liquidator shall preserve the reports and minutes for how many years, after the dissolution of the corporate debtor.
  - (a) 5 Years
  - (b) 6 years
  - (c) 8 years
  - (d) 10 years

**IBBI (Liquidation Process) Regulations, 2016**

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5. The liquidator shall preserve the reports and minutes in which form after the dissolution of the corporate debtor?
  - (a) Physical copy
  - (b) Electronic copy
  - (c) Physical as well as electronic copy
  - (d) No records required
6. The liquidator shall maintain the particulars of any consultation with the stakeholders in Form \_\_\_\_\_.
  - (a) Form A of Schedule II.
  - (b) Form B of Schedule II.
  - (c) Form C of Schedule II.
  - (d) Form D of Schedule II.
7. A person is interested in the onerous property or contract if he-
  - (a) is not entitled to the benefit or subject to the burden of the contract ;
  - (b) claims an interest in a disclaimed property
  - (c) is under a liability discharged in respect of a disclaimed property
  - (d) None of the above.
8. A transaction shall be considered an extortionate credit transaction where the terms:
  - (a) bar the corporate debtor to make exorbitant payments in respect of the credit provided
  - (b) require the corporate debtor to make exorbitant payments in respect of the credit provided
  - (c) require the corporate debtor to make legitimate payments in respect of the credit provided
  - (d) require the corporate debtor to make illegitimate payments in respect of the credit provided
9. The liquidator shall make a public announcement within \_\_\_\_\_ days from his appointment.
  - (a) 5 days

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- (b) 10 days
  - (c) 15 days
  - (d) 20 days
10. 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.
11. 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
12. 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
13. An insolvency professional becomes a liquidator on 13<sup>th</sup> February, 2017, and ceases to act as liquidator on 12<sup>th</sup> February, 2019. He shall submit Progress Reports for 13<sup>th</sup> February - 31<sup>st</sup> March, 2017 by
- (a) 15<sup>th</sup> April, 2017
  - (b) 20<sup>th</sup> April, 2017
  - (c) 15<sup>th</sup> May, 2017
  - (d) 20<sup>th</sup> May, 2017

## Chapter 13

# Information Utilities Regulations

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1. An information utility shall-
  - (a) provide services to a user based on its explicit consent;
  - (b) guarantee protection of the rights of users;
  - (c) adopt secure systems for information flows
  - (d) All of the above
2. What shall be the condition for registering as Information Utility?
  - (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 is not under the control of person(s) resident outside India
  - (c) not more than 49% of its total voting power or its paid-up equity share capital is held, directly or indirectly, by persons resident outside India
  - (d) it has a minimum net worth of hundred crore rupees
3. No person shall be eligible to be registered as an information utility unless it
  - (a) is a private company
  - (b) has a minimum net worth of fifty crore rupees;
  - (c) it is under the control of person(s) resident outside India;
  - (d) has a minimum net worth of Seventy five crore rupees;
4. For registration as an information utility an application to the Board is to be made in
  - (a) Form A of the Schedule
  - (b) Form B of the Schedule
  - (c) Form C of the Schedule
  - (d) Form D of the Schedule
5. The certificate of registration to an Information Utility shall be valid for a period of \_\_\_\_\_years from the date of issue.



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- (a) One Year
  - (b) Five Years
  - (c) Ten Years
  - (d) Lifetime
6. An information utility shall not allow the access of information to
- (a) Users who have submitted information
  - (b) Adjudicating Authority
  - (c) Board
  - (d) Credit Card Sales Team
7. The Board may grant certificate of registration to the applicant as an information utility in Form \_\_\_\_\_
- (a) A
  - (b) B
  - (c) C
  - (d) D
8. The Board may grant certificate of registration to the applicant as an information utility within \_\_\_\_\_ days of the receipt of the application.
- (a) 15 days
  - (b) 30 days
  - (c) 45 days
  - (d) 60 days
9. If an applicant is aggrieved by the order of the Board he may appeal to
- (a) NCLT
  - (b) High Court
  - (c) Supreme Court
  - (d) NCLAT
10. When was the Regulation on Information Utilities issued by Insolvency and Bankruptcy Board of India came into force?
- (a) 28<sup>th</sup> June 2016
  - (b) 28<sup>th</sup> August 2016

### Information Utilities Regulations

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- (c) 1<sup>st</sup> April 2017
  - (d) 1<sup>st</sup> December 2017
11. 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
12. 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.
13. 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
14. What amount of fee is to be paid by a person to IBBI on making an application to be registered as Information Utility?
- (a) Refundable fee of Rs 1 lakh
  - (b) Refundable Fee of Rs 5 lakh
  - (c) Refundable fee of Rs 10 lakh
  - (d) Non Refundable fee of Rs 5 lakh

**Question Bank on the Insolvency and Bankruptcy Code, 2016**

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15. What cannot be the shareholding pattern of an Information Utility?
- (a) No person shall at any time, directly or indirectly, either by itself or together with persons acting in concert, acquire or hold more than ten per cent of the paid-up equity share capital or total voting power of an information utility.
  - (b) A Government company, Stock Exchange, depository may, directly or indirectly, either by themselves or together in concert, acquire or hold up to twenty-five percent of the paid-up equity share capital or total voting power of an information utility.
  - (c) a person may, directly or indirectly, either by itself or together with persons acting in concert, hold up to fifty-one percent of the paid-up equity share capital or total voting power of an information utility up to three years from the date of its registration;
  - (d) an Indian company, (i) which is listed on a recognised Stock Exchange in India, or (ii) where no individual, directly or indirectly, either by himself or together with persons acting in concert, holds more than ten percent of the paid-up equity share capital, may hold up to hundred percent of the paid-up equity share capital or total voting power of an information utility up to five years from the date of its registration.
16. What shall not be considered for the Composition of the Board of Information Utility:
- (a) More than half of the directors of an information utility shall be independent directors
  - (b) More than half of the directors of an information utility shall be Indian nationals who are resident in India
  - (c) More than half of the directors of an information utility shall be Indian nationals who may be non resident in India
  - (d) More than half of the directors shall be independent directors at the time of appointment, and at all times during their tenure as directors
17. Appropriate Risk management framework in accordance with Technical standards(if any) established by an Information Utility may not provide for which of the following

### **Information Utilities Regulations**

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- (a) Recoverable systems
  - (b) Secure Systems
  - (c) Reliable Systems
  - (d) None of the above
18. Any bye laws which are amended by the Governing Board of the Information Utilities shall be effective
- (a) On the 1st day of receipt of the approval by the Board
  - (b) On the 6th day of receipt of approval by the Board
  - (c) On the 7<sup>th</sup> day of receipt of approval by the Board
  - (d) None of the above.
19. The Governing Board of an Information Utility should have \_\_\_\_\_ as Independent Directors.
- (a) At least One Director
  - (b) At least Two directors
  - (c) At least Three Directors
  - (d) All the Directors
20. Regulation 8 shall not be applicable to hold shares or voting power by:
- (a) Central Government or State Government
  - (b) Mutual Fund Organisations
  - (c) Banking Companies
  - (d) None of the Above.
21. What is the amount of fees chargeable by Information Utility in order to provide an annual statement containing all information pertaining to a single user:
- (a) Rs 2000/- per month
  - (b) Rs 2/- per page
  - (c) Rs 5000/- per month
  - (d) For Free
22. Storage and Creation of financial Information by an Information Utility shall be in

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- (a) Differential Formats
  - (b) Coded Language
  - (c) Universally accessible formats
  - (d) Binary language
23. The Bye Laws of an information utility should provide for which of the following:
- (a) Risk Management
  - (b) Rights of users
  - (c) Grievance Redressal
  - (d) All of the Above
24. Who amongst the following lays down the Technical standards in accordance with the Information Utilities Regulation, 2017-
- (a) IBBI on recommendation of Monitoring committee
  - (b) IBBI on recommendation of Grievance Committee
  - (c) IBBI on recommendation of Disciplinary committee
  - (d) IBBI on recommendation of Technical Committee
25. \_\_\_\_\_ can remove /appoint a Compliance officer mandated under the Information Utilities Regulation, 2017.
- (a) NCLT
  - (b) NCLAT
  - (c) Governing board of Information Utility
  - (d) IBBI
26. Which of the following statements is true:
- (a) The Governing Board may amend the bye-laws of the information utility by a resolution passed by votes in favour being not less than two times the number of the votes, if any, cast against the resolution, by the directors.
  - (b) The Governing Board may amend the bye-laws of the information utility 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, by the directors.

### **Information Utilities Regulations**

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- (c) The Governing Board may amend the bye-laws of the information utility by a resolution passed by votes in favour being not less than four times the number of the votes, if any, cast against the resolution, by the directors.
- (d) The Governing Board may amend the bye-laws of the information utility by a resolution passed by votes in favour being not less than five times the number of the votes, if any, cast against the resolution, by the directors.

## Chapter 14

# IBBI (Advisory Committee) Regulations, 2017

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1. The Board may by an order, constitute Advisory Committee to obtain expert advice on issues relevant for the efficient discharge of its functions. Which amongst the below mentioned is an Advisory Committee to be framed under the code:
  - (a) Advisory Committee on Service Providers
  - (b) Advisory Committee on Corporate Insolvency and Liquidation
  - (c) Advisory Committee on Individual Insolvency and Bankruptcy
  - (d) All of the above
2. What shall be the composition of members of the Advisory Committee?
  - (a) Professional members who are eminent academicians or practitioners in the relevant area
  - (b) eminent citizens having direct involvement or interest in the area
  - (c) ordinary citizens
  - (d) Professional members
3. In the composition of Advisory Committee what shall be the ratio of Professional Members to General Members?
  - (a) 1:1
  - (b) 2:1
  - (c) 2:3
  - (d) 3:4
4. The term of a member in the Advisory Committee shall be
  - (a) 3 years
  - (b) 5 years
  - (c) 6 years
  - (d) 10 years

**IBBI (Advisory Committee) Regulations, 2017**

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5. Who shall be designated as the Chairperson of an Advisory Committee?
  - (a) Special deputation
  - (b) One of the General Members
  - (c) One of the Professional Members
  - (d) Anybody authorised specifically by the Board.
6. What percentage of existing strength of the Advisory Committee shall constitute quorum for its meetings.
  - (a) 30
  - (b) 50
  - (c) 60
  - (d) 100
7. A Member of the Committee shall be entitled to a sitting fee of Rs.\_\_\_\_\_ for a meeting of the Committee.
  - (a) 1000/-
  - (b) 10000/-
  - (c) 5000/-
  - (d) 50000/-
8. The Secretary to the Advisory Committee shall not have the following rights in the meetings of the Advisory Committee.
  - (a) Right to attend
  - (b) Right to speak
  - (c) Right to vote
  - (d) None of the Above



## Chapter 15

# IBBI (Employees' Service) Regulations, 2017

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1. Which of the following is not included in the definition of "relative" as per IBBI (Employees' Service) Regulations, 2017?
  - (a) Son's wife
  - (b) Brother's wife
  - (c) Daughter's husband
  - (d) Step-sister
2. The method of recruitment to and eligibility of IBBI employee for various Grades and Positions shall be as specified in-
  - (a) Schedule-I
  - (b) Schedule-II
  - (c) Schedule-III
  - (d) Schedule-IV
3. For how many years an employee of IBBI shall be on probation on initial appointment in the Grade?
  - (a) One year
  - (b) Two years
  - (c) Three years
  - (d) Four years
4. An IBBI employee on initial appointment may be discharged without assigning any reason at \_\_\_\_\_ during the first month of his probation and at \_\_\_\_\_ or on payment of pay of the notice period in lieu thereof thereafter.
  - (a) One week's notice, One month's notice
  - (b) Two days' notice, Two months' notice
  - (c) One day's notice, One month's notice
  - (d) Two days' notice, One month's notice

**IBBI (Employees' Service) Regulations, 2017**

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5. In which of the following conditions, resignation of the employee of IBBI may be refused-
  - (a) If any disciplinary proceeding is pending or is proposed to be instituted against him
  - (b) If he is under an obligation to serve the Board for a certain period which has not yet expired
  - (c) If he owes the Board any sums of money
  - (d) All of the above
6. An employee of IBBI shall retire on which day of the month when he completes 60 years of age?
  - (a) First day
  - (b) Last day
  - (c) Day on which he completes 60 years
  - (d) Last day of the preceding month
7. The IBBI may retire an employee on or at any time after the completion of-
  - (a) 55 years of age or 30 years of service, whichever is earlier
  - (b) 50 years of age or 20 years of service, whichever is earlier
  - (c) 55 years of age or 20 years of service, whichever is earlier
  - (d) 50 years of age or 30 years of service, whichever is earlier
8. An IBBI employee shall not be eligible for gratuity on-
  - (a) Retirement
  - (b) Death
  - (c) Resignation after completing four years of continuous service
  - (d) Disablement rendering him unfit for further service
9. In which kind of leave, full pay is admissible as per IBBI (Employees' Service) Regulations, 2017-
  - (a) Casual leave and Special casual leave
  - (b) Ordinary leave
  - (c) Maternity leave
  - (d) All of the above

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10. In which kind of leave, no pay is admissible as per IBBI (Employees' Service) Regulations, 2017-
- (a) Casual leave
  - (b) Ordinary leave
  - (c) Extraordinary leave
  - (d) Sick leave
11. In which kind of leave, half-pay is admissible as per IBBI (Employees' Service) Regulations, 2017-
- (a) Casual leave
  - (b) Ordinary leave
  - (c) Extraordinary leave
  - (d) Sick leave
12. In case of Accident leave as per IBBI (Employees' Service) Regulations, 2017, full pay is admissible for the first-
- (a) Two months
  - (b) Three months
  - (c) Four months
  - (d) Six months
13. What is the maximum number of working days in a year for which an IBBI employee shall be eligible for casual leave?
- (a) 10
  - (b) 12
  - (c) 16
  - (d) 18
14. An IBBI employee shall not take casual leave for less than \_\_\_\_\_ or more than \_\_\_\_\_ at a time.
- (a) Half day, 5 days
  - (b) Half day, 6 days
  - (c) One day, 5 days
  - (d) One day, 6 days

**IBBI (Employees' Service) Regulations, 2017**

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15. At what rate an IBBI employee shall be entitled to ordinary leave for every year of service-
- (a) 15 days
  - (b) 20 days
  - (c) 30 days
  - (d) 40 days
16. An IBBI employee may encash ordinary leave once in two years for a minimum period of \_\_\_\_\_ and a maximum period of \_\_\_\_\_.
- (a) 10 days, 20 days
  - (b) 10 days, 30 days
  - (c) 15 days, 30 days
  - (d) 20 days, 40 days
17. An IBBI employee shall be entitled to sick leave upto a maximum of \_\_\_\_\_ days during the entire service.
- (a) 300
  - (b) 360
  - (c) 540
  - (d) 560
18. No IBBI employee, who has retired from service, shall, within a period of \_\_\_\_\_ from the date when he ceases to be in the Board's service, accept or undertake a commercial employment except with the previous approval of the Board.
- (a) One year
  - (b) Two years
  - (c) Three years
  - (d) Four years
19. Where an IBBI employee enters into a transaction in respect of a movable property, either in his own name or in the name of the member of his family, he shall within 30 days from the date of such transaction, report the same to the Board, if the value of such property exceeds-

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- (a) One month basic pay of the employee
  - (b) Two months basic pay of the employee
  - (c) Three months basic pay of the employee
  - (d) Four months basic pay of the employee
20. Which of the following is classified as minor penalty under sub-regulation (1) of regulation 51 of IBBI (Employees' Service) Regulations, 2017?
- (a) Censure
  - (b) Withholding of promotion
  - (c) Withholding of increments of pay
  - (d) All of the above
21. Which of the following is classified as major penalty under sub-regulation (1) of regulation 51 of IBBI (Employees' Service) Regulations, 2017?
- (a) Withholding of promotion
  - (b) Reduction to a lower stage in the time scale of pay for a period not exceeding three years without cumulative effect
  - (c) Withholding of increments of pay
  - (d) Removal from service which shall not be a disqualification for future employment
22. Which of the following shall not amount to a penalty under Regulation 51 of IBBI (Employees' Service) Regulations, 2017?
- (a) Reduction to a lower stage in the time scale of pay for a period not exceeding three years without cumulative effect
  - (b) Removal from service which shall not be a disqualification for future employment
  - (c) Dismissal from service which shall ordinarily be a disqualification for future employment
  - (d) Stoppage of pay of an employee at the efficiency bar in a time scale, on the ground of his unfitness to cross the bar
23. Where it is proposed to impose any of the minor penalties specified in clauses (a) to (e) of regulation 51, the IBBI employee concerned shall be informed in writing of the imputations of lapses against him and

**IBBI (Employees' Service) Regulations, 2017**

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given an opportunity to submit his written statement of defence within a specified period not exceeding

- (a) 10 days
- (b) 15 days
- (c) 30 days
- (d) 45 days

24. During suspension, an IBBI employee shall receive subsistence allowance equal to-

- (a) 50% of his pay for the first six months of suspension and 75% of his pay for the period of suspension beyond six months
- (b) 60% of his pay for the first six months of suspension and 75% of his pay for the period of suspension beyond six months
- (c) 50% of his pay for the first six months of suspension and 60% of his pay for the period of suspension beyond six months
- (d) 50% of his pay for the first six months of suspension and 70% of his pay for the period of suspension beyond six months

25. An IBBI employee may appeal against an order imposing upon him any of the penalties to the Appellate Authority within \_\_\_\_\_ from the date of receipt of the order appealed against.

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

26. What is the number of members required to constitute a Grievance Redressal Committee as per IBBI (Employees' Service) Regulations, 2017?

- (a) 3 members
- (b) 4 members
- (c) 5 members
- (d) 6 members

## Chapter 16

# IBBI (Grievance and Complaint handling Procedure) Regulations 2017

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1. With whom shall the Grievance against the service providers filed?
  - (a) The Insolvency Professional Agency
  - (b) The Insolvency and Bankruptcy Board of India
  - (c) The Information Utility
  - (d) The Adjudicating Authority
2. A grievance filed against the Service provider shall state:
  - (a) details of the conduct of the service provider that has caused the suffering to the aggrieved;
  - (b) details of suffering, whether pecuniary or otherwise, the aggrieved has undergone;
  - (c) how the conduct of the service provider has caused the suffering of the aggrieved;
  - (d) All of the above
3. A grievance or a complaint, as the case may be, shall be filed within:
  - (a) 60 days of the occurrence of the cause of action for the grievance or the complaint.
  - (b) 30 days of the occurrence of the cause of action for the grievance or the complaint.
  - (c) 15 days of the occurrence of the cause of action for the grievance or the complaint.
  - (d) 45 days of the occurrence of the cause of action for the grievance or the complaint.
4. The aggrieved and the service provider shall submit the additional information and records sought for disposal of grievance within:
  - (a) 7 days thereof.
  - (b) 10 days thereof.

**IBBI (Grievance and Complaint handling Procedure) Regulations 2017**

- (c) 15 days thereof.
- (d) 21 days thereof.
- 5. The complainant and the service provider shall submit the additional information and records sought for disposal of complaint within:
  - (a) 7 days thereof.
  - (b) 15 days thereof.
  - (c) 10 days thereof.
  - (d) 21 days thereof.
- 6. A complaint shall be filed with a fee of:
  - (a) Rs. 1000
  - (b) Rs. 2500
  - (c) Rs. 1500
  - (d) Rs 3000
- 7. If the grievance does not require any redress, the same shall be closes within ..... of its receipt:
  - (a) 45 days
  - (b) 30 days
  - (c) 60 days
  - (d) 15 days
- 8. 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.
- 9. The Board shall close the complaint where it is of the opinion
  - (a) the complaint is not frivolous
  - (b) there does not exist a prima facie case
  - (c) If the details of the complaint and grievance are incomplete.
  - (d) there exists a prima facie case



**Question Bank on the Insolvency and Bankruptcy Code, 2016**

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10. The Board shall not take cognizance of the complaint or grievance
  - (a) if it is anonymous
  - (b) if it is not appropriate
  - (c) If it is not complete
  - (d) If it is frivolous
11. Whether the identity of the complainant may be kept confidential?
  - (a) Yes
  - (b) No
  - (c) Yes, but on the request of complainant
  - (d) None of the above
12. Whether the Board shall keep the identity of the complainant on its request confidential in all the circumstance?
  - (a) Yes in all cases
  - (b) Yes, unless its disclosure is necessary for processing the grievance or complaint or under any law.
  - (c) No
  - (d) None of the above
13. In how many days the Board shall dispose of the review as requested by complainant if he is not satisfied with the decision of the Board?
  - (a) 30 days of the receipt
  - (b) 10 days of the receipt
  - (c) 15 days of the receipt
  - (d) 21 days of the receipt
14. What is the periodicity to disclose summary statistics about receipt and disposal of grievances and complaints by the Board on its web site?
  - (a) 60 days of the receipt
  - (b) 45 days of the receipt
  - (c) 90 days of the receipt
  - (d) None

**IBBI (Grievance and Complaint handling Procedure) Regulations 2017**

15. Within what time the Board shall communicate the registration number assigned to the complaint or grievance to the aggrieved or the complainant
  - (a) within 3 days of its receipt.
  - (b) within 7 days of its receipt.
  - (c) within a week of its receipt.
  - (d) within a fortnight of its receipt.
16. Whether the complaint or grievance may be filed after the specified period if there are sufficient reasons justifying it?
  - (a) Within 21 days
  - (b) Within 15 days
  - (c) Within 30 days
  - (d) Cannot be filed



## **PART B**

### **Question Bank on Other Acts**



## Chapter 1

# The Partnership Act, 1932

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1. When was the Partnership Act enacted?
  - (a) Partnership Act, 1956
  - (b) Partnership Act, 1882
  - (c) Partnership Act, 1932
  - (d) Partnership Act, 1962
2. The Act extends to the whole of India.
  - (a) Whole of India
  - (b) Except State of Jammu and Kashmir
  - (c) Except Union Territories
  - (d) Except Andaman and Nicobar Islands
3. The Act came into force overall
  - (a) 1st day of October, 1932 in entirety
  - (b) 1st day of October, 1932 with exceptions
  - (c) 15th of August 1947
  - (d) 30th January 1950
4. The definition “business” includes –
  - (a) Trade and Industry
  - (b) Trade and Profession
  - (c) Trade, occupation and profession
  - (d) Firm and any occupation
5. The definition “third party” in relation to a firm refers to –
  - (a) Any person who is a minor partner
  - (b) Any person who is a sleeping partner
  - (c) Any person who is a creditor to the firm
  - (d) Any person who is not a partner in the firm

### **Question Bank on IBBI Limited Insolvency Examination**

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6. The relation to partnership shall not arise from –
  - (a) From status
  - (b) From a contract
  - (c) From an agreement unregistered
  - (d) Oral
7. Disabilities to become partner
  - (a) Persons who have not attained the age of 18
  - (b) Persons who have attained the age above 75
  - (c) Members of HUF carrying on family business
  - (d) No restriction and any one can as such be considered as partners in a business
8. The name under which the business of a partnership is carried on is called
  - (a) Partnership
  - (b) partnership firm
  - (c) firm name
  - (d) none of the above
9. The act of a partner which is done to carry on in the usual way, business of the kind carried by the firm binds the firm. Such authority of a partner to bind the firm conferred by Sec 19 of the Indian Partnership Act 1932 is called his
  - (a) Direct authority
  - (b) Conferred authority
  - (c) Implied authority
  - (d) Extended authority
10. Do the partners indemnify the firm for any loss caused to it by his / her fraud?
  - (a) Yes
  - (b) Not at all required
  - (c) Optional
  - (d) Oral

11. The mutual rights and duties of the partners of a firm may be determined by contract and -
  - (a) It may be express
  - (b) It may be implied
  - (c) It may be express or may be implied by a course of dealing
  - (d) None of the above
12. Change may be made in the nature of business only when –
  - (a) All the partners agree for such a change
  - (b) Majority of the partners agreeing for such a change
  - (c) 1/3 of the partners agreeing for such a change
  - (d) 2/3 of the partners agreeing for such a change
13. Who can access and inspect the books of accounts of the firm.
  - (a) The Managing Partner
  - (b) All partners
  - (c) All partners other than sleeping partners
  - (d) All partners other than minor
14. With the expiry of the term of the firm specified in the contract and still continues the business the status of partners –
  - (a) Cease to exist
  - (b) Continue to be full-fledged partners
  - (c) The Managing Partner only has the right
  - (d) All of the above
15. After the death of partner the firm continues its business in the old firm name or continues to use the name of the deceased partner's name the liability extends to –
  - (a) The legal heirs of the deceased partner fully
  - (b) The legal heirs of the deceased partner partly
  - (c) The legal heirs or representatives not liable for any liability
  - (d) All of the above
16. Whether a minor can be admitted as a partner of a firm –



### **Question Bank on IBBI Limited Insolvency Examination**

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- (a) Yes. As others
  - (b) Cannot become a partner so long he / she is a minor
  - (c) With the consent of all the partners for the time being, to the benefits of partnership
  - (d) All of the above
17. The minor admitted to the benefit of partnership becomes the full-fledged partner on his attaining majority automatically or otherwise under following circumstances –
- (a) Automatically from the next date of his / her attaining majority
  - (b) By executing a new contract
  - (c) Cease to be a partner once attaining majority as he was earlier admitted to the benefit of partnership
  - (d) Shall become partner on the expiry of six months from the date of attaining majority or his / her obtaining knowledge that he had been admitted to the benefits of partnership, whichever is later unless other expressed through notice that refers to his cessation as partner on attaining majority.
18. Expulsion of a partner is possible when –
- (a) By majority
  - (b) By 2/3 of the partners present at the meeting
  - (c) Cannot be expelled
  - (d) Can expel, save in the exercise in good faith or powers conferred by contract between the partners
19. Whether the firm gets dissolved if a partner in the firm is adjudicated as insolvent –
- (a) Yes
  - (b) No
  - (c) It has slight effect
  - (d) All of the above
20. On dissolution of a firm, the liability of the erstwhile partners would –
- (a) Would continue to be liable
  - (b) Not liable

- (c) Liable for the period until public notice is given of the dissolution
  - (d) All of the above
21. Any person who signs any statement, amending statement, notice or intimation under this Chapter containing any particulars which he knows to be false or does not believe to be true, or containing particulars which he knows to be incomplete or does not believe to be complete, shall, on conviction, be punished by Court –
- (a) By majority
  - (b) With imprisonment and fine
  - (c) With fine only
  - (d) As the Court deems it
22. The written agreement of partnership is called:
- (a) Partnership deed
  - (b) Articles of association
  - (c) Memorandum of association
  - (d) Certificate of incorporation
23. The partnership may come to an end due to the:
- (a) Death of a partner
  - (b) Insolvency of partner
  - (c) By giving notice
  - (d) All of the above
24. In the absence of an agreement, Interest on loan advanced by the partner to the firm is allowed at the rate of:
- (a) 6%
  - (b) 5%
  - (c) 12%
  - (d) 9%
25. The members of partnership firm are individually called as:
- (a) Directors
  - (b) Investors

### **Question Bank on IBBI Limited Insolvency Examination**

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- (c) Partners
  - (d) Managers
26. Liability of partners in a partnership business is:
- (a) Limited
  - (b) Un-limited
  - (c) Limited & unlimited
  - (d) None of these
27. If no provision is made in agreement regarding the duration of the partnership:
- (a) Limited partnership
  - (b) Partnership at – will
  - (c) None
  - (d) Particular partnership
28. Within what time period of attaining majority, should a minor who has been admitted to the benefits of the partnership firm, give a public notice regarding his decision to become a partner or not in the firm?
- (a) 1 month
  - (b) 3 months
  - (c) 6 months
  - (d) 9 months
29. In the event of settling the accounts of a firm after dissolution, the losses shall be first paid out in the following order
- (a) Profits, Capital, Personal property of partners
  - (b) Capital, Profits, Personal property of partners
  - (c) Personal property of partners, Profits , Capital
  - (d) None of the above
30. In the absence of any usage or custom of trade to the contrary, the implied authority of a partner empowers him to -
- (a) submit a dispute relating to the business of the firm to arbitration,
  - (b) open a banking account on behalf of the firm in his own name,

- (c) compromise or relinquish any claim or portion of a claim by the firm,
  - (d) carry on the business of the firm
31. Subject to contract between the partners and to the provisions of section 30, no person shall be introduced as a partner into a firm without the consent of ..... the existing partners.
- (a) 50%
  - (b) 75%
  - (c) All
  - (d) 66.67%
32. In the event of a dissolution of a firm, the assets shall be applied in the following order -
- (a) Payment of debts of the firm to third parties, Payment to each partner on account of capital, Payment to each partner for advances as distinguished from capital, Residue if any shall be divided among partners in the proportion in which they were entitled to share profits
  - (b) Payment of debts of the firm to third parties, Payment to each partner for advances as distinguished from capital, Payment to each partner on account of capital, Residue if any shall be divided among partners in the proportion in which they were entitled to share profits
  - (c) Payment to each partner for advances as distinguished from capital, Payment to each partner on account of capital, Payment of debts of the firm to third parties, Residue if any shall be divided among partners in the proportion in which they were entitled to share profits
  - (d) Payment to each partner on account of capital, Payment of debts of the firm to third parties, Payment to each partner for advances as distinguished from capital, Residue if any shall be divided among partners in the proportion in which they were entitled to share profits

## Chapter 2

# The Limited Liability Partnership Act, 2008

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1. Which one of the following statements about limited liability partnerships (LLPs) is incorrect?
  - (a) An LLP has a legal personality separate from that of its members.
  - (b) The liability of each partner in an LLP is limited.
  - (c) Members of an LLP are taxed as partners.
  - (d) A limited company can convert to an LLP.
2. Limited liability partnerships were introduced by which Act of Parliament?
  - (a) Limited Partnership Act 1907.
  - (b) Limited Liability Partnership Act 2008.
  - (c) Partnership Act 2000.
  - (d) None of the above
3. There are numerous differences between a limited liability partnership and an ordinary partnership. Which ONE of the following is not a valid difference?
  - (a) Limited liability partnerships are incorporated whereas ordinary partnerships are not.
  - (b) An ordinary partnership is regulated by partnership law, whereas limited liability partnerships are never regulated by partnership law.
  - (c) An ordinary partnership has no perpetual succession, whereas limited liability partnerships have perpetual succession.
  - (d) Partners of an ordinary partnership cannot be disqualified, whereas partners of a limited liability partnership can be.
4. Which one of the following statements concerning the limited liability partnership is not true?

### **The Limited Liability Partnership Act, 2008**

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- (a) A limited liability partnership is incorporated by registering an incorporation document with the Registrar of Companies.
  - (b) The partners of a limited liability partnership are known as 'members'.
  - (c) A limited liability partnership has corporate personality.
  - (d) A limited liability partnership cannot act ultra vires.
5. Every Limited Liability Partnership shall have atleast-
- (a) Two members
  - (b) Three members
  - (c) Five members
  - (d) None of the above
6. The minimum number of designated partners a Limited Liability Partnership to have-
- (a) 2
  - (b) 1
  - (c) 3
  - (d) 4
7. Which of the following statements is correct?
- (a) The provisions of the Partnership Act shall apply to LLPs
  - (b) The provisions of the Partnership Act shall not apply to LLPs
  - (c) The provisions of the Partnership Act shall apply to LLPs if there are 4 members
  - (d) The provisions of the Partnership Act shall apply to LLPs if there are 2 members
8. Which of the following is not a feature of Limited Liability Partnership?
- (a) A legal entity separate from that of its partners
  - (b) Shall have perpetual succession
  - (c) The partners of a LLP are not its agents for the purpose of the business of the LLP
  - (d) Any change in the partners of a LLP shall not affect the existence, rights or liabilities of limited liability partnership

### **Question Bank on IBBI Limited Insolvency Examination**

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9. Partners of the LLP are agents of
- (a) Partners
  - (b) LLP
  - (c) Both Partners and LLP
  - (d) Agency concept does not apply
10. What is the minimum number of designated partners in a limited liability partnership who should be persons resident in India?
- (a) 1
  - (b) 2
  - (c) 3
  - (d) 4
11. What is the minimum number of persons who should be Designated Partners of a limited liability partnership that has one or more partners comprising both individuals and bodies corporate?
- (a) 1
  - (b) 2
  - (c) 3
  - (d) 4
12. "Resident in India", under the Limited Liability Partnership Act, 2008, means a person who has stayed in India for a period not less than-
- (a) 45 days
  - (b) 90 days
  - (c) 270 days
  - (d) 182 days
13. If an individual has given consent to act as a designated partner in a limited liability partnership, within how many days and with whom should the particulars of the individual be filed?
- (a) 15 days, Ministry of Corporate Affairs
  - (b) 30 days, Registrar of Companies
  - (c) 60days, Ministry of Finance
  - (d) 45days, Ministry of Commerce

### **The Limited Liability Partnership Act, 2008**

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14. Every partner shall inform the limited liability partnership of any change in name or address within ..... days of such change.
  - (a) Seven
  - (b) Ten
  - (c) Fifteen
  - (d) Thirty
15. A LLP shall file an Annual Return within ..... days of closure of its financial year.
  - (a) Fifteen
  - (b) Thirty
  - (c) Sixty
  - (d) Ninety
16. The Central Government may compound any offence under Limited Liability Partnership act, 2008 which is –
  - (a) Punishable with fine
  - (b) Punishable with fine or imprisonment
  - (c) Punishable with fine and imprisonment
  - (d) Both (a) and (b)
17. Final report of investigation of affairs of LLP shall be given to the –
  - (a) Registrar
  - (b) Regional Director
  - (c) Ministry of Corporate Affairs
  - (d) Central Government
18. Which of the following may be converted into LLP?
  - (a) Unlisted public company
  - (b) Listed public company
  - (c) Cooperative society
  - (d) All of the above
19. A Limited Liability Partnership may be wound up –
  - (a) By the tribunal



### **Question Bank on IBBI Limited Insolvency Examination**

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- (b) Voluntarily
  - (c) Creditors
  - (d) Either (a) or (b)
20. Who among the following is eligible to try any offence under the LLP Act?
- (a) Judicial Magistrate of first class
  - (b) Judicial Magistrate of second class
  - (c) Metropolitan Magistrate
  - (d) Both (a) and (c)
21. What are the objects of the LLP act?
- (a) Formation of LLP
  - (b) Regulation of LLP
  - (c) Any other matters incidental thereto
  - (d) All of the above
22. Who can be a partner in LLP?
- (a) An individual
  - (b) A Body Corporate
  - (c) Both (a) & (b)
  - (d) Only (a)
23. What are the grounds for cessation of partnership interest in LLP?
- (a) Dissolution of LLP
  - (b) Partner declared to be of unsound mind by court
  - (c) Applied to be adjudged as insolvent
  - (d) All of the above
24. Within how many days should vacancy of a Designated Partner in a LLP be filled?
- (a) 10 days
  - (b) 30 days
  - (c) 60 days
  - (d) 90 days

### **The Limited Liability Partnership Act, 2008**

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25. What happens if no designated partner is appointed in a LLP?
- (a) The license of the LLP stands cancelled
  - (b) The LLP will get a show cause notice from the Registrar of Companies
  - (c) Every partner of the LLP has to pay a penalty of Rs.25000
  - (d) All partners shall be deemed to be a designate partner
26. What is the minimum and maximum fine that can be imposed on every partner of a LLP for contravention of section(s) 7, 8 and 9 under the LLP Act 2008?
- (a) Rs.10,000 to Rs. 1,00, 000
  - (b) Rs.20,000 to Rs. 5,00, 000
  - (c) Rs.10,000 to Rs. 5,00, 000
  - (d) Rs. 25,000 to Rs. 10,00, 000

## Chapter 3

# The Companies Act 2013

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### Chapter III- Prospectus and Allotment of Securities

1. What are the modes for issuance of securities by a public company?
  - (a) Public offer
  - (b) Private Placement
  - (c) Rights Issue or Bonus Issue
  - (d) Any of the above
2. What are the modes for issuance of securities by a private company?
  - (a) Public offer or Private Placement
  - (b) Private Placement only
  - (c) Private Placement or Rights Issue or Bonus Issue
  - (d) Any of the above
3. What is deemed prospectus?
  - (a) Any document by which offer for sale of securities is made to the public
  - (b) Any document by which offer for sale of assets is made to the public
  - (c) Any document by which offer for sale of Land and Building is made to the public
  - (d) Any of the above
4. What shall be stated in prospectus?
  - (a) Main Object, Capital Structure and Bank Account details
  - (b) Main Object, Capital Structure, Key Personnel details, Procedure for allotment and Bank Account details
  - (c) Main Object and Bank Account details
  - (d) Main Object, Capital Structure, Procedure for allotment and Bank Account details

5. \_\_\_\_ resolution is required for variation in terms of contract or objects in prospectus.
- (a) Board Resolution
  - (b) Special Resolution
  - (c) Ordinary Resolution
  - (d) Special Board Resolution
6. In Red Herring Prospectus a Company which is proposing to issue the securities must file with the registrar application of it at least \_\_\_\_\_ days prior to the opening of the subscription list and offer.
- (a) 3 Days
  - (b) 1 Day
  - (c) 2 Days
  - (d) 4 Days
7. All public companies either issue a prospectus or file a statement \_\_\_\_\_.
- (a) In lieu of prospectus
  - (b) Information memorandum
  - (c) Red herring prospectus
  - (d) None of the above
8. \_\_\_\_\_ means a prospectus which does not have complete particulars on the price of the securities offered and the quantum of securities offered.
- (a) Prospectus
  - (b) Shelf prospectus
  - (c) Information memorandum
  - (d) Red herring prospectus
9. Which company is required to issue Public Offer of securities in dematerialised form?
- (a) All Companies
  - (b) Public Company making public offer for convertible securities

### **Question Bank on IBBI Limited Insolvency Examination**

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- (c) Public Company making public offer for non-convertible securities
  - (d) Private Company making public offer
10. What shall be given in advertisement of issue of prospectus?
- (a) Objects of the Company
  - (b) Liabilities of members
  - (c) Names of the signatories to the memorandum
  - (d) All of the above
11. A \_\_\_\_\_ prospectus with the Registrar at the stage of the first offer of securities included therein which shall indicate a period not exceeding one year as the period of validity of such prospectus commencing from the date of opening of first offer.
- (a) Shelf
  - (b) Red Herring
  - (c) Abridged
  - (d) Deemed
12. If upon closing of the offer of securities the details of information including the total capital raised, closing price of securities are not included in red herring prospectus, the details shall be filed with \_\_\_\_\_
- (a) Registrar of Companies
  - (b) SEBI
  - (c) RBI
  - (d) Both (a) and (b)
13. ABC Ltd is in need of funds and is willing to overcome the deficit by means of issue of securities. Which amongst the below mentioned is the manner in which the securities can be issued?
- (a) Bonus Issue
  - (b) Rights Issue
  - (c) Private placement
  - (d) All of the above

14. XYZ Ltd is allotting shares what shall be evidence that an allotment of, or an agreement to allot, securities was made with a view to the securities being offered for sale to the public –
- (a) that at the date when the offer was made the whole consideration was received by the company.
  - (b) that at the date when the offer was made the whole consideration to be received by the company in respect of the securities had not been received by it
  - (c) That before date when the offer was made, the whole consideration to be received by the company in respect of the securities had been received by it.
  - (d) None of the Above.
15. No prospectus shall be valid if it is issued more than \_\_\_\_\_ days after the date on which a copy thereof is delivered to the Registrar.
- (a) 30 Days
  - (b) 45 Days
  - (c) 60 Days
  - (d) 90 Days
16. PQR Ltd issued a prospectus in contravention with the provisions of The Companies Act 2013, Mr B, the Managing Director is knowingly a party to the issue of such prospectus, accordingly he is punishable with a fine which may extend to\_\_\_\_\_
- (a) Rs 1,00,000
  - (b) Rs 2,00,000
  - (c) Rs 3,00,000
  - (d) Rs 5,00,000
17. Where a prospectus, issued, circulated or distributed includes any statement which is untrue or misleading in form or context every person who authorizes the issue of such prospectus shall be liable to-
- (a) Punishment for fraud
  - (b) Punishment for false statement
  - (c) Punishment for false evidence
  - (d) None of the above

## **Question Bank on IBBI Limited Insolvency Examination**

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### **Chapter IV- Share Capital and Debentures**

1. Where the Dividend in respect of Class of Preference Shares has not been paid for a period of Two Years or more, such class of Preference Shareholders shall have a right to vote:-
  - (a) On all the Resolutions Placed before the Company.
  - (b) For Those Related to their Interest.
  - (c) Cannot Vote for Any.
  - (d) Only for Dividend Related Decisions.
2. A company cannot issue –
  - (a) Redeemable preference shares
  - (b) Irredeemable preference shares
  - (c) Commutative preference shares
  - (d) Participative preference shares
3. A company can issue bonus shares out of .....
  - (a) Free reserves
  - (b) Securities premium account
  - (c) Capital redemption account
  - (d) All the above
4. In case of further issue of share capital –
  - (a) Shares shall be first issued to existing shareholders
  - (b) Shares shall be issued to outside shareholders
  - (c) Both (a) and (b)
  - (d) None of the above
5. The equity shares can be issued with -
  - (a) Voting rights
  - (b) Differential rights as to dividend
  - (c) Differential rights as to voting
  - (d) All the above
6. Which among the following is true –
  - (a) A company can issue shares at discount only

- (b) A company can issue shares at premium only
  - (c) A company can issue shares at both discount and premium
  - (d) None of the above
7. A company can issue sweat equity shares if authorized –
- (a) Company in general meeting by ordinary resolution
  - (b) Company in general meeting by special resolution
  - (c) Board of Directors
  - (d) Audit committee
8. Par value of shares means the ..... Value for the shares
- (a) Actual
  - (b) Face
  - (c) Market
  - (d) Dividend
9. Is there a provision for nominations in securities of a company?
- (a) Yes
  - (b) No
  - (c) Nomination can be made with permission of CG
  - (d) Nomination is not applicable
10. A company may issue \_\_\_\_ debentures
- (a) Wholly Convertible
  - (b) Partly Convertible
  - (c) Both (a) & (b)
  - (d) None of the above
11. Appointment of debenture trustee is mandatory when \_\_\_\_
- (a) The company issues prospectus to member exceeding 500 for subscription of debentures
  - (b) The company issues prospectus to member exceeding 1000 for subscription of debentures
  - (c) The company issues prospectus to member exceeding 100 for subscription of debentures



### **Question Bank on IBBI Limited Insolvency Examination**

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- (d) The company issues prospectus to member exceeding 50 for subscription of debentures
- 12. In case of buy back, if default of repayment is remedied and a period of \_\_\_\_ has elapsed, company may buy back its securities.
  - (a) 5 years
  - (b) 4 years
  - (c) 3 years
  - (d) 2 years
- 13. When is the company required to transfer funds to capital redemption reserve?
  - (a) When company purchase its own shares out of free reserves or securities premium account
  - (b) When company sells its own shares out of free reserves or securities premium account
  - (c) When company purchase its own shares out of capital redemption account
  - (d) When company purchase shares of subsidiary company out of free reserves or securities premium account
- 14. Under what circumstances funds of capital redemption reserve account may be applied?
  - (a) For purchasing its own securities
  - (b) For issue of fully paid up bonus shares
  - (c) For purchase of assets
  - (d) For issue of sweat equity shares
- 15. What type of resolution is required for buy back of securities by the company?
  - (a) Ordinary Resolution
  - (b) Special Resolution
  - (c) Board Resolution
  - (d) Resolution by Circulation
- 16. Maximum buy back limit in any year is ..... of total paid up equity capital

- (a) 25%
  - (b) 10%
  - (c) 20%
  - (d) No limit
17. The buyback can be made from
- (a) The existing shareholders on a proportionate basis
  - (b) Open market
  - (c) Employee to whom shares are issued under stock option or sweat equity share
  - (d) All of the above
18. The rights attached to the shares of any class may be varied with the consent in writing of the holders of the issued shares of that class having not less than –
- (a)  $\frac{1}{3}$  of the shareholding
  - (b)  $\frac{1}{2}$  of the shareholding
  - (c)  $\frac{3}{4}$  of the shareholding
  - (d)  $\frac{2}{3}$  of the shareholding
19. Can a Company issue Debentures with Voting Rights?
- (a) Yes
  - (b) No
  - (c) May be
  - (d) Only upto their Interest
20. Share capital can be reduced by –
- (a) Special resolution
  - (b) Ordinary resolution
  - (c) Special resolution with special notice
  - (d) Board resolution
21. In which of the following case duplicate share certificate may not be issued?
- (a) When Certificate is proved to have been lost or destroyed

### **Question Bank on IBBI Limited Insolvency Examination**

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- (b) When Certificate has been defaced
  - (c) When Certificate has been mutilated or torn
  - (d) None of the Above
22. A limited company having a share capital may, if so authorized by its articles, alter its memorandum to increase its authorized share capital by such amount as it thinks expedient -
- (a) In a General Meeting
  - (b) In a Board Meeting
  - (c) In a Committee Meeting
  - (d) None of the above.
23. A limited company having a share capital may alter its memorandum to consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares if-
- (a) Authorized by Creditors
  - (b) Authorized by Debtors
  - (c) Authorized by Memorandum of Association
  - (d) Authorized by Articles of Association.
24. Share Capital consolidation and division resulting in changes in the voting percentage of shareholders shall take effect if it is approved by-
- (a) Shareholders
  - (b) Debtors
  - (c) Creditors
  - (d) Tribunal
25. Fully Paid up bonus shares can be issued by the company out of-
- (a) its free reserves
  - (b) the securities premium account
  - (c) the capital redemption reserve account
  - (d) All of the above
26. Which of the below mentioned reserves cannot be used to issue fully paid up bonus shares ?
- (a) Specific Reserve

- (b) Revaluation Reserve
- (c) Free Reserve
- (d) None of the above

**Chapter V- Acceptance of Deposits by Companies**

1. Which of the following companies are not prohibited to accept deposits from the public?
  - (a) Banking Company
  - (b) Non Banking Financial Company
  - (c) All of the above
  - (d) None of the above.
2. Where the company accepted deposits before this Act came into force, such deposit or part thereof or any interest due thereon shall be
  - (a) utilised by the company
  - (b) repaid within 1 year
  - (c) repaid within 6 months
  - (d) None of the above.
3. Failure to repay deposit or any interest within time frame or the time prescribed by the Tribunal and it is proved that the deposits had been accepted with intent to defraud the depositors, attracts punishment to the extent
  - (a) without any limitation of liability.
  - (b) upto Rs 100000/-
  - (c) imprisonment of one year.
  - (d) None of the above.
4. An Eligible company means a public company having a net worth of not less than
  - (a) Rs.100 crores
  - (b) Rs 200 Crore
  - (c) 300 Crore
  - (d) Rs 500 Crore

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5. An Eligible company means a public company having a turnover not less than
  - (a) Rs.100 crores
  - (b) Rs 200 Crore
  - (c) 300 Crore
  - (d) Rs 500 Crore
6. Will advance towards annual maintenance service for more than 365 days be treated as a deposit?
  - (a) Yes
  - (b) No
  - (c) Not applicable
  - (d) None of the above.
7. Is share application money pending allotment for more than 60 days treated as a deposit?
  - (a) Yes
  - (b) No
  - (c) Not applicable
  - (d) None of the above.
8. Can a Private Company accept deposit from its members without complying with the provisions applicable to deposits?
  - (a) Yes
  - (b) No
  - (c) Not applicable
  - (d) None of the above.
9. A Private Company can accept deposits from its members not exceeding \_\_\_\_\_ of aggregate of its paid up share capital and free reserve
  - (a) 100
  - (b) 60
  - (c) 50
  - (d) 20

10. In case deposit is taken from a person who is both a director and a member of the private Company, will such receipt of money be treated as deposit or not?
- (a) Yes
  - (b) No, if he furnishes a declaration in writing that the amount is not being given out of funds acquired by him by borrowing or accepting loans or deposits from others
  - (c) No, if he furnishes a oral consent that the amount is not being given out of funds acquired by him by borrowing or accepting loans or deposits from others
  - (d) Not applicable
11. In case of private company, if the amount is borrowed from its member not exceeding 100% of the paid-up share capital and free reserves of the company, then it will not be treated as deposits.
- (a) Permitted vide Notification No. GSR 464E, dated 5th June, 2015
  - (b) Not Permitted
  - (c) Permitted vide Notification No. GSR 464E, dated 5th June, 2016
  - (d) Not applicable
12. An eligible company has to obtain prior consent of shareholders in general meeting by means of a \_\_\_\_\_ before making any invitation to public.
- (a) Special resolution
  - (b) Ordinary resolution
  - (c) Not applicable
  - (d) None of the above
13. Is an eligible company required to obtain the rating from a recognized rating agency ?
- (a) Yes
  - (b) No
  - (c) Not applicable
  - (d) None of the above

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14. What is the time period within which an eligible company is required to create a charge on its assets \_\_\_\_\_
- (a) within 30 days.
  - (b) within 60 days
  - (c) within 180 days
  - (d) within 360 days
15. Who can grant an extension of time for repayment of deposits accepted before commencement of Companies Act, 2013?
- (a) may be granted by the Central Government on an application.
  - (b) may be granted by the Parliament on an application.
  - (c) may be granted by the Tribunal on an application.
  - (d) None of the above

### **Chapter VI- Registration of Charges**

1. Satisfaction of charge has to be filed with the Registrar within –
- (a) 15 days
  - (b) 30 days
  - (c) 45 days
  - (d) 60 days
2. A \_\_\_\_\_ is allotted at the time of registration of charge.
- (a) Charge allotment number
  - (b) Charge identification number
  - (c) Chargeable number
  - (d) Charge more number
3. What is the maximum period of extension for registration of charges?
- (a) 90 days
  - (b) 30 days
  - (c) 300 days
  - (d) 100 days

4. Under what circumstances there shall be deemed notice of charge?
  - (a) When Charge is registered u/s 77
  - (b) When Charge is registered u/s 70
  - (c) When Charge is applied for registration
  - (d) All of the above
5. What shall be the deemed date of notice of registration of charge?
  - (a) When it comes in knowledge of the person
  - (b) From the date of registration
  - (c) When the Register is inspected
  - (d) From the date of notice
6. What shall be the consequence if the company fails to register charge?
  - (a) The person in whose favour the charge is created may apply for registration
  - (b) The person in whose favour charge is created loses his right
  - (c) The charge will have no effect
  - (d) It may not be registered thereafter
7. Where the person in whose favour charge is created, registers the charge, can he recover registration charges from the company?
  - (a) No
  - (b) Yes
  - (c) It shall be partly borne by the company
  - (d) Both (b) and (c)
8. What is the penalty for contravention of provisions of registration of charges?
  - (a) Minimum fine of Rs. 5,00,000/- which may extend to Rs. 10,00,000/-
  - (b) Minimum fine of Rs. 1,00,000/- which may extend to Rs. 20,00,000/-
  - (c) Minimum fine of Rs. 2,00,000/- which may extend to Rs. 10,00,000/-



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- (d) Minimum fine of Rs. 1,00,000/- which may extend to Rs. 10,00,000/-
- 9. Who has the power to rectify or modify the register of charges?
  - (a) Registrar
  - (b) NCLT
  - (c) Central Government
  - (d) Company
- 10. Which of the following is not a ground for rectification of register of charges?
  - (a) Omission to file any particulars
  - (b) Omission to register charge
  - (c) Omission of misstatement of any particular
  - (d) Intentional misstatement of any particular
- 11. Every company creating a charge shall register the particulars of charge with the Registrar within ----- days of its creation
  - (a) 60
  - (b) 14
  - (c) 30
  - (d) 45
- 12. The liquidator or any other creditor shall not take into account any charge created:
  - (a) Unless registered with the Registrar
  - (b) Unless certificate of registration of such charge is given by the Registrar
  - (c) Unless registered with the Registrar and Inspection done by Registrar
  - (d) Unless registered with the Registrar and certificate of registration of such charge is given by the Registrar
- 13. Where a company fails to register the charge, the person in whose favour the charge is created may apply to the Registrar for registration of charge and the Registrar may on such application within a period of -----days after giving notice to the company, allow such registration

- (a) 14
  - (b) 45
  - (c) 30
  - (d) 60
14. If any person , under an order , or otherwise has been appointed as a receiver or a person to manage the property subject to charge, he shall within ----- days, give notice to the company and the Registrar about such an order.
- (a) 14
  - (b) 45
  - (c) 60
  - (d) 30
15. Which of the following statement is not true with respect to the inspection during business hours of the register of charges and instruments of charges as kept by a company at its registered office:
- (a) Shall be open for inspection by any member without any payment of fees
  - (b) Shall be open for inspection by any creditor without any payment of fees
  - (c) Shall be open for inspection by any creditor on payment of fees
  - (d) Shall be open for inspection by any other person on payment of fees

**Chapter VII- Management and Administration**

1. What is the time period within which change in the number of shares held by promoters and top ten shareholders are to be filed by a listed company?
- (a) 10 days
  - (b) 15 days
  - (c) 30 days
  - (d) 60 days
2. Every notice of a meeting shall specify\_\_\_\_\_
- (a) place, date, hour of the meeting and statement of business.

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- (b) place, day, hour of the meeting and statement of business.
  - (c) place, date, day, hour of the meeting and statement of business.
  - (d) None of the above.
3. Which of the following item shall not be treated as Special Business at an Annual General meeting
- (a) Consideration of Financial statements, Boards Report & Auditors Report
  - (b) Declaration of Dividend
  - (c) Appointment of Auditors
  - (d) All of the above.
4. In case of a private company, quorum shall be \_\_\_\_\_
- (a) One member personally present.
  - (b) Two members personally present.
  - (c) Three members personally present.
  - (d) Five members personally present.
5. If the quorum is not present within half hour from the time appointed for holding a meeting of the company called by requisition under section 100, the meeting shall stand
- (a) Cancelled
  - (b) Adjourned
  - (c) Convene the meeting.
  - (d) None of the above.
6. The instrument appointing a proxy shall be \_\_\_\_\_
- (a) in writing
  - (b) in oral
  - (c) written and oral both
  - (d) None of the above.
7. Can a demand for a poll be withdrawn at any time?
- (a) Yes by any person.
  - (b) Yes by the person who made the demand

- (c) No
  - (d) None of the above
8. Who may call an annual general meeting of a company if the company has made default in holding it?
- (a) Tribunal
  - (b) Company Law Board
  - (c) Central Government
  - (d) Registrar of Companies
9. Can the Tribunal call a meeting of members of One Person Company
- (a) Yes
  - (b) Yes by giving 15 days notice
  - (c) Not applicable
  - (d) None of the above
10. Does any One Person Company require to give 21 day clear notice to call an annual general meeting?
- (a) Yes
  - (b) No
  - (c) Not applicable
  - (d) None of the above
11. What is the time limit within which the beneficial owner must declare any change in his beneficial interest?
- (a) Within 30 days of date of change
  - (b) Within 15 days of date of change
  - (c) Within 10 days of date of change
  - (d) Within 7 days of date of change
12. What is punishment for default in compliance of Section 96 to 98 of the Act?
- (a) Minimum Fine of Rs. 2,00,000/-
  - (b) Maximum Fine of Rs. 5,00,000/-

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- (c) Fine which may extend to Rs. 1,00,000/-
  - (d) Fine which may extend to Rs. 10,00,000/-
13. How many extraordinary general meetings may be convened in year?
- (a) 1
  - (b) 2
  - (c) 6
  - (d) Any Number
14. Can a member cast his vote by electronic means?
- (a) Yes, in case of class of companies prescribed by Central Government
  - (b) Yes, in case of all companies
  - (c) Yes, only for one person company
  - (d) No

### **Chapter IX- Accounts of Companies**

1. The Financial Statements of a company shall be in accordance with \_\_\_\_\_
- (a) Accounting Standards
  - (b) Auditing Standards
  - (c) Secretarial Standards
  - (d) All the above
2. The books of accounts of a company shall be maintained on \_\_\_\_\_ basis.
- (a) accrual
  - (b) mercantile
  - (c) cash
  - (d) None of the above
3. The company may keep its books of accounts or other relevant papers in electronic mode.
- (a) True
  - (b) False

4. Till how many years the books of accounts of the company are to be preserved?
  - (a) 8 years
  - (b) 5 years
  - (c) 10 years
  - (d) 15 years
5. Where the financial statements do not comply with the accounting standards, the company shall disclose in its financial statements  

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  - (a) the deviation from the accounting standards
  - (b) the reasons for such deviation
  - (c) the financial effects arising out of such deviation
  - (d) All of the above.
6. The accounts of a company can be re- opened if
  - (a) An application is made by CG
  - (b) An application is made by SEBI
  - (c) An application is made by Income Tax Authorities
  - (d) All of the above
7. Under what situation can the books of accounts of any company be re- opened
  - (a) an order is made by a court of competent jurisdiction or the Tribunal to the effect that the relevant earlier accounts were prepared in a fraudulent manner
  - (b) On the collective decision of Board of Directors
  - (c) Cannot be re- opened
  - (d) None of the above
8. How many times can revised financial statements be filed?
  - (a) Infinite
  - (b) Once a year
  - (c) Twice a year
  - (d) Thrice a year

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9. Which areas can be revised once the Financial Statements are laid before the company in General Meeting?
- (a) the correction in respect of which the previous financial statement or report do not comply with the provisions of section 128 or section 134
  - (b) the correction in respect of which the previous financial statement or report do not comply with the provisions of section 129 or section 134
  - (c) the correction in respect of which the previous financial statement or report do not comply with the provisions of section 130 or section 134
  - (d) None of the above
10. What are the declarations made in the Director's Responsibility Statement?
- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures
  - (b) the directors had prepared the annual accounts on a going concern basis;
  - (c) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively
  - (d) All of the above
11. Which companies are required to constitute CSR committee?
- (a) Net worth Rs 50 crore or more
  - (b) Net worth Rs 500 crore or more
  - (c) Net worth Rs 1000 crore or more
  - (d) None of the above
12. What amount has to be spend in CSR Activities?
- (a) at least 2% of the average net profits of the company made during the 3 immediately preceding financial years
  - (b) at least 3% of the average net profits of the company made during the 3 immediately preceding financial years

- (c) at least 5% of the average net profits of the company made during the 3 immediately preceding financial years
  - (d) None of the above
13. Can the CG prescribe the manner of circulation of Financial Statements?
- (a) Yes
  - (b) No
  - (c) Not Applicable
  - (d) None of the Above
14. Which of the companies are required to appoint an Internal auditor?
- (a) turnover of 100 crore rupees or more during the preceding financial year
  - (b) turnover of 200 crore rupees or more during the preceding financial year
  - (c) turnover of 300 crore rupees or more during the preceding financial year
  - (d) None of the above
15. Every company shall prepare and keep its branch's books of account and other relevant books and papers and financial statement for every financial year at its-
- (a) Registered office
  - (b) Branch office
  - (c) Corporate Office
  - (d) All of the Above
16. Where a company has a branch office outside India proper books of accounts are to be kept at
- (a) Registered office only
  - (b) At that Branch and proper summarized returns periodically relating to transactions are sent to registered office
  - (c) Corporate Office
  - (d) All of the above.



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17. Company XYZ is in existence since past 4 years, books of accounts should be maintained for how many years?
- (a) 2 Years
  - (b) 3 Years
  - (c) 4 Years
  - (d) 8 Years
18. Can the books of accounts be kept at a place other than the registered office of the company?
- (a) No
  - (b) Yes with permission of the Central government
  - (c) Yes, with the permission of the Tribunal
  - (d) Yes, as the Board of Directors deem fit, under notice to the Registrar within 7 days of the decision.
19. Mr. A, Managing Director of the company was in-charge of complying with the sections of 128 of the Companies Act, 2013 i.e. books of accounts but he contravened the provisions and thus is punishable with a minimum fine of –
- (a) Rs 5000
  - (b) Rs 25000
  - (c) Rs 50000
  - (d) Rs 10000

### **Chapter XV- Compromises, Arrangements and Amalgamations**

1. When were the provisions for carrying out Compromise and arrangements commenced?
- (a) 15 December 2015
  - (b) 15 December 2016
  - (c) 15 January 2017
  - (d) None of the above
2. Who are eligible to raise objections to the scheme of compromise and arrangement?
- (a) can be raised only by persons holding 10% or more of shareholding

- (b) having debt amounting 5% of the total outstanding debt
  - (c) A or B both
  - (d) A and B Both.
3. Shareholding means the shareholding of the members of the class who are entitled to vote on the proposal.
- (a) True
  - (b) False
4. What is Corporate Debt Restructuring?
- (a) scheme that restructures or varies the debt obligations of a company towards its creditors
  - (b) scheme that restructures or varies the debt obligations of a company towards its debtors
  - (c) scheme that restructures or varies the equity obligations of a company towards its creditors
  - (d) None of the above
5. Under what circumstances the meeting of the creditors may be dispensed by the NCLT?
- (a) if 70% of the creditors in value agree and confirm to the scheme by way of affidavit
  - (b) if 80% of the creditors in value agree and confirm to the scheme by way of affidavit
  - (c) if 90% of the creditors in value agree and confirm to the scheme by way of affidavit
  - (d) None of the above
6. For how many years the books and papers of amalgamated companies shall be preserved?
- (a) No time limit prescribed
  - (b) 8 years
  - (c) 10 years
  - (d) 15 years
7. Can Company buy back its shares under a scheme of arrangement without following the conditions prescribed under the Companies Act,

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2013?

- (a) Yes
  - (b) No
  - (c) Yes, Prior Permission from members
  - (d) None of the above.
8. Which amongst the following is a restriction on transferee company in event of merger or amalgamation?
- (a) hold any shares in its own name
  - (b) hold any shares in the name of any trust on its behalf
  - (c) hold any shares in the name of any trust on behalf of any of its subsidiary
  - (d) All of the above
9. Which of the following is not true in case of registration of a Scheme:
- (a) transfer of property or liabilities of the transferor company to the transferee company so that the property becomes the property of the transferee company and the liabilities become the liabilities of the transferee company;
  - (b) the charges, if any, on the property of the transferor company shall be applicable and enforceable as if the charges were on the property of the transferee company;
  - (c) legal proceedings by or against the transferor company pending before any court of law shall be continued by or against the transferee company
  - (d) None of the above.
10. Within how many days Central Government after receiving the objections or suggestions file an application before the Tribunal?
- (a) within a period of thirty days of the receipt of the scheme
  - (b) within a period of sixty days of the receipt of the scheme
  - (c) within a period of ninety days of the receipt of the scheme
  - (d) None of the above.
11. With whom will the Central Government file an application if it is of the opinion that such a scheme is not in public interest or in the interest of

the creditors?

- (a) Cannot move an application
- (b) it may file an application before the Tribunal
- (c) it may file an application before the Parliament
- (d) None of the above.

**Chapter XVII- Registered Valuer**

1. Who appoints a registered valuer to value any property, stocks, shares or any other assets of a company?
  - (a) Audit Committee
  - (b) Nomination Committee
  - (c) Disciplinary Committee
  - (d) Grievance Committee
2. Where a valuer has been convicted he shall be liable to\_\_\_\_
  - (a) Refund the remuneration received
  - (b) Pay damages to the company
  - (c) Pay damages to any person
  - (d) All of the above
3. If a valuer contravenes any provisions under the act or rules he shall be punishable with a fine
  - (a) Not less than 25000/- but which may extend to 100000/-
  - (b) Not less than 5000/- but which may extend to 25000/-
  - (c) Not less than 15000/- but which may extend to 100000/-
  - (d) Not less than 5000/- but which may extend to 100000/-
4. If a valuer has contravened the provisions with the intention to defraud the company or its members he shall be punishable with
  - (a) a fine not less than 100000/- but which may extend to 500000/-
  - (b) with imprisonment for a term of six months
  - (c) imprisonment for a term which may extend to one year
  - (d) A and C both

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5. Can a valuer undertake valuation of any assets in which he has a direct or indirect interest?
  - (a) Yes
  - (b) No
  - (c) Not Applicable
  - (d) None of the above
6. What shall not be the duties of a Registered Valuer?
  - (a) to make an impartial, true and fair valuation of any assets which may be required to be valued
  - (b) to exercise due diligence while performing the functions as valuer
  - (c) to undertake valuation of any assets in which he has a direct or indirect interest or becomes so interested at any time during or after the valuation of assets.
  - (d) to make the valuation in accordance with such rules as may be prescribed
7. In case a Valuer becomes interested in any property, stock etc of the company, he may be appointed as Registered Valuer of the company after a cooling off period of:
  - (a) 3 years
  - (b) 5 years
  - (c) 1 year
  - (d) He will never be appointed as Registered Valuer of the company

### **Chapter XVIII– Removal of names of the Companies from the register of Companies**

1. Striking off implies \_\_\_\_\_.
  - (a) Removal
  - (b) Revoke
  - (c) Rescind
  - (d) Defunct

2. When can a Company's name be removed from the Register of Companies?
  - (a) Where the Registrar has reasonable cause to believe that a company has failed to commence its business within one year of its incorporation;
  - (b) Where the Registrar has reasonable cause to believe that a company has failed to commence its business within two years of its incorporation;
  - (c) Where the Registrar has reasonable cause to believe that a company has failed to commence its business within three years of its incorporation;
  - (d) Where the Registrar has reasonable cause to believe that a company has failed to commence its business within five years of its incorporation;
3. What is the evidence of Removal of Name?
  - (a) A notice published in the Newspaper
  - (b) A notice published in the prescribed manner in the Official Gazette
  - (c) Hosting of removal of Name over the company's website
  - (d) None of the above.
4. Will the officers of the company be liable to any acts after the name has been removed?
  - (a) Yes
  - (b) No
  - (c) Maybe
  - (d) None of the above
5. Which authority can wound up the company whose name has been struck off?
  - (a) Central Govt
  - (b) Parliament
  - (c) Tribunal
  - (d) None of the above.

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6. Can a aggrieved member apply for restoration of name of the company?
  - (a) No
  - (b) Yes, before the expiry of five years from the publication in the Official Gazette
  - (c) Yes, before the expiry of fifteen years from the publication in the Official Gazette
  - (d) Yes, before the expiry of twenty years from the publication in the Official Gazette
7. Can a aggrieved creditor apply for restoration of name of the company?
  - (a) No
  - (b) Yes, before the expiry of five years from the publication in the Official Gazette
  - (c) Yes, before the expiry of fifteen years from the publication in the Official Gazette
  - (d) Yes, before the expiry of twenty years from the publication in the Official Gazette
8. Can a aggrieved workmen apply for restoration of name of the company?
  - (a) No
  - (b) Yes, before the expiry of five years from the publication in the Official Gazette
  - (c) Yes, before the expiry of fifteen years from the publication in the Official Gazette
  - (d) Yes, before the expiry of twenty years from the publication in the Official Gazette
9. What is the remedy available to person aggrieved by the order of Registrar?
  - (a) file an appeal to the Tribunal within a period of one year from the date of the order of the Registrar
  - (b) file an appeal to the Tribunal within a period of two year from the date of the order of the Registrar

- (c) file an appeal to the Tribunal within a period of three years from the date of the order of the Registrar
  - (d) file an appeal to the Tribunal within a period of four years from the date of the order of the Registrar
10. When can an application for Removal of name be filed by the company -
- (a) after extinguishing all liabilities by consent of 90 % of members in terms of paid up share
  - (b) after extinguishing all liabilities by consent of 75 % of members in terms of paid up share
  - (c) after extinguishing all liabilities through a ordinary resolution
  - (d) None of the above
11. When can a Company's name be removed from the Register of Companies?
- (a) company is not carrying on any business or operation for a period of one immediately preceding financial year and has not made any application within such period for obtaining the status of a dormant company under section 455
  - (b) company is not carrying on any business or operation for a period of two immediately preceding financial years and has made an application within such period for obtaining the status of a dormant company under section 455
  - (c) company is not carrying on any business or operation for a period of two immediately preceding financial years and has not made any application within such period for obtaining the status of a dormant company under section 455
  - (d) company is not carrying on any business or operation for a period of one immediately preceding financial year
12. Where the Registrar has reasonable cause to believe, he shall send a notice to the company and all the directors of the company, of his intention to remove the name of the company from the register of companies and requesting them to send relevant details within a period of -----days from the date of the notice.
- (a) 15



### **Question Bank on IBBI Limited Insolvency Examination**

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- (b) 30
  - (c) 45
  - (d) 21
13. Which of the following is not a restriction for a company to apply for removal of name -
- (a) If at any time in the previous three months, the company has changed its name
  - (b) If at any time in the previous three months, the company has shifted its registered office from one State to another
  - (c) If at any time in the previous six months, the company has shifted its registered office from one State to another
  - (d) If at any time in the previous three months has made an application to the Tribunal for the sanctioning of a compromise or arrangement and the matter has not been finally concluded
14. If the Registrar is satisfied, that the name of the company requires restoration in the register of companies, he may within a period of----- years from the date of passing of the order dissolving the company under section 248, file an application before the Tribunal seeking restoration of name of such company
- (a) 3
  - (b) 4
  - (c) 5
  - (d) 2
15. Where a company stands dissolved under section 248, the Certificate of Incorporation issued to it shall be deemed to have been cancelled from such date, except for which of the following condition?
- (a) for the purpose of realizing the amount due to the company and for the payment
  - (b) for discharge of the liabilities
  - (c) for obligations of the company
  - (d) All of the above

**Chapter XX- Winding up**

1. Who can present a petition to the Tribunal for the winding up of a company?
  - (a) the company;
  - (b) any contributory or contributories;
  - (c) Registrar
  - (d) All of the above
2. Is there a remedy available to creditors aggrieved by decision of official liquidator?
  - (a) No remedy available.
  - (b) May file an appeal to the CG
  - (c) May file an appeal to the Parliament
  - (d) None of the above.
3. What are the modes of Winding Up?
  - (a) by Tribunal
  - (b) Voluntary Winding up
  - (c) Both A and B
  - (d) None of the above.
4. What are the circumstances in which company may be wound up by the Tribunal?
  - (a) if the company has, by special resolution, resolved that the company be wound up by the Tribunal
  - (b) if the company has acted against the interests of the sovereignty and integrity of India
  - (c) if the company has made a default in filing with the Registrar its financial statements or annual returns for immediately preceding five consecutive financial years
  - (d) All of the above.
5. Can the Tribunal transfer an assignment of one Provisional Liquidator to another Provisional Liquidator?
  - (a) Yes

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- (b) No
  - (c) Maybe
  - (d) None of the above.
6. When can a winding up order not be called a notice of discharge?
- (a) when the business of the company is continued
  - (b) when the business of the company is closed since 2 years.
  - (c) On the discretion of the management
  - (d) None of the above.
7. When can an application be made to Tribunal for constitution of a winding up committee to assist and monitor the progress of liquidation proceedings by the Company Liquidator in carrying out the function?
- (a) Within two weeks from the date of passing of winding up order
  - (b) Within three weeks from the date of passing of winding up order
  - (c) Within four weeks from the date of passing of winding up order
  - (d) None of the above.
8. Who shall make an application to the Tribunal for constitution of a winding up committee to assist and monitor the progress of liquidation proceedings by the Company Liquidator in carrying out the function?
- (a) No application required
  - (b) Company Liquidator
  - (c) Management
  - (d) Members
9. Winding-up committee comprises of the following persons-
- (a) Official Liquidator attached to the Tribunal
  - (b) Nominee of secured creditors
  - (c) A professional nominated by the Tribunal
  - (d) All of the above.
10. Which of the below mentioned are not the functions of winding up committee?
- (a) assist and monitor the liquidation proceedings of taking over assets

- (b) assist and monitor the liquidation proceedings of sale of assets
  - (c) assist and monitor the liquidation proceedings for examination of the statement of affairs
  - (d) None of the above.
11. The Company Liquidator shall place before the Tribunal a report along with minutes of the meetings of the committee on \_\_\_\_\_ basis duly signed by the members present in the meeting for consideration till the final report for dissolution of the company is submitted before the Tribunal.
- (a) Weekly
  - (b) Monthly
  - (c) Half Yearly
  - (d) Yearly
12. Which of the following is not a content of the Report submitted by the Company Liquidator to the Tribunal?
- (a) Amount of Capital Issued
  - (b) the nature and details of the assets of the company
  - (c) Location of the assets of the company
  - (d) None of the above.
13. In settling the list of contributories, the Tribunal shall distinguish between
- (a) Contributories in own right and as being representatives
  - (b) Prominent members
  - (c) Key Managerial persons
  - (d) None of the above.
14. The advisory committee appointed by the Tribunal shall consist of not more than \_\_\_\_\_ members, being creditors and contributories of the company or such other persons in such proportion as the Tribunal may, keeping in view the circumstances of the company under liquidation, direct
- (a) Ten
  - (b) Twelve

### **Question Bank on IBBI Limited Insolvency Examination**

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- (c) Fifteen
  - (d) None of the above.
15. Who shall be the Chairman of the advisory committee constituted by the Tribunal?
- (a) Company Liquidator
  - (b) Any Director
  - (c) Any Creditor
  - (d) Representative of Tribunal.

### **Chapter XXVII- NCLT & NCLAT**

1. Qualification which is not required for the appointment as a Judicial Member of NCLT:-
- (a) Is, or has been a District Judge for at least five Years
  - (b) Is, or has been a judge of a High Court
  - (c) Has, or for atleast Ten Years been an Advocate of a Court
  - (d) Any person who has been held judicial office for at least Ten Years
2. The Principal Bench of the NCLT shall be in:-
- (a) Mumbai
  - (b) New Delhi
  - (c) Kolkata
  - (d) Chennai
3. Any person who is aggrieved by the order of Appellate Tribunal may approach to the Supreme Court in the light of Additional Facts within:-
- (a) 30 Days
  - (b) 45 Days
  - (c) 60 Days
  - (d) None of the Above.
4. The National Company Law Tribunal shall consists of President and –
- (a) Judicial Members only
  - (b) Technical members only

- (c) Both Judicial and Technical members
  - (d) None of the above
5. The Appellant Tribunal shall consists of members not exceeding –
- (a) Ten
  - (b) Eleven
  - (c) Twelve
  - (d) Fifteen
6. The Chairperson of an Appellate Tribunal shall be person who is or has been a –
- (a) Judge of a Supreme Court or Chief Justice of a High Court
  - (b) Judicial Member of a Tribunal for five years
  - (c) Chief Justice of a Supreme Court
  - (d) Both (a) and (b)
7. Any person aggrieved by any order of the Appellate Tribunal may file an appeal to the –
- (a) High Court
  - (b) Division Bench of High Court
  - (c) Full Bench of High Court
  - (d) Supreme Court
8. All proceedings under the Companies act, 1956, including proceedings relating to arbitration, compromise, arrangements and reconstruction and winding up of companies pending immediately before such date before any district Court or high Court, shall stand transferred to the –
- (a) Tribunal
  - (b) Appellate Tribunal
  - (c) Company Law Board
  - (d) Central Government
9. What is not a qualification for appointment as a Technical Member?
- (a) Member of Indian Corporate Law Service or Indian Legal Service for 15 years
  - (b) Practising Chartered Accountant for 15 years

### **Question Bank on IBBI Limited Insolvency Examination**

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- (c) Practising Company Secretary for 15 years
  - (d) Member of Legislative Assembly for 5 years
10. What is not a ground for removal of member of the Tribunal?
- (a) Member has been adjudged as an insolvent
  - (b) Member has been declared as person of good character
  - (c) Member has been convicted of an offence
  - (d) Member has abused his position as to render his continuance in office prejudicial to the public interest
11. What is the power of Tribunal to punish for contempt?
- (a) It shall have same jurisdiction, powers and authority as the High Court
  - (b) It shall have same jurisdiction, powers and authority as the Supreme Court
  - (c) It shall have same jurisdiction, powers and authority as the Civil Court
  - (d) It shall have same jurisdiction, powers and authority as the District Court
12. What is true about application of Limitation Act on Tribunal?
- (a) The Limitation Act shall not apply on proceedings before Tribunal
  - (b) The Limitation Act shall apply on proceedings before Tribunal
  - (c) The Limitation Act shall not apply on proceedings before Appellate Tribunal
  - (d) The Limitation Act shall not apply on proceedings before Tribunal or Appellate Tribunal

## Chapter 4

# The Indian Contract Act, 1872

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1. When one person signifies to another his willingness to do or to abstain from doing any thing with a view to obtaining the assent of that other person to such act or abstinence he is said to make a:
  - (a) Proposal
  - (b) Promise
  - (c) Acceptance
  - (d) Contract
2. When the person to whom the proposal is made signifies his assent thereto the proposal is said to be accepted than its called:
  - (a) Proposal
  - (b) Promise
  - (c) Acceptance
  - (d) Contract
3. The person to whom proposal is made is called:
  - (a) Proposer
  - (b) Promisor
  - (c) Acceptor
  - (d) Promisee
4. Every promise and every set of promises forming the consideration for each other:
  - (a) Proposal
  - (b) Agreement
  - (c) Contract
  - (d) Offer
5. An agreement not enforceable by law is called:
  - (a) Void Agreement



### **Question Bank on IBBI Limited Insolvency Examination**

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- (b) Valid Agreement
  - (c) Void Contract
  - (d) None of the Above
6. An agreement enforceable by law is called:
- (a) Proposal
  - (b) Agreement
  - (c) Contract
  - (d) Offer
7. A proposes by letter to sell a house to B the Communication of the proposal is complete
- (a) When A make such a proposal
  - (b) When B accepts the proposal
  - (c) Either (a) or (b)
  - (d) None of above
8. All agreements are contracts but all contracts are not agreement.
- (a) The statement is correct
  - (b) The statement is partly correct
  - (c) The statement is false
  - (d) None of above
9. The minimum age for making a contract is:
- (a) 16 years
  - (b) 21 years
  - (c) Majority
  - (d) There is no age requirement
10. Consent of the parties to the contract is said to be free when:
- (a) The parties agree on the same thing in the same sense
  - (b) The parties agree on the same thing at the same time
  - (c) The parties agree in the same sense at the same time
  - (d) All of the above

11. Which of the following does not affect free consent:
  - (a) Undue Influence
  - (b) Coercion
  - (c) Fraud
  - (d) Disclosures
12. What is the nature of contract caused by a mistake of law in India?
  - (a) Void Agreement
  - (b) Valid Contract
  - (c) Void Contract
  - (d) None of the Above
13. When is the object or consideration said to be lawful?
  - (a) If it is not forbidden by law
  - (b) If it is not immoral
  - (c) If it is not opposed to public policy
  - (d) All of the above
14. What is the effect of agreement without consideration?
  - (a) Void Agreement
  - (b) Valid Contract
  - (c) Void Contract
  - (d) None of the Above
15. Which of the following agreement is not void?
  - (a) Agreement in restraint of marriage
  - (b) Agreement in restraint of trade
  - (c) Agreement to enter into trade
  - (d) Agreement in restraint of legal proceedings
16. A agrees to pay B 1,000 rupees if two straight lines should enclose a space:
  - (a) The agreement is Valid
  - (b) The agreement is Void

### **Question Bank on IBBI Limited Insolvency Examination**

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- (c) The agreement is Voidable
  - (d) None of the above
17. What type of damages are eligible for compensation on breach of a contract?
- (a) The damages which are remote in nature
  - (b) The damages which are not remote in nature
  - (c) The damages which naturally arose in the usual course of things
  - (d) Both (b) & (c)
18. A contract by which one party promises to save the other from loss caused to him by the contract of the promisor himself, or by the conduct of any other person is called\_\_\_\_
- (a) Contract of Indemnity
  - (b) Contract of Guarantee
  - (c) Contract of Bailment
  - (d) None of the above
19. B requests A to sell and deliver to him goods on credit. A agrees to do so, provided C will guarantee the payment of the price of the goods. C promises to guarantee the payment in consideration of A's promise to deliver the goods. This is a contract of\_\_\_\_
- (a) Contract of Indemnity
  - (b) Contract of Guarantee
  - (c) Contract of Bailment
  - (d) None of the above
20. What is a continuing guarantee?
- (a) A guarantee which extends to a series of transaction
  - (b) A guarantee which extends to a multiple transactions
  - (c) A guarantee which extends only one transaction
  - (d) None of the above
21. In the "contract of guarantee", the person who gives the guarantee is called -
- (a) Principal debtor

- (b) Creditor
  - (c) Surety
  - (d) Secondary debtor
22. In the "contract of guarantee", the person to whom the guarantee is given is called -
- (a) Principal debtor
  - (b) Creditor
  - (c) Surety
  - (d) Secondary debtor
23. A -----is the delivery of goods by one person to another for some purpose, upon a contract that they shall, when the purpose is accomplished, be returned or otherwise disposed of according to the directions of the person delivering them.
- (a) Transportation
  - (b) Bailment
  - (c) Consignment
  - (d) Assignment
24. In case of bailment, the person delivering the goods and the person to whom they are delivered are called respectively-
- (a) Guarantor/Guarantee
  - (b) Assignor/Assignee
  - (c) Bailor/Bailee
  - (d) Consignor/Consignee
25. Who amongst the following has a general lien on the goods bailed to them?
- (a) Bankers
  - (b) Factors
  - (c) Wharfingers
  - (d) All of the above

**Question Bank on IBBI Limited Insolvency Examination**

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26. The bailment of goods as security for payment of a debt or performance of a promise is called-----
- (a) Mortgage
  - (b) Collateral
  - (c) Pledge
  - (d) Security

## Chapter 5

# The Transfer of Property Act, 1882

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1. Which of the following is not included in the definition of immovable property?
  - (a) Standing Timber
  - (b) Grass
  - (c) Growing Crop
  - (d) All of the above
2. Transfer of property can be made between\_\_\_\_
  - (a) Any two persons
  - (b) One or more persons
  - (c) One or more Living Persons
  - (d) Both (a) & (b)
3. What may be transferred?
  - (a) The chance of an heir-apparent succeeding to an estate
  - (b) A right to future maintenance
  - (c) Salary of a public officer
  - (d) None of the above
4. What is the effect of condition absolutely restraining alienation of property?
  - (a) Such condition shall be treated as Void
  - (b) Such condition shall be valid
  - (c) The transfer shall become void
  - (d) The transfer will be invalid
5. What is the exception to rule of perpetuity?
  - (a) Transfer made for the benefit of public
  - (b) Transfer made in favour of unborn
  - (c) Transfer made in favour of firm

### **Question Bank on IBBI Limited Insolvency Examination**

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- (d) All of the Above
- 6. X transfers his property to Z with a direction that the income of the said property shall accumulate during X's life and shall be given to M.
  - (a) The direction is valid even after the life of Z
  - (b) The direction is valid only upto the life of Z
  - (c) The direction is valid only upto the life of X
  - (d) The direction is valid only upto the life of M
- 7. An interest created on transfer of property, in favour of a person without specifying the time when it is to take effect, or specifying that it is to take effect forthwith or on the happening of an event which must happen is called\_\_\_\_
  - (a) Contingent Interest
  - (b) Vested Interest
  - (c) Either (a) or (b)
  - (d) None of above
- 8. What is the nature of interest of an unborn child?
  - (a) Contingent Interest
  - (b) Vested Interest
  - (c) Either (a) or (b)
  - (d) None of above
- 9. A gives Rs. 500 to B on condition that he shall marry A's daughter C. At the date of the transfer C was dead.
  - (a) The transfer is Void
  - (b) The transfer is Valid
  - (c) The Condition is Void
  - (d) The transfer is Voidable
- 10. What is doctrine of acceleration?
  - (a) The ulterior disposition shall not take effect upon the failure of the prior disposition
  - (b) The ulterior disposition fails upon the failure of the prior disposition

- (c) The ulterior disposition shall take effect upon the failure of the prior disposition
  - (d) None of the above
11. A transfers property to his wife; but, in case she should die in his life-time, transfer to B that which he had transferred to her. A and his wife perish together, under circumstances which make it impossible to prove that she died before him.
- (a) The disposition in favour of B shall be valid
  - (b) The disposition in favour of B may be valid
  - (c) The disposition in favour of B may not take effect.
  - (d) The disposition in favour of B does not take effect.
12. What is doctrine of lis pendis?
- (a) The property cannot be transferred during the pendency of any suit or proceedings in any court
  - (b) The property can be transferred during the pendency of any suit or proceedings in any court
  - (c) The property transferred during the pendency of any suit or proceedings in any court shall be valid
  - (d) None of the Above
13. Sale of tangible immovable property of Rs. 100 or less may be made by
- (a) Registered Instrument
  - (b) Delivery of Property
  - (c) Either (a) or (b)
  - (d) All of the above
14. Which is the type of mortgage where without delivering possession of the mortgaged property, the mortgagor binds himself personally to pay the mortgage-money?
- (a) English Mortgage
  - (b) Simple Mortgage
  - (c) Mortgage by Conditional Sale
  - (d) Usufructuary Mortgage



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15. Which is the type of mortgage where the mortgagor delivers or binds himself to deliver possession of the mortgaged property to the mortgagee?
- (a) English Mortgage
  - (b) Simple Mortgage
  - (c) Mortgage by Conditional Sale
  - (d) Usufructuary Mortgage
16. Mortgage by way of deposit of title deeds may be made by:
- (a) Registered Instrument only
  - (b) Registration is not compulsory
  - (c) Registration is compulsory for property of Rs. 100 or above
  - (d) None of the above
17. Who has the right of redemption of property?
- (a) Mortgagor
  - (b) Mortgagee
  - (c) Principal Debtor
  - (d) All of the above
18. Who has the right of subrogation?
- (a) Any person who has any interest in, or charge upon, the property mortgaged or in or upon the right to redeem the same
  - (b) Any surety for the payment of the mortgage-debt
  - (c) Any Co-mortgagor
  - (d) All of the above
19. In absence of contract to contrary, a lease of immovable property shall be terminable by a notice of \_\_\_\_ days.
- (a) 30
  - (b) 15
  - (c) 10
  - (d) 7

**The Transfer of Property Act, 1882**

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20. A, the lessor, gives B, the lessee, notice to quit the property leased. The notice expires. B tenders and A accepts, rent which has become due in respect of the property since the expiration of the notice.
- (a) The notice is to be reserved
  - (b) 10 days notice is to be served
  - (c) Notice is waived
  - (d) None of the above
21. If the donee dies before acceptance, the gift is\_\_\_
- (a) Valid
  - (b) Void
  - (c) Voidable
  - (d) None of the above
22. In which case the transfer must be affected by a registered instrument?
- (a) Gift of Immovable Property
  - (b) Gift of Movable Property
  - (c) Both (a) & (b)
  - (d) None of the above
23. In the case of tangible immovable property sale above the value of ----  
----- can be made only by a registered instrument.
- (a) One thousand rupees
  - (b) One hundred rupees
  - (c) Ten thousand rupees
  - (d) None of the above
24. A transfer of a right to enjoy an immovable property made for a certain time, express or implied or in perpetuity, in consideration of a price paid or promised or of money, a share of crops, service or any other thing of value to be tendered periodically or on specified occasions to the transferor by the transferee, who accepts the transfer on such terms is called-----
- (a) Pledge

**Question Bank on IBBI Limited Insolvency Examination**

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- (b) Lease
  - (c) Mortgage
  - (d) Exchange
25. When two persons mutually transfer the ownership of one thing for the ownership of another, neither thing or both things being money only, the transaction is called-----
- (a) Transfer
  - (b) Lease
  - (c) Exchange
  - (d) Mortgage
26. The transfer of certain existing movable or immovable property made voluntarily and without consideration, by one person to another is called -----
- (a) Transfer
  - (b) Exchange
  - (c) Lease
  - (d) Gift

## Chapter 6

# The Sale of Goods Act, 1930

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1. The Sale of Goods Act deals only with goods which are \_\_\_\_\_ in nature.
  - (a) Immovable
  - (b) Specific
  - (c) Movable
  - (d) All of the above
2. Goods that are identified at the time of contract of sale are called \_\_\_\_\_ good.
  - (a) Specific Goods
  - (b) Ascertained Goods
  - (c) Clear Goods
  - (d) Both A & B
3. Which of the following is not a subject matter for sale of goods?
  - (a) Trade Mark
  - (b) Good Will
  - (c) Money
  - (d) Water
4. Which of the below said is not included in goods as per Sale of Goods Act 1930?
  - (a) Stocks
  - (b) Forming part of the land
  - (c) Actionable claims
  - (d) Crop
5. Where the transfer of the property in the goods is to take place at a future time or subject to some conditions thereafter to be fulfilled the contract is called -----
  - (a) Future sale

### Question Bank on IBBI Limited Insolvency Examination

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- (b) Agreement to sell
  - (c) Transfer to sell
  - (d) Condition to sell
6. A sold his laptop to B, but in order to get it repaired A retained the laptop with him. The laptop is stolen by C, in this case the loss will fall on.
- (a) C
  - (b) B
  - (c) A
  - (d) None of them
7. The goods must be \_\_\_\_\_ goods for transferring the property in the goods.
- (a) Ascertained
  - (b) Unascertained
  - (c) Future
  - (d) All of the above
8. Under the Sale of Goods Act the seller has a duty to deliver the goods to the buyer. What is the legal meaning of 'delivery'?
- (a) Where the seller physically transports the goods to the buyer.
  - (b) The voluntary transfer of ownership from one person to another.
  - (c) The voluntary transfer of possession from one person to another.
  - (d) The voluntary transfer of ownership and possession from one person to another.
9. In case of agreement to sell the seller can sue the buyer for \_\_\_\_\_ in case of breach.
- (a) Price
  - (b) Interest
  - (c) Fraud
  - (d) Damages
10. Which one of the following statements is true?

### **The Sale of Goods Act, 1930**

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- (a) The Sale of Goods Act 1930 only applies to contracts for the Sale of Goods where ownership is to be transferred immediately the contract is made.
  - (b) The Sale of Goods Act 1930 applies to contracts for the Sale of Goods where ownership is to be transferred immediately from the seller to the buyer and to contracts where the seller agrees to transfer ownership at a later date.
  - (c) The Sale of Goods Act 1930 does not apply if the exact price is not mentioned in the contract.
  - (d) A contract for the Sale of Goods must be written.
11. "The goods shall remain at seller's risk", what are the exceptions to this rule?
- (a) The property is transferred to buyer and the property has been delivered.
  - (b) The property is transferred to buyer, whether the property has been delivered or not.
  - (c) Delay in delivery of goods is through fault of buyer.
  - (d) All of the above
12. The rule of Caveat Emptor shall not be applicable where-
- (a) The buyer relies on seller's skill or judgment
  - (b) Goods are not of merchantable quality
  - (c) Both (a) & (b)
  - (d) None of the above
13. In which form of contract, ownership in goods passes to buyer immediately
- (a) Sale
  - (b) Agreement to sell
  - (c) Pledge
  - (d) Mortgage
14. A stipulation essential to the main purpose of the contract is
- (a) Condition
  - (b) Warranty

### **Question Bank on IBBI Limited Insolvency Examination**

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- (c) Covenant
  - (d) None of the Above
15. As per Section 2(8), of the Sale of Goods Act, 1930, insolvent means a person
- (a) Who has ceased to pay his debts in the ordinary course of business
  - (b) Who cannot pay his debts as they become due
  - (c) Both (a) & (b)
  - (d) None of the Above
16. The agent in customary course of business having as such agent authority either to sell goods or to consign goods for the purpose of sale or to buy goods or to raise money on the security of goods is called-
- (a) Agent
  - (b) Mercantile Agent
  - (c) Partner
  - (d) None of the Above
17. Sale of Goods Act, 1930 is based on the principle of-
- (a) Caveat Emptor
  - (b) Caveat Venditor
  - (c) Consensus ad idem
  - (d) All of the Above
18. The breach of condition to Contract of Sale may be treated as breach of warranty, when
- (a) The buyer waives the condition
  - (b) Where contract is not severable and the buyer has accepted the goods or part thereof
  - (c) Both (a) & (b)
  - (d) Only (b)
19. Sale of Goods Act, 1930 provides right of suit for specific performance of contract on the part of-

- (a) Seller
  - (b) Buyer
  - (c) Both (a) & (b)
  - (d) None of the Above
20. A consideration in Contract of Sale must be \_\_\_\_ only.
- (a) Goods
  - (b) Movable only
  - (c) Price
  - (d) Purchase
21. As per the Sale of Goods Act, 1930, where there is an unconditional contract for the sale of specific goods in a deliverable state, when shall the property in the goods pass to the buyer?
- (a) When the contract is made
  - (b) When the buyer wants
  - (c) When the seller wants
  - (d) When the price is ascertained
22. In agreement to sell, the transfer of property in goods from seller to buyer takes place
- (a) At the end of contract
  - (b) Immediately
  - (c) In a future date
  - (d) Both (b) & (c)
23. Which of the following statement is correct with respect to Unpaid seller's rights?
- (a) Unpaid seller has a lien on the goods for the period while he is in possession of them
  - (b) In case of the insolvency of the buyer a right of stopping the goods in transit after he has parted with the possession of them
  - (c) A right of re-sale as limited by this Act
  - (d) All of the above.



### **Question Bank on IBBI Limited Insolvency Examination**

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24. A sale is said to be completed when\_\_\_\_\_ is transferred from one party to other party
- (a) Money
  - (b) Goods
  - (c) Interest
  - (d) Ownership
25. What is the implied condition for a contract of sale of goods by sample as well as by description?
- (a) The bulk of goods shall correspond with description.
  - (b) The bulk of goods shall correspond with the sample and with the description.
  - (c) The bulk of goods shall correspond with sample only.
  - (d) There is no implied condition.
26. As per Sale of Goods Act movable goods do not include
- (a) Gas
  - (b) Growing Crop
  - (c) Electricity
  - (d) Money
27. When will a seller be deemed to be an unpaid seller?
- (a) When whole price has not been paid or tendered.
  - (b) When the payment was made by negotiable instrument and the instrument was dishonoured.
  - (c) Both (a) & (b)
  - (d) None of the above
28. As per the Sale of Goods Act, 1930, an unpaid seller has the right of stopping the goods in transit after he has parted with the possession of them, in case the buyer becomes\_\_\_
- (a) Insolvent
  - (b) Incompetent
  - (c) Unwell
  - (d) Untraceable

## Chapter 7

# The Recovery of Debts Due to Banks and Financial Institutions Act, 1993

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1. Which entities shall not be a Bank under the Act?
  - (a) Banking Company
  - (b) State Bank of India
  - (c) Regional Rural Bank
  - (d) Payments and Settlement Bank
2. What is a Debt?
  - (a) Any liability inclusive of interest
  - (b) Any liability exclusive of interest
  - (c) Any liability exclusive of principal
  - (d) None of the above
3. What is the composition of Tribunal?
  - (a) Two Persons
  - (b) One Person
  - (c) Five Persons
  - (d) Three Persons
4. Who appoints the Presiding Officer of Tribunal?
  - (a) The Tribunal
  - (b) The Parliament
  - (c) The Central Government
  - (d) None of the above
5. How many persons complete the composition of an Appellate Tribunal?
  - (a) One Person
  - (b) Two Persons

### **Question Bank on IBBI Limited Insolvency Examination**

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- (c) Three Persons
  - (d) Five persons
6. What is the term of office of the chairperson of Appellate Tribunal?
- (a) For a term of Five Years
  - (b) For a term of Ten Years
  - (c) Till he attains the age of Seventy
  - (d) None of the above
7. Is there any Bar of Jurisdiction under the RDDBFI Act?
- (a) Yes, there is a bar of jurisdiction except the Supreme Court.
  - (b) Yes, there is a bar of Jurisdiction except the High Courts.
  - (c) Yes, there is a bar of Jurisdiction except the Supreme Court and High Courts.
  - (d) Yes, there is a bar of Jurisdiction except the Supreme Court, and a High Court exercising jurisdiction under articles 226 and 227 of the Constitution.
8. What are the powers of the Chairperson of Appellate Tribunal?
- (a) Exercise general power of superintendence and control over the Tribunals under his jurisdiction
  - (b) Power of appraising the work and recording the annual confidential reports of Presiding Officers
  - (c) On the application of any of the parties or on his on motion after notice to the parties and after hearing them, transfer any case from one tribunal for disposal to any other tribunal
  - (d) All of the above
9. The provisions of this Act shall not apply where the amount of debt due to any bank or financial institution or to a consortium of banks or financial institutions is
- (a) Less than five lakh rupees or such other amount, being not less than one lakh rupees,
  - (b) Less than one lakh rupees or such other amount, as may be notified by the Central Government.

**The Recovery of Debts Due to Banks and Financial Institutions Act, 1993**

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- (c) Less than twenty lakh rupees or such other amount, as may be notified by the Central Government.
  - (d) Less than ten lakh rupees or such other amount, being not less than one lakh rupees, or as maybe notified by the Central Government.
10. Can a Chairperson of an Appellate Tribunal transfer any case from one Tribunal for disposal to any other Tribunal?
- (a) Yes
  - (b) No
  - (c) On permission from Central Government
  - (d) Only C
11. How is the choice of DRT of the lender governed?
- (a) By the location of the defendant
  - (b) By the location of the bank or financial institution.
  - (c) By the location of the defendant and also by the location of the bank or financial institution.
  - (d) All of the above.
12. How is the fee decided for an application initiated in DRT?
- (a) Mutually Decided
  - (b) Proportion to the debt
  - (c) Shall be as desired by the DRT
  - (d) None of the above.
13. Can a Tribunal issue summons to the borrower to show cause as to why the relief should not be granted?
- (a) Yes
  - (b) No
  - (c) On specific permission by Central Government.
  - (d) Only C
14. Can an applicant authorise a Legal Practitioner to present the case with the DRT?
- (a) Yes, with permission of the Central Government.

### **Question Bank on IBBI Limited Insolvency Examination**

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- (b) No
  - (c) Yes
  - (d) Yes, if debt is more than Rs 100 crore.
15. What is the Time limit within which the application should be disposed of by the DRT?
- (a) Within three hundred and sixty days from the date of receipt of the application.
  - (b) Within sixty days from the date of receipt of the application.
  - (c) Within one hundred and eighty days from the date of receipt of the application.
  - (d) None of the above.
16. What are the modes of Recovery of Debt?
- (a) Attachment and sale of the movable or immovable property of the defendant.
  - (b) Arrest of the defendant and his detention in prison.
  - (c) Appointing a receiver for the management of the movable or immovable properties of the defendant.
  - (d) All of the above
17. Can the Presiding Officer of Tribunal be removed?
- (a) Shall not be removed.
  - (b) Shall not be removed from his office except by an order made by the Central Government on the ground of proved misbehaviour or incapacity after inquiry.
  - (c) Shall not be removed from his office except by an order made by the Central Government on the ground of incapacity after inquiry.
  - (d) B & C Both
18. Any person discharging any liability to the defendant after the receipt of a notice shall be
- (a) Personally liable to the Recovery Officer to the extent of his own liability to the defendant so discharged

**The Recovery of Debts Due to Banks and Financial Institutions Act, 1993**

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- (b) To the extent of the defendant's liability for any debt due under this Act, whichever is less.
  - (c) Personally liable to the Recovery Officer to the extent of his own liability to the defendant so discharged or to the extent of the defendant's liability for any debt due under this Act, whichever is less.
  - (d) None of the Above.
19. What are the documents required to be accompanied along with the application?
- (a) Statement showing details of the debt due
  - (b) The circumstances under which such a debt has become due;
  - (c) Details of the crossed demand draft representing the application fee;
  - (d) All of the above
20. Issue of summons by Tribunal to the borrower to show cause should be received within \_\_\_\_ days as to why the relief should not be granted.
- (a) 15 days
  - (b) 30 days
  - (c) 45 days
  - (d) 60 days
21. Who can be a Chairperson of the Appellate Tribunal?
- (a) Is, or has been, or is qualified to be, a Judge of a High Court.
  - (b) Has been a member of the Indian Legal Service and has held a post in Grade I of that service for at least three years.
  - (c) Has held office as the Presiding Officer of a Tribunal for at least three years.
  - (d) All of the above.
22. Can an applicant seek relief or reliefs based on more than a single cause of action in one single application under the Act?
- (a) Yes, except the relief's prayed for are consequential to one another.

### **Question Bank on IBBI Limited Insolvency Examination**

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- (b) No, unless the relief's prayed for are consequential to one another.
  - (c) None of the above
  - (d) All of the above.
23. Can the certificate issued by the Recovery Officer be challenged?
- (a) Yes, It shall be open to the defendant to dispute the correctness of the amount specified in the certificate.
  - (b) No, it shall not be open to the defendant to dispute the correctness of the amount specified in the certificate.
  - (c) Yes, It shall be open to the defendant to dispute the certificate on any ground.
  - (d) No, the defendant cannot challenge the Certificate issued by the Recovery Officer on any ground.
24. Can the Presiding Officer withdraw the certificate issued by the Recovery Officer.
- (a) Yes, without intimation to the Recovery Officer
  - (b) Yes, with intimation to the Central Government
  - (c) Yes, with the intimation to the Recovery Officer
  - (d) None of the above
25. In order to remove difficulties can the Central Government make any provisions by order published in Official Gazette?
- (a) Yes, before the expiry of the period of three years from the date of commencement of this Act.
  - (b) Yes, at anytime from the date of commencement of this Act
  - (c) Yes, before the expiry of the period of five years from the date of commencement of this Act
  - (d) Yes, before the expiry of the period of fifteen years from the date of commencement of this Act
26. When Recovery of Debts Due to Banks and Financial Act enforced?
- (a) 24th June 1993
  - (b) 25th June 1993

**The Recovery of Debts Due to Banks and Financial Institutions Act, 1993**

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- (c) 20th June 1994
- (d) 24th June 1994
- 27. The term of the Presiding Officer of the Debts Recovery Tribunal?
  - (a) 3 years
  - (b) 4 years
  - (c) 5 years
  - (d) 7 years
- 28. What is the maximum age upto which the Presiding Officer of the Debts Recovery Tribunal can hold office?
  - (a) 60 years
  - (b) 62 years
  - (c) 65 years
  - (d) 70 years
- 29. What is the maximum age upto which the Chairperson of the Appellate Tribunal can hold office?
  - (a) 60 years
  - (b) 65 years
  - (c) 70 years
  - (d) 75 years
- 30. A person to be qualified for appointment as the Chairperson of the Debts Recovery Appellate Tribunal, he should have held office as the presiding officer of the Tribunal for atleast \_\_\_\_\_ years.
  - (a) 2
  - (b) 3
  - (c) 4
  - (d) 5
- 31. What should be the minimum amount of default for applicability of the provisions of the Recovery of Debts Due to Banks and Financial Act, 1993?
  - (a) 1 lakh rupees
  - (b) 10 lakh rupees



**Question Bank on IBBI Limited Insolvency Examination**

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- (c) 50 lakh rupees
  - (d) 1 crore rupees
32. A person shall not be qualified for appointment as the Presiding Officer of a Tribunal unless he is, or has been, or is qualified to be, a \_\_\_\_\_
- (a) District Judge
  - (b) High Court Judge
  - (c) Supreme Court Judge
  - (d) Metropolitan Magistrate
33. For a person to be eligible to be the Chairperson of an Appellate Tribunal, he has to be qualified to be a
- (a) District Magistrate
  - (b) High Court Judge
  - (c) District Judge
  - (d) Supreme Court Judge
34. A person to be qualified for appointment as the Chairperson of the Debts Recovery Appellate Tribunal, he should have been a member of the Indian Legal Service and has held a post in Grade I of that Service for atleast \_\_\_\_\_ years.
- (a) 3
  - (b) 4
  - (c) 5
  - (d) 6
35. On resignation by the Presiding Officer of the Tribunal or the Chairperson of the Appellate Tribunal, for what duration, he should continue to hold office after rendering his resignation?
- (a) 15 days
  - (b) 1 month
  - (c) 2 months
  - (d) 3 months

**The Recovery of Debts Due to Banks and Financial Institutions Act, 1993**

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36. The Chairperson of an Appellate Tribunal, the Presiding Officer of a Tribunal, the Recovery Officer and other officers and employees of an Appellate Tribunal and a Tribunal shall be deemed to be public servants within the meaning of:
- (a) Section 19 of the Indian Penal Code
  - (b) Article 20 of the Indian Penal Code
  - (c) Section 21 of the Indian Penal Code
  - (d) Section 23 of the Indian Penal Code
37. Against the Presiding Officer of a Tribunal, disciplinary enquiry shall be made by\_\_\_\_\_
- (a) District Judge
  - (b) Metropolitan Judge
  - (c) High Court Judge
  - (d) Supreme Court Judge
38. Against the Chairperson of the Appellate Tribunal, disciplinary enquiry shall be made by
- (a) District Judge
  - (b) Metropolitan Judge
  - (c) High Court Judge
  - (d) Supreme Court Judge

## Chapter 8

# The SARFAESI Act, 2002

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1. No asset reconstruction company shall commence or carry on the business of securitisation or asset reconstruction without-
  - (a) Having the owned fund of not less than two crore rupees
  - (b) Such other amount not exceeding fifteen per cent. of total financial assets acquired or to be acquired by the securitisation company or reconstruction company
  - (c) Only A
  - (d) A & B Both
2. Every asset reconstruction company shall make an application for registration to
  - (a) The Reserve Bank in prescribed format.
  - (b) The Central Government
  - (c) SEBI
  - (d) A & B both.
3. The Reserve Bank may cancel a certificate of registration granted to an asset reconstruction companies, if such company-
  - (a) Ceases to carry on the business of securitisation or asset reconstruction; or
  - (b) Ceases to receive or hold any investment from a qualified institutional buyer; or
  - (c) Has failed to comply with any conditions subject to which the certificate of registration has been granted to it;
  - (d) All of the above
4. In which case, the constitutional validity of the SARFAESI Act, 2002 was declared by Supreme Court?
  - (a) Standards Chartered Bank v/s Dharminder Bhihi
  - (b) Amar Singh v/s Union of India
  - (c) Mardia Chemicals v/s Union of India

- (d) Devi Ispat Limited v/s State Bank of India
5. In the event of non-realisation of financial assets, the qualified buyers of an asset reconstruction companies, holding security receipts of not less than \_\_\_\_\_ shall be entitled to call a meeting of all the qualified institutional buyers and every resolution passed in such meeting shall be binding on the company.
- (a) Seventy-five per cent. of the total value of the security receipts issued by such company,
- (b) Seventy per cent. of the total value of the security receipts issued by such company,
- (c) Sixty-five per cent. of the total value of the security receipts issued by such company,
- (d) fifty per cent. of the total value of the security receipts issued by such company
6. Any asset reconstruction company registered under section 3 may-
- (a) Act as an agent for any bank or financial institution for the purpose of recovering their dues.
- (b) Act as a receiver, if appointed by any Court or Tribunal.
- (c) Not act as an agent/receiver for any bank or financial institution for the purpose of recovering their dues.
- (d) A & B
7. Who shall settle disputes relating to securitisation or reconstruction or non-payment of any amount due including interest?
- (a) The Reserve Bank of India under the Banking Regulation Act 1949
- (b) Conciliation or arbitration under the Arbitration and Conciliation Act, 1996
- (c) All of the above
- (d) None of the above
8. If the dues of the secured creditor are tendered to the secured creditor at any time before the date fixed for sale or transfer, the secured asset shall
- (a) Not be sold or transferred by the secured creditor.

### **Question Bank on IBBI Limited Insolvency Examination**

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- (b) Be sold or transferred by the secured creditor.
  - (c) Not be sold or transferred by the banker.
  - (d) Be sold or transferred by the banker.
9. Record date means the date agreed upon by the secured creditors representing
- (a) Less than three-fourth in value of the amount outstanding on such date.
  - (b) Not less than three-fourth in value of the amount outstanding on such date.
  - (c) Not less than sixty percent in value of the amount outstanding on such date.
  - (d) Less than one-fourth in value of the amount outstanding on such date.
10. In case where the management of the business is taken over by the secured creditor, the secured creditor shall, on realisation of his debt in full,
- (a) Restore the management of the business of the borrower to him.
  - (b) Nominate the management of the business of the borrower to him.
  - (c) Both A & B
  - (d) None of the above
11. Any person aggrieved by any of the measures taken by the secured creditor may appeal to
- (a) The Debts Recovery Tribunal
  - (b) The District Tribunal
  - (c) The Special Tribunal
  - (d) None of the above
12. Within how many days of the measures taken can an aggrieved party make an appeal-
- (a) Within thirty days from the date on which measures had been taken.

- (b) Within forty days from the date on which measures had been taken.
  - (c) Within forty-five days from the date on which measures had been taken.
  - (d) Within sixty days from the date on which measures had been taken.
13. Who shall set up a Central Registry?
- (a) Adjudicating Authority
  - (b) Secured Creditor
  - (c) Central Government
  - (d) None of the Above.
14. Any person aggrieved, by order made by the Debts Recovery Tribunal under section 17, may prefer an appeal to an Appellate Tribunal within
- (a) Sixty days from the date of receipt of the order of Debts Recovery Tribunal.
  - (b) Forty five days from the date of receipt of the order of Debts Recovery Tribunal.
  - (c) Thirty days from the date of receipt of the order of Debts Recovery Tribunal.
  - (d) None of the Above.
15. Will civil court have the power to entertain any suit or proceeding in respect of any matter which a Debt Recovery Tribunal or the Appellate Tribunal is empowered by or under the SARFAESI Act, 2002?
- (a) Yes
  - (b) No
  - (c) Central Government permission
  - (d) Reserve Bank of India permission
16. Who shall try any offence punishable under this Act?
- (a) No Court inferior to the Court of a Metropolitan Magistrate or a Judicial Magistrate of the First Class.
  - (b) District Magistrate

### **Question Bank on IBBI Limited Insolvency Examination**

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- (c) Metropolitan Magistrate or a Judicial Magistrate of the Second Class.
  - (d) None of the above
17. Default means
- (a) Non-payment of any principal debt
  - (b) Interest thereon
  - (c) Any other amount payable by a borrower to any secured creditor
  - (d) All of the above.
18. Which of the Statement is Correct under the SARFAESI Act?
- (a) The term "debt" shall have the meaning assigned to it under SEBI Act, 1992
  - (b) The term "debt" shall have the meaning assigned to it under Recovery of Debts Due to Banks and Financial Institutions Act, 1993.
  - (c) The term "debt" shall have the meaning assigned to it under RBI Act, 1934
  - (d) The term "debt" shall have the meaning assigned to it under The Companies Act, 1956
19. "Financial assistance" means:
- (a) means any loan or advance granted
  - (b) any debentures or bonds subscribed or any guarantees given
  - (c) letters of credit established or any other credit facility extended
  - (d) Any of the above
20. \_\_\_\_\_ is a person that is liable to the originator under the provisions of the SARFAESI Act.
- (a) Drawer
  - (b) Drawee
  - (c) Obligee
  - (d) Obligor
21. Who is the owner of a financial asset which is acquired by a asset reconstruction company?

- (a) Obligor
  - (b) Originator
  - (c) Original Owner
  - (d) None of the above
22. An acquisition of financial assets by any asset reconstruction company from any originator, whether by raising of funds by such asset reconstruction company from qualified buyers by issue of security receipts representing undivided interest in such financial assets or otherwise is:
- (a) Securitization
  - (b) Reconstruction
  - (c) Amalgamation
  - (d) Asset Acquisition
23. Which of the following Statement is incorrect with regard to Security Agreement?
- (a) an agreement, instrument under which security interest is created in favour of the secured creditor
  - (b) any other document or arrangement under which security interest is created in favour of the secured creditor
  - (c) the creation of mortgage by deposit of title deeds with the secured creditor
  - (d) the creation of pledge by deposit of title deeds with the secured creditor
24. A receipt or other security, issued by an asset reconstruction company to any qualified buyer pursuant to a scheme, evidencing purchase or acquisition by the holder thereof, of an undivided right, title or interest in the financial asset involved in securitisation;
- (a) Security receipt
  - (b) Acknowledgement Letter
  - (c) Subscription Letter
  - (d) Acquisition Receipt



### **Question Bank on IBBI Limited Insolvency Examination**

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25. Sponsor means any person holding not less than \_\_\_\_\_ of an asset reconstruction company;
- (a) Ten per cent. of the paid-up equity capital
  - (b) Twenty per cent. of the paid-up equity capital
  - (c) Thirty per cent. of the paid-up equity capital
  - (d) Five per cent. of the paid-up equity capital
26. Secured creditor means any bank or financial institution or any consortium or group of banks or financial institutions and includes-
- (a) Debenture trustee appointed by any bank or financial institution
  - (b) An Asset Reconstruction company
  - (c) Debenture trustee registered with the Board appointed by any company for secured debt securities
  - (d) All of the above
27. Asset reconstruction means acquisition by any securitisation company or reconstruction company of any right or interest of any bank or financial institution in any financial assistance
- (a) For the purpose of realisation of such financial assistance;
  - (b) For the purpose of purchase of such financial assistance;
  - (c) For the purpose of transfer of such financial assistance;
  - (d) None of the above
28. What is the Penalty for non compliance of directions of Reserve Bank of India:
- (a) A fine extending to Rs 1 lakh
  - (b) A fine extending to Rs 5 lakh
  - (c) A fine extending to Rs 10 lakh
  - (d) Stands Omitted
29. To whom are Securitisation company required to report satisfaction of security interest.-
- (a) Secured Creditors
  - (b) Reserve Bank
  - (c) Central Registrar

- (d) None of the above
30. What is the time period within which the Report of Satisfaction of Security Interest is to be registered-?
- (a) Fourteen days  
(b) Thirty days  
(c) Forty five days  
(d) Sixty days
31. Can an asset reconstruction company act as a manager
- (a) Yes  
(b) No  
(c) With the Permission from Reserve bank  
(d) With the Permission from Central Government
32. Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 is an Act to \_\_\_\_\_ securitisation and reconstruction of financial assets and enforcement of security interest
- (a) Regulate  
(b) Wind up  
(c) Set up  
(d) All of the above
33. Reserve Bank of India may check the condition that the asset reconstruction company has not incurred any loss in the \_\_\_\_\_ preceding financial years.
- (a) 1  
(b) 2  
(c) 3  
(d) 8
34. For which of the following, the asset reconstruction company shall obtain prior approval of the Reserve Bank of India?
- (a) for any substantial change in its management  
(b) change of location of its registered office

### **Question Bank on IBBI Limited Insolvency Examination**

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- (c) change in its name
  - (d) All of the above
35. An asset reconstruction company aggrieved by the order of cancellation of certificate of registration may prefer an appeal\_\_\_\_\_
- (a) within a period of thirty days from the date on which such order of cancellation is communicated to it, to the Central Government.
  - (b) within a period of forty five days from the date on which such order of cancellation is communicated to it, to the Central Government.
  - (c) within a period of Sixty days from the date on which such order of cancellation is communicated to it, to the Central Government.
  - (d) within a period of ninety days from the date on which such order of cancellation is communicated to it, to the Central Government.
36. If any financial assets, of a borrower acquired by an asset reconstruction company, comprise of secured debts of more than one bank or financial institution for recovery of which such banks or financial institutions has filed applications before two or more Debts Recovery Tribunals, the asset reconstruction company may file an application to \_\_\_\_\_ having jurisdiction over any of such Tribunals
- (a) Central Government
  - (b) Appellate Tribunal
  - (c) High Court
  - (d) Supreme Court
37. The scheme for the purpose of offering security receipts or raising funds may be in the nature of a \_\_\_\_\_ to be managed by the asset reconstruction company:
- (a) Deposit
  - (b) Investment

- (c) Trust
  - (d) Exchange or barter
38. The secured creditor may require the borrower by notice in writing to discharge in full his liabilities to the secured creditor within \_\_\_\_\_ days from the date of notice failing which the secured creditor shall be entitled to exercise all or any of the rights:
- (a) 30
  - (b) 45
  - (c) 60
  - (d) 90
39. Who can assist a secured creditor in taking possession of the secured asset?
- (a) Chief Metropolitan Magistrate
  - (b) District Magistrate
  - (c) Judicial Magistrate First Class
  - (d) either (a) or (b)
40. In the case of a borrower residing in the State of Jammu and Kashmir, the application under section 17 shall be made to the \_\_\_\_\_ in that State having jurisdiction over the borrower which shall pass an order on such application.
- (a) Court of District Judge
  - (b) High Court of Jammu & Kashmir
  - (c) Supreme Court
  - (d) Chief Metropolitan Magistrate of Jammu and Kashmir
41. The Central Government may, by notification, appoint a person for the purpose of registration of transactions relating to securitisation, reconstruction of financial assets and security interest created over properties, to be known as the \_\_\_\_\_
- (a) Registrar of Companies
  - (b) Transactions Officer
  - (c) Central Registrar
  - (d) Registration Officer

### **Question Bank on IBBI Limited Insolvency Examination**

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42. Notwithstanding anything contained in any other law for the time being in force, after the registration of security interest, the debts due to any secured creditor shall be paid \_\_\_\_\_
- (a) In priority over all other debts and all revenues, taxes, cesses and other rates payable to the Central Government
  - (b) In priority over all other debts and all revenues, taxes, cesses and other rates payable to the State Government.
  - (c) In priority over all other debts and all revenues, taxes, cesses and other rates payable to the local authority.
  - (d) All of the above
43. A record called the Central Register shall be kept at the head office of the Central Registry for entering the particulars of the transactions relating to:
- (a) securitisation of financial assets
  - (b) reconstruction of financial assets
  - (c) creation of security interest
  - (d) All of the above
44. The asset reconstruction company or the secured creditor shall give intimation to the Central Registrar of the payment or satisfaction in full, of any security Within \_\_\_\_\_ days from the date of such payment or satisfaction:
- (a) 7
  - (b) 15
  - (c) 30
  - (d) 90
45. The requirement of classification of secured debt as non-performing asset shall not apply to a borrower who has raised funds through issue of \_\_\_\_\_
- (a) Debt securities
  - (b) Bonds
  - (c) Equity shares
  - (d) Bonus Shares

## Chapter 9

# Corporate Debt Restructuring Scheme

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1. Reserve Bank of India introduced CDR Scheme in the year\_\_\_\_
  - (a) 2001
  - (b) 2002
  - (c) 2004
  - (d) 2006
2. The CDR mechanism would apply to banks and financial institutions that have outstanding fund-based and non-fund based exposure of \_\_\_\_\_.
  - (a) 10 Lakh
  - (b) 1 crore
  - (c) 10 crores
  - (d) 15 crores
3. CDR system in the country will have a \_\_\_\_\_ tier structure
  - (a) One
  - (b) Two
  - (c) Three
  - (d) Four
4. What is the Structure of CDR
  - (a) CDR Standing Forum and its Core Group
  - (b) CDR Empowered Group
  - (c) CDR Cell
  - (d) All of the above
5. The CDR Standing Forum would be the \_\_\_\_\_ of all financial institutions and banks participating in CDR system
  - (a) Representative general body
  - (b) Regulatory general body

### **Question Bank on IBBI Limited Insolvency Examination**

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- (c) Authorised general body
  - (d) General body
6. The CDR Forum is an official platform for \_\_\_\_\_
- (a) Creditors & borrowers
  - (b) Creditors
  - (c) Borrowers
  - (d) None of the above
7. Which cases of corporate debt restructuring shall be decided by the CDR Empowered Group.
- (a) The individual cases
  - (b) Consortium cases
  - (c) Lead cases
  - (d) All of the above
8. The CDR Standing Forum will elect its Chairman for a period of
- (a) 1 year
  - (b) 3 years
  - (c) 5 years
  - (d) 7 years
9. Who works out the detailed restructuring package in conjunction with the Lead Institution?
- (a) CDR Empowered Group
  - (b) CDR Cell
  - (c) CDR Standing Forum
  - (d) None of the above
10. What is the time period within which the restructuring package shall be approved by the CDR Empowered Group
- (a) Within a specified time frame of 90 days, or at best within 180 days of reference to the Empowered Group.
  - (b) Within a specified time frame of 60 days, or at best within 180 days of reference to the Empowered Group.

### Corporate Debt Restructuring Scheme

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- (c) Within a specified time frame of 90 days, or at best within 120 days of reference to the Empowered Group.
  - (d) Within a specified time frame of 60 days, or at best within 120 days of reference to the Empowered Group.
11. Which of the following banks are part of CDR Standing Forum?
- (a) IDBI Bank
  - (b) ICICI Bank
  - (c) State Bank of India
  - (d) All of the above
12. The CDR Standing Forum shall meet at least in \_\_\_\_\_?
- (a) 3 months
  - (b) 6 months
  - (c) Four times a year
  - (d) Once in a year
13. The individual cases of corporate debt restructuring shall be decided by the CDR Empowered Group, consisting of \_\_\_\_\_
- (a) Executive directors
  - (b) Non-executive directors
  - (c) Whole Time Directors
  - (d) Key Management Personnel
14. The CDR Empowered Group would be mandated to look into each case of debt restructuring, examine the viability and rehabilitation potential of the Company and approve the restructuring package within a specified time frame of \_\_\_\_\_
- (a) 45 days
  - (b) 90 days
  - (c) 120 days
  - (d) 150 days
15. What is the maximum time duration within which the CDR Empowered Group would be mandated to look into each case of debt restructuring, examine the viability and rehabilitation potential of the Company and



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- approve the restructuring package
- (a) 45 days
  - (b) 90 days
  - (c) 120 days
  - (d) 180 days
16. Which of the following is not an illustrative parameter used by the CDR Empowered Group to decide on the acceptable viability?
- (a) Return on Capital Employed (ROCE),
  - (b) Debt Service Coverage Ratio (DSCR),
  - (c) Gap between the Internal Rate of Return (IRR) and the Cost of Fund (COF),
  - (d) None of the above.
17. Whether the decisions of the CDR Empowered Group shall be final?
- (a) Yes
  - (b) No
  - (c) Only A
  - (d) Only B
18. If restructuring is not found viable by Empowered Group, what is the option available to the creditors?
- (a) Be free to take necessary steps for immediate recovery of dues and / or liquidation or winding up of the company, collectively or individually.
  - (b) Make an appeal to the CDR Empowered Group.
  - (c) Make an appeal to the CDR Cell.
  - (d) All of the above
19. If restructuring of debt is found to be viable and feasible and approved by the Empowered Group, the company would be put on the \_\_\_\_\_ mode.
- (a) Winding up
  - (b) Restructuring
  - (c) Slump sale

### Corporate Debt Restructuring Scheme

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- (d) None of the above
- 20. Who is eligible to enter the CDR Scheme?
  - (a) Accounts involving one FI/ Bank
  - (b) Multiple banking accounts of corporate borrowers
  - (c) As the CDR Empowered Group shall deem fit
  - (d) None of the above
- 21. To which accounts shall the Category 1 CDR system be applicable
  - (a) Only to accounts classified as 'standard'.
  - (b) Only to accounts classified as 'sub-standard'.
  - (c) Only to accounts classified as 'doubtful'.
  - (d) A & B Both
- 22. Which cases are not eligible for restructuring under the CDR system.
  - (a) LIFR
  - (b) CIFR
  - (c) BIFR
  - (d) MIFR
- 23. One of the most important elements of Debtor-Creditor Agreement would be
  - (a) Stand Still
  - (b) Stand up
  - (c) Sit Up
  - (d) None of the above
- 24. For how many days can the Stand still be binding?
  - (a) 90 days
  - (b) 180 days
  - (c) 240 days
  - (d) A and B Both
- 25. What are the Stages for Restructuring of corporate debts under CDR system?
  - (a) Before commencement of commercial production;

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- (b) After commencement of commercial production but before the asset has been classified as 'sub-standard';
  - (c) After commencement of commercial production and the asset has been classified as 'sub-standard' or 'doubtful'
  - (d) All of the above.
26. Which of the following bodies as established under the CDR Mechanism will make the initial scrutiny of the proposals received from borrowers / creditors, by calling for proposed rehabilitation plan and other information and put up the matter before the CDR Empowered Group?
- (a) CDR Standing Forum
  - (b) CDR Empowered Group
  - (c) CDR Cell
  - (d) CDR Core Group
27. The CDR Cell will make the initial scrutiny of the proposals received from borrowers / creditors, by calling for proposed rehabilitation plan and other information and put up the matter before the CDR Empowered Group, within \_\_\_\_ to decide whether rehabilitation is prima facie feasible:
- (a) 15 days
  - (b) 1 month
  - (c) 3 months
  - (d) 6 months
28. The cost in operating the CDR mechanism including CDR Cell will be met from contribution of the financial institutions and banks in the Core Group at the rate of \_\_\_\_ lakh each.
- (a) 10 lakhs
  - (b) 25 lakhs
  - (c) 50 lakhs
  - (d) 1 crore
29. Which of the following shall constitute the legal basis for the CDR mechanism?

### **Corporate Debt Restructuring Scheme**

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- (a) Debtor Creditor Agreement
  - (b) Inter Creditor Agreement
  - (c) Debtor Regulator Agreement
  - (d) Both a and b
30. What is the annual contribution that is to be made by other banks and financial institutions to keep the CDR Cell running?
- (a) Five lakh
  - (b) Ten lakhs
  - (c) Twenty lakhs
  - (d) Twenty Five lakhs

## Chapter 10

# Strategic Debt Restructuring

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1. Under SDR Scheme of RBI, banks who have given loans to a corporate borrower gets the right to convert the full or part of their loans to \_\_\_\_\_?
  - (a) Restructuring of the debt with revised time lines for repayment of loans
  - (b) Restructuring of the debt with a resolution plan
  - (c) Debt into equity
  - (d) Issuance of debentures
2. Whether the option of conversion of Debt to equity under SDR is
  - (a) Optional
  - (b) Directory
  - (c) Mandatory
  - (d) Obligatory
3. The decision on invoking the SDR by converting the whole or part of the loan into equity shares should be taken by the JLF as early as possible but within \_\_\_\_\_ from the above review of the account.
  - (a) 15 days
  - (b) 30 days
  - (c) 45 days
  - (d) 60 days
4. The decisions agreed upon by a minimum of \_\_\_\_\_ of creditors by value and \_\_\_\_\_ of creditors by number in the JLF would be considered as the basis for proceeding with the restructuring of the account, and will be binding on all lenders under the terms of the ICA.
  - (a) 60% by value and 75% by number
  - (b) 75% by value and 60% by number
  - (c) 75% by value and 75% by number

### **Strategic Debt Restructuring**

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- (d) 75% by value and 90% by number
- 5. In the Strategic Debt Restructuring Scheme, the new promoters should have acquired at least \_\_\_\_\_ per cent of the paid up equity capital of the borrower company
  - (a) 50%
  - (b) 51%
  - (c) 75%
  - (d) 90%
- 6. In the Strategic Debt Restructuring Scheme, if the new promoter is a non-resident, and in sectors where the ceiling on foreign investment is less than 51 per cent, the new promoter should own at least \_\_\_\_\_ per cent of the paid up equity capital or up to applicable foreign investment limit, whichever is higher
  - (a) 26%
  - (b) 50%
  - (c) 51%
  - (d) 75%
- 7. Fair Value will be decided at a \_\_\_\_\_ which is the date of JLF's decision to undertake SDR.
  - (a) Reference Date
  - (b) Balance Sheet Date
  - (c) Date of divestment
  - (d) Date of Conversion
- 8. The JLF must approve the SDR conversion package within \_\_\_\_\_ from the date of deciding to undertake SDR.
  - (a) 30 days
  - (b) 60 days
  - (c) 90 days
  - (d) 180 days
- 9. As per the Strategic Debt Restructuring Scheme proposed by the Reserve Bank of India, the conversion of outstanding debt into equity instruments should be at ..... value.

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- (a) Market value
  - (b) Fair value
  - (c) Face Value
  - (d) Break-up value
10. As per the Strategic Debt Restructuring Scheme proposed by the Reserve Bank of India, on completion of conversion of debt to equity as approved under SDR, the existing asset classification of the account, as on the reference date will continue for a period of \_\_\_\_\_ months from the reference date.
- (a) 3
  - (b) 6
  - (c) 9
  - (d) 18

## Chapter 11

# Scheme for Sustainable Structuring of Stressed Assets (S4A) (of RBI)

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1. When were the guidelines for Stressed Assets issued by RBI?
  - (a) 13th June, 2016
  - (b) 13th July, 2016
  - (c) 11th February, 2016
  - (d) 13th November, 2016
2. What was the objective of Revision of Guidelines for Stressed Assets?
  - (a) harmonisation of stand-still clause as applicable in case of Strategic Debt Restructuring Scheme with other guidelines;
  - (b) clarifying on the deemed date of commencement of commercial operations; and
  - (c) partial modification of certain guidelines based on the experience gained in using these tools in resolving the stressed assets as well as feedback received from stakeholders, and taking into consideration the requirements of the construction sector.
  - (d) All of the above
3. What is an Eligible Account?
  - (a) The aggregate exposure (including accrued interest) of all institutional lenders in the account is more than Rs.500 crore (including Rupee loans, Foreign Currency loans/External Commercial Borrowings)
  - (b) The aggregate exposure (including accrued interest) of all institutional lenders in the account is more than Rs.100 crore (including Rupee loans, Foreign Currency loans/External Commercial Borrowings)
  - (c) The aggregate exposure (including accrued interest) of all institutional lenders in the account is more than Rs.50 crore (including Rupee loans, Foreign Currency loans/External



### **Question Bank on IBBI Limited Insolvency Examination**

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Commercial Borrowings)

- (d) The aggregate exposure (including accrued interest) of all institutional lenders in the account is more than Rs.10 crore (including Rupee loans, Foreign Currency loans/External Commercial Borrowings)
- 4. The project must have commenced commercial operations under the criteria laid down for Eligible account?
  - (a) True
  - (b) False
- 5. For the stressed assets scheme to apply the sustainable debt should not be less than \_\_\_\_\_ of current funded liabilities?
  - (a) 50%
  - (b) 60%
  - (c) 70%
  - (d) None of the above
- 6. Can the person of OC (Overseeing Committee) be changed?
  - (a) Yes
  - (b) Yes, prior approval of Central Government
  - (c) Yes, prior approval of RBI
  - (d) None of the above.
- 7. What kind of a body is OC in relation to stressed assets?
  - (a) Advisory
  - (b) Regulatory
  - (c) Disciplinary
  - (d) None of the above
- 8. Through which guidelines does the lender have the option to exit resolution plan ratified by OC?
  - (a) Guidelines on Joint Lenders' Forum (JLF)
  - (b) Corrective Action Plan (CAP)
  - (c) Cannot Exit
  - (d) A & B both

**Scheme for Sustainable Structuring of Stressed Assets (S4A) (of RBI)**

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9. What would be the Fees and Charges to be collected by IBA?
- (a) Rs 20000/-
  - (b) a prescribed percentage of outstanding debt
  - (c) No fees
  - (d) None of the above
10. The 'stand-still' clause only applies to
- (a) asset classification
  - (b) liability classification
  - (c) debt restructuring
  - (d) None of the above.
11. Resolution Plan shall have the following features:
- (a) There shall be no fresh moratorium granted on interest or principal repayment for servicing of Part A.
  - (b) There shall not be any extension of the repayment schedule or reduction in the interest rate for servicing of Part A, as compared to repayment schedule and interest rate prior to this resolution.
  - (c) Part B shall be converted into equity/redeemable cumulative optionally convertible preference shares. However, in cases where the resolution plan does not involve change in promoter, banks may, at their discretion, also convert a portion of Part B into optionally convertible debentures. All such instruments will continue to be referred to as Part B instruments in this circular for ease of reference.
  - (d) All of the above
12. The resolution plan shall be agreed upon by a minimum of \_\_\_\_ percent of lenders by value and \_\_\_\_ percent of lenders by number in the JLF/consortium/bank.
- (a) 75, 50
  - (b) 50, 75
  - (c) 50, 50
  - (d) 30, 70

### **Question Bank on IBBI Limited Insolvency Examination**

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13. Whether existing promoter or the new promoter may have the right of first refusal in case the lenders decide to sell the share, at a price beyond some predetermined price?
- (a) Yes, The existing promoter or the new promoter, may have the right of first refusal in case the lenders decide to sell the share, at a price beyond some predetermined price.
  - (b) Yes, The existing promoter or the new promoter, may have the right of first refusal in case the lenders decide not to sell the share, at a price beyond some predetermined price.
  - (c) No
  - (d) None of the above
14. The RBI's scheme S4A stands for
- (a) Sustainable Structuring of Stressed Assets
  - (b) Scheme for Structuring of Stressed Assets
  - (c) Systematic Structuring of Stressed Assets
  - (d) Suitable Structuring of Stressed Assets
15. Under the S4A scheme the Fair Market Value shall be arrived at as per:
- (a) NAV
  - (b) BEP
  - (c) DCF
  - (d) None of the above.

## Chapter 12

# The Specific Relief Act, 1963

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1. In which year The Specific Relief Act was notified?
  - (a) 1963
  - (b) 1961
  - (c) 1965
  - (d) 1969
2. When a Specific relief to be granted?
  - (a) for enforcing individual civil and other rights
  - (b) only for enforcing individual civil rights
  - (c) for enforcing a penal law.
  - (d) for enforcing individual civil rights and penal laws
3. Settlement means
  - (a) All instruments whereby the destination or devolution of successive interests in movable or immovable property is disposed of or is agreed to be disposed of;
  - (b) Instruments other than a will or codicil as defined by the Indian Wealth Tax Act 1957, whereby the destination or devolution of successive interests in movable or immovable property is disposed of or is agreed to be disposed of
  - (c) Instruments other than a will or codicil as defined by the Indian Succession Act 1925, whereby the destination or devolution of successive interests in movable or immovable property is disposed of or is agreed to be disposed of
  - (d) None of the above
4. Words and meanings in the Specific Relief Cat have been assigned the meaning as defined in the
  - (a) The Indian Contract Act, 1872
  - (b) The Indian Trusts Act, 1882
  - (c) The Indian Succession Act, 1925
  - (d) The Indian Registration Act 1908

### **Question Bank on IBBI Limited Insolvency Examination**

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5. In what manner a person entitled to the possession of specific immovable property may be recovered?
  - (a) Manner provided by the Specific Relief Act, 1963
  - (b) Manner provided by the Indian Contract Act 1872
  - (c) Manner provided by the Code of Civil Procedure, 1908
  - (d) Manner provided by the Indian Sales of Goods Act, 1930
6. Suit for recovery of possession under the Specific Relief Act, 1963 can be filed?
  - (a) For Tangible assets
  - (b) For both Intangible and Tangible Assets
  - (c) With respect to immovable property
  - (d) With respect of both movable and immovable property
7. On the basis of which Report, the Bill that brought the Specific Relief Act has been drafted?
  - (a) 7<sup>th</sup> Report of Law Commission of India on Specific Relief Act of 1877
  - (b) 8<sup>th</sup> Report of Law Commission of India on Specific Relief Act of 1877
  - (c) 9<sup>th</sup> Report of Law Commission of India on Specific Relief Act of 1877
  - (d) 10<sup>th</sup> Report of Law Commission of India on Specific Relief Act of 1877
8. Within what time a suit for possession of an immovable property can be filed
  - (a) 45 days of dispossession
  - (b) 3 months of dispossession
  - (c) 6 months of dispossession
  - (d) 1 year of dispossession
9. Premise of section 6 of the Specific Relief Act, 1963 is to
  - (a) restrain from using force to dispossess a person of immovable property without his consent otherwise than in due course of law

- (b) restrain from using force to dispossess a person of immovable property without his consent in due course of law
  - (c) dispossess a person from immovable property with his consent
  - (d) none of above
10. As per the Specific Relief Act, a suit for recovery of an immovable property is not maintainable against
- (a) an individual
  - (b) a public company
  - (c) a government company
  - (d) the government
11. As per Section 26, what is time limit fixed for discovery of mistake or fraud:
- (a) three months
  - (b) six months
  - (c) 1 year
  - (d) no time limit is fixed
12. What is the relief available against any order or decree under section 6 of the Specific Relief Act?
- (a) neither appeal can be filed nor review is allowed
  - (b) Appeal can be filed
  - (c) Review will be allowed
  - (d) both (a) and (b)
13. In cases of specific performance of a contract, the rights of the parties are governed by the principles of
- (a) Natural Justice
  - (b) Equity
  - (c) Law
  - (d) Equity and law
14. Who has the onus to prove adverse possession:
- (a) Court

### **Question Bank on IBBI Limited Insolvency Examination**

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- (b) plaintiff
  - (c) defendant
  - (d) (b) or (c)
15. Under Section 7 of the Act, which right in the present possession of movable property is sufficient to support a suit?
- (a) a special or temporary right
  - (b) a permanent right
  - (c) either permanent or temporary
  - (d) beneficial right
16. In a suit filed under section 6 of the Act whose title is relevant?
- (a) dispossessor
  - (b) defendant
  - (c) Owner
  - (d) plaintiff
17. As per section 6, a suit can also be brought by
- (a) tenant holding over
  - (b) trespasser
  - (c) landlord
  - (d) servant
18. The question of title of the immoveable property is ----- under Section 6 of the Specific Relief Act, 1963
- (a) relevant
  - (b) mandatory
  - (c) not relevant
  - (d) Obligatory
19. Who is entitled to file a suit under section 7 of the Act?
- (a) a Trustee
  - (b) a person possessing a special or temporary right
  - (c) a person who may not have the possession of the property
  - (d) any of the above

20. Against whom Section 8 of Specific Relief Act can be invoked?
- (a) a person who is a owner having possession or control of a particular article of movable property
  - (b) a person who is the owner of the article
  - (c) by a person not entitled to the possession of the article
  - (d) a person who is not a owner having possession or control of a particular article of movable property
21. Under section 8 of the Act, the suit is not maintainable
- (a) against a person having the possession or control of a particular
  - (b) in respect of any article of movable property where the compensation in money would not afford an adequate relief
  - (c) against a person who is the owner of the article claimed
  - (d) where it is extremely difficult to ascertain the actual damage caused b its loss
22. Under section 10 of Specific Relief Act, the specific performance of the contract cannot be granted
- (a) if there is no concluded contract
  - (b) if there is a concluded contract
  - (c) if the compensation in money is not an adequate relief
  - (d) if there exists no standard for ascertaining the actual damages.
23. Under section 10 the specific performance can be granted
- (a) When there exists no standard for ascertaining the actual damage caused by the non- performance of the act agreed to be done.
  - (b) When there is a concluded contract
  - (c) when compensation in money for its non performance would not afford adequate relief
  - (d) all the above.
24. Under section 11, which type of contracts are not enforceable that are connected with trusts?
- (a) a contract made by a trustee in excess of his powers and in breach of trust cannot be specifically enforced.



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- (b) a contract made by a trustee within his powers.
  - (c) a contract made by a trustee in excess of his powers or in breach of trust cannot be specifically enforced.
  - (d) a contract made by a trustee within his powers and which are not in breach of trust cannot be specifically enforced.
25. In which case specific performance of part of the contract can be directed by the court?
- (a) Where a party to a contract is unable to perform the whole of his part of it, but the part which must be left unperformed be a only a small proportion to the whole in value and admits of compensation in money
  - (b) Where a party to a contract is unable to perform the whole of his part of it, but the part which must be left unperformed be not more than 30 % to the whole in value and admits of compensation in money
  - (c) Where a party to a contract is unable to perform the whole of his part of it, but the part which must be left unperformed be not more than 50% to the whole in value and admits of compensation in money
  - (d) Where a party to a contract is unable to perform the whole of his part of it, but the part which must be left unperformed be a only a small proportion to the whole in value and does not admit of compensation in money
26. In which case a party is not entitled to obtain a decree for specific performance under Section 12 of the Act?
- (a) Where a party to a contract is unable to perform the whole of his part of it, and the part which must be left unperformed either forms a considerable part of the whole though admitting of compensation of money or does not admit the compensation of money
  - (b) Where a party to a contract is unable to perform the whole of his part of it, and the part which must be left unperformed forms a considerable part of the whole and not admitting of compensation of money

- (c) Where a party to a contract is unable to perform the whole of his part of it, but the part which must be left unperformed forms atleast 75% of the whole, though admitting of compensation of money or does not admit the compensation of money
  - (d) None of the above
27. In case of specific performance of part of contract the purchaser
- (a) may not relinquish claim for further performance of the remaining part of contract
  - (b) may relinquish all claims to the performance of the remaining part of contract and all right to compensation
  - (c) specific performance of part of contract not possible
  - (d) none of above.
28. When a party to a contract shall be deemed to be unable to perform the whole of his part for the purposes of Section 12 of the Act?
- (a) if a portion of its subject-matter existing at the date of the contract exists at the time of its performance.
  - (b) if a portion of its subject-matter existing at the date of the contract has ceased to exist at the time of its performance.
  - (c) if a portion of its subject-matter existing at the date of the contract partly exists at the time of its performance.
  - (d) if a portion of its subject-matter not existing at the date of the contract exists at the time of its performance.
29. Section 13 of the Specific Relief Act, 1963 provides rights to the purchaser or lessee against any person:
- (a) who contracts to sell or let certain immovable property having no title or only an imperfect title
  - (b) where vendor has a title
  - (c) where vendor has imperfect title
  - (d) (a) and (b) above
30. Section 13 of the Specific Relief Act, 1963 is also applicable to:
- (a) movable property as far as may be to contracts for the sale or hire

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- (b) movable property as far as may be to contracts for the sale or lease
  - (c) movable property as far as may be to contracts for the sale or mortgage
  - (d) None of the above
31. Who may obtain specific performance of a contract as per section 15 of the Specific Relief Act, 1963?
- (a) the representative in interest or the principal
  - (b) representative of interest only
  - (c) representative of principal only
  - (d) none of above.
32. Who may not obtain specific performance of a contract as per section 15 of the Specific Relief Act, 1963?
- (a) the representative in interest or the principal, of any party thereto
  - (b) where the contract is a settlement on marriage, or a compromise of doubtful rights between members of the same family, any person beneficially entitled thereunder;
  - (c) where the contract has been entered into by a tenant for life in due exercise of a power, the remainder man;
  - (d) the representative in interest or the principal where the contract provides that his interest shall not be assigned
33. When specific performance of a contract cannot be enforced in favour of a person?
- (a) who would not be entitled to recover compensation for its breach
  - (b) who has become incapable of performing, or violates any essential term of the contract that on his part remains to be performed
  - (c) who acts in fraud of the contract, or wilfully acts at variance with, or in subversion of, the relation intended to be established by the contract
  - (d) All of the above

34. As per Section 21 of the Act, while determining the amount of any compensation, the court shall be guided by the principles specified in Section 73 of:
- (a) The Indian Contract Act, 1872
  - (b) The Code of Civil Procedure, 1908
  - (c) The Sales of Goods Act, 1930
  - (d) The Indian Trusts Act 1882
35. The provisions of Chapter II of the Act to certain awards and testamentary directions to execute settlements does not apply to a contract
- (a) where provisions of The Indian Contract Act, 1872 applies
  - (b) where provisions of Arbitration Act, 1940 applies
  - (c) where provisions of The Sales of Goods Act, 1930 applies
  - (d) where provisions of The Indian Trusts Act 1882 applies
36. In which of the cases rescission can be granted?
- (a) where the contract is lawful
  - (b) where the contract is voidable
  - (c) where the contract is void
  - (d) where the contract is both void & voidable
37. Where the court may refuse to rescind the contract
- (a) where the plaintiff has expressly or impliedly ratified the contract
  - (b) where third parties have acquired rights in good faith without notice and for value;
  - (c) where it is a valid contract
  - (d) all the above
38. When cancellation of instrument may be ordered?
- (a) if the instrument in writing is void or voidable
  - (b) if the instrument is valid
  - (c) if the instrument is lawful
  - (d) if the instrument is complete

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39. An instrument can be cancelled in part under section 32 of the Act when
- (a) an instrument is evidence of different rights
  - (b) an instrument is evidence of different obligations
  - (c) allowed it to stand for the residue
  - (d) all the above.
40. What type of declaration is sanctioned as per Section 34 of the Act
- (a) all type of declarations
  - (b) declaration of any legal character or to any right as to any property
  - (c) declaration of title
  - (d) None of the above
41. A declaration made is binding on
- (a) only on the parties to the suit
  - (b) persons claiming through the parties to the suit
  - (c) where any of the party is a trustee, in the persons for whom such parties would be trustees
  - (d) all the above.
42. The grant or refusal of relief of declaration under section 34 is
- (a) mandatory
  - (b) discretionary
  - (c) obligatory
  - (d) compulsory
43. How is preventive relief granted at the discretion of the court
- (a) By temporary injunction
  - (b) By perpetual injunction
  - (c) All of the above
  - (d) None of the above
44. Injunction has been classified under Section 36 of the Specific Relief Act into

- (a) One
  - (b) two
  - (c) five
  - (d) None of the above
45. Principles on which perpetual injunctions could be granted are governed by Section ..... of the Act
- (a) 38
  - (b) 39
  - (c) 41
  - (d) 43
46. Perpetual injunction under section 38 can be granted
- (a) where the defendant is trustee of the property for the plaintiff
  - (b) when there exists no standard for ascertaining the actual damages caused
  - (c) where the injunction is necessary to prevent a multiplicity of judicial proceedings and when compensation would not afford adequate relief
  - (d) all the above.
47. Principles on which mandatory injunctions could be granted are governed by Section ..... of the Act
- (a) 38
  - (b) 39
  - (c) 41
  - (d) 43
48. When can damages in suits for injunctions not be granted
- (a) if the plaintiff has not claimed relief
  - (b) if the suit of the plaintiff is discharged
  - (c) both (a) & (b)
  - (d) None of the above
49. An injunction granted during the pendency of a suit, under section 37 of the Act is known as a

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- (a) perpetual injunction
  - (b) temporary injunction
  - (c) mandatory injunction
  - (d) None of the above
50. Temporary injunction are to continue
- (a) Until a specific time
  - (b) Six months
  - (c) 1 year
  - (d) No time limit

## Chapter 13

# The Limitation Act 1963

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1. In which year The Limitation Act was notified?
  - (a) 1963
  - (b) 1961
  - (c) 1965
  - (d) 1969
2. The Limitation Act, 1963 applies to
  - (a) the whole of India
  - (b) the whole of India except the State of Jammu and Kashmir
  - (c) the whole of India including foreign jurisdiction
  - (d) the whole of India including the State of Jammu and Kashmir
3. The Limitation Act, 1963 is the legislation that governs the:
  - (a) period within which suits are to be filed
  - (b) relevant provisions for delay in filing the suit
  - (c) condonation for filing suits
  - (d) All of the above
4. The Limitation Act applies to
  - (a) all civil proceedings and some special criminal proceedings which can be taken in a court of law unless its application is excluded by any enactment.
  - (b) All criminal proceedings
  - (c) Execution proceedings
  - (d) None of the above
5. What is the remedy available for filing, if court is closed on last day of limitation, suit, appeal or application?
  - (a) No remedy available



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- (b) limitation, suit, appeal or application can be filed in next two days when Court reopens
  - (c) limitation, suit, appeal or application can be filed in next three days when Court reopens
  - (d) limitation, suit, appeal or application can be filed on next day when Court reopens
6. Law of Limitation is applicable to
- (a) Only to Courts
  - (b) Tribunals
  - (c) Courts and Tribunals
  - (d) None of the above
7. Applicant under section 2(a) of the Limitation Act includes:
- (a) a petitioner
  - (b) any person from or through whom an applicant derives his right to apply
  - (c) any person whose estate is represented by the applicant as executor, administrator or other representative
  - (d) All the above
8. Suit under section 2(l) of the Limitation Act includes:
- (a) appeal
  - (b) application
  - (c) (a) or (b)
  - (d) None of the above.
9. Trustee under section 2(n) of the Limitation Act includes:
- (a) Benamidar
  - (b) a mortgagee remaining in possession after the mortgage has been satisfied
  - (c) a person in wrongful possession without title.
  - (d) None of the above.
10. Section 3 of the Act is applicable to the following proceeding
- (a) Suit

- (b) Application
  - (c) Appeal
  - (d) All of the above
11. Section 3 of the Act applies
- (a) to proceeding in courts
  - (b) to proceedings in quasi judicial bodies
  - (c) to proceedings in tribunals
  - (d) to proceedings in executive authorities
12. Period of limitation starts
- (a) after 1 year from date of payment
  - (b) after 2 years from date of payment
  - (c) before the fraud or mistake is discovered by affected party
  - (d) only after fraud or mistake is discovered by affected party
13. Extension of prescribed period for filing appeal or an application is not allowed in case of:
- (a) an application under any of the provisions of Order XX of the Code of Civil Procedure, 1908 (5 of 1908)
  - (b) an application under any of the provisions of Order XIX of the Code of Civil Procedure, 1908 (5 of 1908)
  - (c) an application under any of the provisions of Order XXI of the Code of Civil Procedure, 1908 (5 of 1908)
  - (d) an application under any of the provisions of Order XXII of the Code of Civil Procedure, 1908 (5 of 1908)
14. Any claim by way of a \_\_\_\_\_, shall be treated as a separate suit
- (a) set off or a counter claim
  - (b) claim
  - (c) fresh suit
  - (d) cross suit
15. Which legal disabilities are covered under Section 6 of the Act?
- (a) Minority

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- (b) Insanity
  - (c) Idiocy
  - (d) All of the above
16. Any claim by way of a set off or a counter claim shall be treated as a \_\_\_\_\_ suit
- (a) fresh suit
  - (b) further suit
  - (c) separate suit
  - (d) cross suit
17. Limitation for filing an appeal under Section 12 of the Act commences from
- (a) the date of signing of the decree
  - (b) the date of judgment
  - (c) the date of obtaining the copy of judgement
  - (d) the date of despatch of the copy of the judgment.
18. For computing the period of limitation which period shall not be excluded?
- (a) the day on which period begins to run
  - (b) day of judgement
  - (c) time required for in obtaining copy of judgement/ order/ award/ decree
  - (d) the time requisite for obtaining a copy of a decree or an order, any time taken by the court to prepare the decree or order before an application for a copy thereof is made.
19. What type of suits does Section 13 of Limitation Act apply to:
- (a) suit and appeal filed as a pauper
  - (b) suit and appeal filed by a minor
  - (c) suit and appeal filed by an insane
  - (d) all of the above
20. Under Section 15 of the Act, in computing the period of limitation of any suit or application for the execution of a decree, for the time of the

injunction or order, which period shall be excluded?

- (a) the day on which it was issued or made and not the day on which it was withdrawn
  - (b) the day on which it was issued or made and the day on which it was withdrawn
  - (c) the day on which it was issued or made shall be included the day on which it was withdrawn
  - (d) the day on which it was issued or made or the day on which it was withdrawn
21. In excluding the time required for obtaining the consent or sanction of the Government or any other authority, which period shall be counted:
- (a) the period of notice given any suit
  - (b) the time required for obtaining consent or sanction from the Government or any other authority
  - (c) the date on which the application was made for obtaining the consent or sanction and the date of receipt of the order of the Government or other authority.
  - (d) None of the above
22. Section 15 of the Act does not apply to
- (a) suits
  - (b) application
  - (c) execution of decree
  - (d) appeal
23. In what circumstances, time to institute a suit or make an application does not stop:
- (a) In case of legal disability
  - (b) In case of further disability once the time has begun to run
  - (c) Where letters of administration to the estate of a creditor have been granted to his debtor.
  - (d) None of the above
24. Which of the following Statement is correct for The Limitation Act 1963?

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- (a) Nothing in this Act shall affect section 22 of the Indian Contract Act, 1872
  - (b) Nothing in this Act shall affect section 23 of the Indian Contract Act, 1872
  - (c) Nothing in this Act shall affect section 25 of the Indian Contract Act, 1872
  - (d) Nothing in this Act shall affect section 27 of the Indian Contract Act, 1872
25. The fraud or mistake discovered under section 17 of the Act is that of
- (a) The applicant
  - (b) the plaintiff
  - (c) the defendant
  - (d) any other party
26. When the suits on contracts entered into outside the territories to which the Act extends maintainable:
- (a) When the rule extinguished the contract and the parties were domiciled in that State or in the foreign country during the period prescribed by rule of limitation
  - (b) The suits are not maintainable
  - (c) When the rule has not extinguished the contract
  - (d) When the rule has not extinguished the contract and the parties were domiciled in that State or in the foreign country during the period prescribed by rule of limitation
27. Under Section 16 of the Act, the effect of death on or before the accrual of the right due does not apply to:
- (a) suits to enforce rights of pre-emption
  - (b) to suits for the possession of immovable property
  - (c) to suits for the possession of a hereditary office
  - (d) All the above
28. In case of discovery of fraud or cessation of the force, the application shall be made within
- (a) 90 days year from discovery of fraud or cessation of the force

- (b) 180 days from discovery of fraud or cessation of the force
  - (c) One year from discovery of fraud or cessation of the force
  - (d) Three years from discovery of fraud or cessation of the force
29. All instruments for the purpose of Limitation Act, 1963 shall be deemed to be made with reference to:
- (a) Gregorian Calendar
  - (b) British Regnal Calendar
  - (c) Rumi Calendar
  - (d) Julian Calendar
30. Under section 25 of the Act, a suit against the obstruction in the enjoyment of easement rights acquired must be filed:
- (a) Within 1 year of such obstruction
  - (b) Within 2 years of such obstruction
  - (c) Within 3 years of such obstruction
  - (d) Within 5 years of such obstruction
31. The Limitation Act, 1963 shall not enable any suit, appeal or application to be instituted, preferred or made:
- (a) for which the period of limitation prescribed by the Indian Contract, 1872 expired before the commencement of this Act
  - (b) for which the period of limitation prescribed by the Indian Limitation Act, 1908 has not expired before the commencement of this Act
  - (c) for which the period of limitation prescribed by the Indian Trusts Act, 1882 expired before the commencement of this Act
  - (d) for which the period of limitation prescribed by the Indian Limitation Act, 1908 expired before the commencement of this Act
32. Section 22 of the Act provides for \_\_\_\_\_ cases of
- (a) breach of contract or tort
  - (b) continuing breach of contract or continuing tort
  - (c) both (a) and (b)

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- (d) None of the above.
- 33. The Limitation Act, 1963 shall not affect any suit, appeal or application to be instituted, preferred or made before and \_\_\_\_\_ before its commencement:
  - (a) Pending
  - (b) Completed
  - (c) Occurred
  - (d) Expired
- 34. As per section 25 of the Act, the easement rights are acquired by using light or air, way, watercourse, use of water, or other easement without interruption
  - (a) for 5 years
  - (b) for 7 years
  - (c) for 12 years
  - (d) for 20 years
- 35. As per section 25 of the Act, the easement rights are acquired by using light or air, way, watercourse, use of water, or other easement without interruption, in case the property belongs to the Government
  - (a) for 15 years
  - (b) for 20 years
  - (c) for 30 years
  - (d) for 50 years
- 36. What are the provisions for suits for which the prescribed period is shorter than the period prescribed by the Indian Limitation Act, 1908?
  - (a) may be instituted within a period of three years next after the commencement of Indian Limitation Act, 1908 or within the period prescribed for such suit by the Indian Limitation Act, 1908 whichever period expires earlier
  - (b) may be instituted within a period five years next after the commencement of Indian Limitation Act, 1908 or within the period prescribed for such suit by the Indian Limitation Act, 1908 whichever period expires earlier

- (c) may be instituted within a period of seven years next after the commencement of Indian Limitation Act, 1908 or within the period prescribed for such suit by the Indian Limitation Act, 1908 whichever period expires earlier
  - (d) may be instituted within a period of twelve years next after the commencement of Indian Limitation Act, 1908 or within the period prescribed for such suit by the Indian Limitation Act, 1908 whichever period expires earlier
37. What are the provisions for appeal or application for which the prescribed period is shorter than the period prescribed by the Indian Limitation Act, 1908.
- (a) may be preferred or made within a period of forty- five days next after the commencement of this Act or within the period prescribed for such appeal or application by the Indian Limitation Act, 1908, whichever period expires earlier
  - (b) may be preferred or made within a period of ninety days next after the commencement of this Act or within the period prescribed for such appeal or application by the Indian Limitation Act, 1908, whichever period expires earlier
  - (c) may be preferred or made within a period of one hundred and Eighty days next after the commencement of this Act or within the period prescribed for such appeal or application by the Indian Limitation Act, 1908, whichever period expires earlier
  - (d) may be preferred or made within a period of three hundred and sixty days next after the commencement of this Act or within the period prescribed for such appeal or application by the Indian Limitation Act, 1908, whichever period expires earlier
38. As per Section 29 of the Act, Section 3 of the Act is applicable to the period of limitation prescribed by any
- (a) local law
  - (b) special law
  - (c) Schedule
  - (d) either (a) or (b)
39. The Limitation Act does not apply to
- (a) Suit



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- (b) Application
  - (c) Marriage and divorce
  - (d) Appeal
40. Under section 21, a suit is deemed to have been instituted, in case of a new plaintiff impleaded/added
- (a) On the date on which the application for adding new plaintiff or defendant is made
  - (b) On the date on which the new plaintiff or defendant is made a party
  - (c) On the date of filing of original suit
  - (d) None of the above
41. What is the period of limitation for a suit relating to accounts?
- (a) 1 year
  - (b) 2 years
  - (c) 3 years
  - (d) 5 years
42. What is the period of limitation for a suit relating to contracts, declarations, decrees and instruments?
- (a) 3 years
  - (b) 4 years
  - (c) 6 years
  - (d) 7 years
43. What is the period of limitation for suits relating to movable property, recovery of law suit under a contract decrees?
- (a) 1 year
  - (b) 3 years
  - (c) 7 years
  - (d) 12 years
44. What is the period of limitation for suits relating to tort?
- (a) 6 months

- (b) 1 year
  - (c) 3 years
  - (d) 12 years
45. What is the period of limitation for suits relating to possession of immovable property?
- (a) 3 years
  - (b) 7 years
  - (c) 12 years
  - (d) 30 years
46. What is the period of limitation for suits relating to recover possession of immovable property conveyed or bequeathed in trust and afterwards transferred by the trustee for a valuable consideration?
- (a) 3 years
  - (b) 12 years
  - (c) 24 years
  - (d) 30 years
47. What is the period of limitation for suits relating to possession of immovable property mortgaged?
- (a) 5 years
  - (b) 7 years
  - (c) 12 years
  - (d) 30 years
48. What is the period of limitation for suits relating to recover possession of movable property conveyed or bequeathed in trust and afterwards transferred by the trustee for a valuable consideration?
- (a) 3 years
  - (b) 12 years
  - (c) 24 years
  - (d) 30 years
49. What is the period of limitation for suits relating to trusts and trusts property to set aside a transfer of immovable property comprised in a

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Hindu, Muslim or Buddhist religious or charitable endowment, made by a manager thereof for a valuable consideration?

- (a) 3 years
- (b) 12 years
- (c) 24 years
- (d) 30 years

50. What is the period of limitation for suits relating to trusts and trusts property to set aside a transfer of movable property comprised in a Hindu, Muslim or Buddhist religious or charitable endowment, made by a manager thereof for a valuable consideration?

- (a) 3 years
- (b) 12 years
- (c) 24 years
- (d) 30 years

## Chapter 14

# The Arbitration and Conciliation Act, 1996

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1. The Arbitration and Conciliation Act of 1996 is based on:
  - (a) Constitution of India
  - (b) Guidelines of Supreme Court of India
  - (c) Russian Arbitration Law
  - (d) UNCITRAL, Model Law and Rules
2. What is the main purpose of the Arbitration and Conciliation Act, 1996?
  - (a) to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation and for matters connected therewith or incidental thereto.
  - (b) to cover enforcement of domestic arbitration
  - (c) to cover international commercial arbitration
  - (d) to cover enforcement of foreign arbitral awards
3. Part I of the Arbitration and Conciliation Act, 1996 shall apply
  - (a) Where the place of arbitration not in India
  - (b) where the place of arbitration is in India
  - (c) where the place of arbitration is both in India or outside India.
  - (d) Where the place of arbitration is outside India.
4. Parts II of the Arbitration and Conciliation Act, 1996 shall not apply to:
  - (a) State of Sikkim
  - (b) State of Arunachal Pradesh
  - (c) State of Meghalaya
  - (d) State of Jammu and Kashmir

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5. An arbitral award made under Part I of the Arbitration and Conciliation Act, 1996, shall be considered as a
  - (a) Conciliation award
  - (b) International award
  - (c) domestic award
  - (d) Arbitration and Conciliation award
6. As per Section 2 (d) of the Act, the Arbitral Tribunal means
  - (a) sole arbitrator only
  - (b) panel of arbitrators only
  - (c) Adjudicator
  - (d) sole arbitrator or a panel of arbitrators
7. In the matters governed by Part I of the Act:
  - (a) Court can intervene
  - (b) No judicial authority shall intervene except where so provided in this Part.
  - (c) Tribunal can intervene
  - (d) High Court can intervene
8. In “international commercial arbitration” at least one of the parties is:
  - (a) an individual who is a national of, or habitually resident in, any country other than India
  - (b) a body corporate which is incorporated in any country other than India or an association or a body of individuals whose central management and control is exercised in any country other than India
  - (c) the Government of a foreign country
  - (d) Any of the above
9. When is written communication deemed to have been received?
  - (a) if it is delivered to the addressee personally
  - (b) at his place of business
  - (c) habitual residence or mailing address
  - (d) Any of the above

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10. In matters governed by Part I of the Arbitration and Conciliation Act, 1996, which of these Statements is correct?
  - (a) a judicial authority shall not intervene in the matter
  - (b) a judicial authority may intervene in the matter
  - (c) a judicial authority cannot intervene except where so provided in the Part I
  - (d) None of the above
11. Which of the Statement is not correct with respect to Arbitration Agreement?
  - (a) An arbitration agreement may be in the form of an arbitration clause in a contract
  - (b) An arbitration agreement may be in the form of a separate agreement.
  - (c) An arbitration agreement shall be in writing
  - (d) An arbitration agreement need not be in writing
12. An arbitration agreement is not considered to be in writing if it is contained in:
  - (a) a document signed by the parties
  - (b) a document signed by one of the parties
  - (c) an exchange of letters, telex, telegrams or other means of telecommunication including communication through electronic means which provide a record of the agreement
  - (d) an exchange of statements of claim and defence in which the existence of the agreement is alleged by one party and not denied by the other
13. The application by a party to the arbitration agreement shall not be entertained, if:
  - (a) it is accompanied by the original arbitration agreement
  - (b) it is accompanied by a duly certified copy thereof
  - (c) where the original arbitration agreement or a certified copy thereof is not available with the party applying, the party so applying shall file such application along with a copy of the arbitration agreement and a petition praying the Court to call

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upon the other party to produce the original arbitration agreement or its duly certified copy before that Court

- (d) Any of the above
14. Where before the commencement of the arbitral proceedings, a Court passes an order for any interim measure of protection, the arbitral proceedings shall be commenced:
- (a) within a period of Forty- five days from the date of such order or within such further time as the Court may determine.
  - (b) within a period of Sixty days from the date of such order or within such further time as the Court may determine
  - (c) within a period of ninety days from the date of such order or within such further time as the Court may determine
  - (d) within a period of One hundred and eighty days from the date of such order or within such further time as the Court may determine
15. As per Section 10 of the Act, how many arbitrators can be appointed in the arbitration Tribunal?
- (a) Even number
  - (b) Odd number
  - (c) 4
  - (d) 7
16. As per Section 10 of the Act, if arbitrators could not be determined to be appointed in the arbitration Tribunal, how many arbitrators can be appointed?
- (a) One
  - (b) Two
  - (c) Three
  - (d) Four
17. What shall be the nationality of an arbitrator in Part I?
- (a) Indian
  - (b) Foreigner
  - (c) Person of any Nationality
  - (d) Non Resident Indian

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18. An arbitrator may be challenged only if:
  - (a) circumstances exist that give rise to justifiable doubts as to his independence
  - (b) circumstances exist that give rise to justifiable doubts as to his impartiality
  - (c) an arbitrator does not possess the qualifications agreed to by the parties
  - (d) Any of the above
19. In case of three arbitrators, the third arbitrator shall act as:
  - (a) an adjudicator
  - (b) a Presiding Arbitrator
  - (c) Conciliator
  - (d) Judge
20. The mandate of an arbitrator shall not terminate if
  - (a) When he becomes de jure or de facto unable to perform his functions or for other reasons fails to act without undue delay and he withdraws from his office
  - (b) When the parties agree to the termination of his mandate
  - (c) he becomes de jure or de facto unable to perform his functions or for other reasons fails to act without undue delay and he continues in his office
  - (d) None of the above
21. The arbitrator shall be appointed by the parties to the arbitration agreement within:
  - (a) seven days
  - (b) fifteen days
  - (c) thirty days
  - (d) Forty - five days
22. In case of termination of the mandate of an arbitrator:
  - (a) no other arbitrator shall be appointed
  - (b) a substitute arbitrator shall be appointed



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- (c) the matter shall be sent to the appellate tribunal
  - (d) the matter shall be sent to the court
23. The arbitral tribunal shall be bound by the
- (a) Code of Civil Procedure, 1908 (5 of 1908)
  - (b) Indian Evidence Act, 1872 (1 of 1872)
  - (c) Either (a) or (b)
  - (d) None of the above
24. Commencement of arbitral proceedings of a particular dispute:
- (a) commence on the date on which a request for that dispute to be referred to arbitration is received by the respondent.
  - (b) commence on the date on which a request for that dispute to be referred to arbitration is sent to the respondent
  - (c) commence on the date on which a request for that dispute to be referred to arbitration is filed with the tribunal
  - (d) commence on the date on which a request for that dispute to be referred to arbitration is admitted by the respondent.
25. Which of the Statement is not correct?
- (a) the claimant fails to communicate his statement of claim within the period of time agreed upon by the parties or determined by the arbitral tribunal, the arbitral tribunal shall terminate the proceedings
  - (b) the respondent fails to communicate his statement of defence within the period of time agreed upon by the parties or determined by the arbitral tribunal, the arbitral tribunal shall continue the proceedings
  - (c) a party fails to appear at an oral hearing or to produce documentary evidence, the arbitral tribunal may continue the proceedings and make the arbitral award on the evidence before it.
  - (d) the respondent fails to communicate his statement of defence within the period of time agreed upon by the parties or determined by the arbitral tribunal, the arbitral tribunal shall terminate the proceedings

### **The Arbitration and Conciliation Act, 1996**

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26. The arbitral tribunal, or a party with the approval of the arbitral tribunal, may apply to the Court for assistance in taking evidence. The application shall specify:
- (a) the names and addresses of the parties and the arbitrators
  - (b) the general nature of the claim and the relief sought
  - (c) the evidence to be obtained, in particular the name and address of any person to be heard as witness or expert witness and a statement of the subject-matter of the testimony required and the description of an document to be produced or property to be inspected.
  - (d) All of the above
27. In arbitral proceedings with more than one arbitrator, any decision of the arbitral tribunal shall be made:
- (a) by a majority of all its members
  - (b) by 75% of its member
  - (c) by sole arbitrator
  - (d) by Presiding Arbitrator
28. The arbitral award shall be made:
- (a) within a period of three months from the date the arbitral tribunal enters upon the reference.
  - (b) within a period of six months from the date the arbitral tribunal enters upon the reference.
  - (c) within a period of nine months from the date the arbitral tribunal enters upon the reference.
  - (d) within a period of twelve months from the date the arbitral tribunal enters upon the reference.
29. In Fast track procedure, the arbitral award shall be made:
- (a) within a period of three months from the date the arbitral tribunal enters upon the reference
  - (b) within a period of six months from the date the arbitral tribunal enters upon the reference
  - (c) within a period of nine months from the date the arbitral tribunal enters upon the reference

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- (d) within a period of twelve months from the date the arbitral tribunal enters upon the reference
- 30. To encourage settlement of the dispute, the arbitral tribunal shall not use
  - (a) Mediation
  - (b) Conciliation
  - (c) other procedures
  - (d) Coercion
- 31. An arbitral award shall be made in
  - (a) In writing
  - (b) Oral
  - (c) In writing and signed
  - (d) Both Written or Oral
- 32. An arbitral award shall be signed by the
  - (a) members of the arbitral tribunal
  - (b) 2/3<sup>rd</sup> of the members
  - (c) presiding arbitrator
  - (d) majority of the members in all cases
- 33. After the arbitral award is made, each party shall be delivered
  - (a) the original award
  - (b) a photocopy of the award
  - (c) a signed copy of the award
  - (d) an unsigned copy of the award
- 34. Where the time for making an application for setting aside the arbitral award has expired, such award shall be enforced in accordance with the provisions of:
  - (a) Code of Civil Procedure, 1908
  - (b) The Indian Evidence Act, 1872
  - (c) The Arbitration and Conciliation Act, 1996
  - (d) The Indian Trusts Act, 1882

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**The Arbitration and Conciliation Act, 1996**

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35. Under Section 35, finality of arbitral award shall:
- (a) be binding on first party only
  - (b) be binding on second party only
  - (c) not be binding on parties
  - (d) be final and binding on the parties and person claiming under them respectively.
36. The request for the correction or interpretation of the arbitral award or additional award by the arbitral Tribunal has to be made by the party:
- (a) within fifteen days from the receipt of the arbitral award
  - (b) within thirty days from the receipt of the arbitral award
  - (c) within sixty days from the receipt of the arbitral award
  - (d) within ninety days from the receipt of the arbitral award
37. In the case of appointment of sole or third arbitrator in an international commercial arbitration, a person
- (a) of the nationality of the applicant may be appointed as arbitrator
  - (b) of the nationality of the plaintiff may be appointed as an arbitrator
  - (c) of a nationality of the other party may be appointed as an arbitrator.
  - (d) of any nationality irrespective of the nationalities of the parties may be appointed as an arbitrator
38. Arbitration agreement not to be discharged by
- (a) death of party thereto
  - (b) incapacity of party thereto
  - (c) insolvency of party thereto
  - (d) idiocy of part thereto
39. With respect to an arbitration agreement any application under Part I of the Act, i.e., place of arbitration is in India, made in a Court:
- (a) Any Court where application is filed, shall have jurisdiction
  - (b) Same Court alone where application is filed shall have jurisdiction

### **Question Bank on IBBI Limited Insolvency Examination**

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- (c) Tribunal where application is filed shall have jurisdiction
  - (d) Only Supreme Court shall have jurisdiction
40. In Part II Chapter I, New York Convention award, foreign award means:
- (a) arbitral award on differences between persons arising out of legal relationships, whether contractual or not, considered as commercial under the law in force in India, made on or after the 11<sup>th</sup> day of October, 1940
  - (b) arbitral award on differences between persons arising out of legal relationships, whether contractual or not, considered as commercial under the law in force in India, made on or after the 11<sup>th</sup> day of October, 1960
  - (c) arbitral award on differences between persons arising out of legal relationships, whether contractual or not, considered as commercial under the law in force in India, made on or after the 28<sup>th</sup> day of July, 1940
  - (d) arbitral award on differences between persons arising out of legal relationships, whether contractual or not, considered as commercial under the law in force in India, made on or after the 28<sup>th</sup> day of July, 1960
41. In Part II Chapter I, New York Convention award, the party applying for the enforcement of a foreign award shall, at the time of the application, produce before the court:
- (a) the original award or a copy thereof, duly authenticated in the manner required by the law of the country in which it was made
  - (b) the original agreement for arbitration or a duly certified copy thereof;
  - (c) such evidence as may be necessary to prove that the award is a foreign award
  - (d) All of the above
42. An award is in conflict with the public policy of India, only if
- (a) the making of the award was induced or affected by fraud or corruption or was in violation of section 75 or section 81
  - (b) it is in contravention with the fundamental policy of Indian law

### **The Arbitration and Conciliation Act, 1996**

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- (c) it is in conflict with the most basic notions of morality or justice.
  - (d) Any of the above
43. The test as to whether there is a contravention with the fundamental policy of Indian law:
- (a) shall entail a review on the merits of the dispute
  - (b) may entail a review on the merits of the dispute
  - (c) shall not entail a review on the merits of the dispute
  - (d) may not entail a review on the merits of the dispute
44. In Part II Chapter II, Geneva Convention award, foreign award means:
- (a) an arbitral award on differences relating to matters considered as commercial under the law in force in India made after the 28<sup>th</sup> day of July, 1924
  - (b) an arbitral award on differences relating to matters considered as commercial under the law in force in India made after the 11<sup>th</sup> day of October, 1940
  - (c) an arbitral award on differences relating to matters considered as commercial under the law in force in India made after the 28<sup>th</sup> day of July, 1940
  - (d) an arbitral award on differences relating to matters considered as commercial under the law in force in India made after the 11<sup>th</sup> day of October, 1924
45. Part III of the Act, i.e., Conciliation shall not apply where by virtue of any law for the time being in force:
- (a) certain disputes may be submitted to conciliation.
  - (b) certain disputes may not be submitted to conciliation.
  - (c) certain disputes may not be submitted to mediation.
  - (d) certain disputes may not be submitted to arbitration.
46. The conciliator shall be guided by principles of
- (a) Objectivity
  - (b) fairness
  - (c) justice
  - (d) All of the above

### **Question Bank on IBBI Limited Insolvency Examination**

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47. The conciliation proceedings cannot be terminated:
- (a) by the signing of the settlement agreement by the parties, on the date of the agreement;
  - (b) by an oral declaration of the conciliator, after consultation with the parties, to the effect that further efforts at conciliation are no longer justified, on the date of the declaration
  - (c) by a written declaration of the parties addressed to the conciliator to the effect that the conciliation proceedings are terminated, on the date of the declaration
  - (d) by a written declaration of a party to the other party and the conciliator, if appointed, to the effect that the conciliation proceedings are terminated, on the date of the declaration.
48. Which of the Act was not repealed on enactment of the Arbitration and Conciliation Act 1996?
- (a) The Arbitration (Protocol and Convention) Act, 1937
  - (b) The Arbitration Act, 1940
  - (c) The Foreign Awards (Recognition and Enforcement) Act, 1961
  - (d) The Societies Registration Act, 1960
49. In the event, the arbitral tribunal is a sole arbitrator, he shall be entitled to an additional amount of:
- (a) five per cent. on the fee payable as per the table set out for fees
  - (b) ten per cent. on the fee payable as per the table set out for fees
  - (c) twenty-five per cent. on the fee payable as per the table set out for fees
  - (d) thirty-five per cent. on the fee payable as per the table set out for fees
50. Which Schedule of the Act specifies Model fee for the Arbitral tribunal?
- (a) Third Schedule
  - (b) Fourth Schedule
  - (c) Fifth Schedule
  - (d) Seventh Schedule

## Chapter 15

# The Negotiable Instruments Act, 1881

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1. The Negotiable Instruments Act, 1881 is an Act to define and amend the law relating to :
  - (a) Promissory Notes
  - (b) Bills of Exchange
  - (c) Cheques
  - (d) All of the above
2. Which of the following statement is correct ?
  - (a) A Promissory note is an instrument in writing containing an unconditional order, signed by the maker, directing a certain person to pay a certain sum of money only to, or to the order of, a certain person, or to the bearer of the instrument.
  - (b) A Promissory note is an instrument in writing containing an unconditional undertaking, signed by the maker, directing a certain person to pay a certain sum of money only to, or to the order of, a certain person, or to the bearer of the instrument.
  - (c) A Promissory note is an instrument in writing containing an unconditional undertaking, signed by the maker, to pay a certain sum of money only to, or to the order of, a certain person, or to the bearer of the instrument.
  - (d) None of the above
3. A----- is an instrument in writing containing an unconditional order, signed by the maker, directing a certain person to pay a certain sum of money only to, or to the order of, a certain person or to the bearer of the instrument.
  - (a) Promissory note
  - (b) Bill of Exchange
  - (c) Cheque
  - (d) Bill of Order



### **Question Bank on IBBI Limited Insolvency Examination**

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4. The maker of a bill of exchange or cheque is called the -----the person thereby directed to pay is called the -----.
- (a) Drawer/ Drawee
  - (b) Payer/Payee
  - (c) Indorser/ Indorsee
  - (d) Transferor/Transferee
5. As per The Negotiable Instruments Act, 1881, If the amount undertaken or ordered to be paid is stated differently in figures and in words\_\_
- (a) the amount stated in figures shall be the amount undertaken or ordered to be paid.
  - (b) the amount stated in words shall be the amount undertaken or ordered to be paid.
  - (c) whichever amount is higher shall be the amount undertaken or ordered to be paid.
  - (d) whichever amount is lower shall be the amount undertaken or ordered to be paid.
6. Every promissory note or bill of exchange which is not expressed to be payable on demand, at sight or on presentment is at maturity on the ----- day after the day on which it is expressed to be payable.
- (a) tenth
  - (b) seventh
  - (c) second
  - (d) third
7. In calculating the date at which a promissory note or bill of exchange made payable a certain number of days after date or after sight or after a certain event is at maturity, the day of the date, or of presentment for acceptance or sight, or of protest for non-acceptance, or on which the event happens, shall be
- (a) included
  - (b) considered

- (c) excluded
  - (d) may or may not be included
8. Where there are several drawees of a bill of exchange who are not partners, \_\_\_\_\_ can accept it for himself, but \_\_\_\_\_ can accept it for another without his authority.
- (a) none of them, each of them
  - (b) each of them, none of them
  - (c) everyone, anyone
  - (d) no one, anyone
9. No presentment for payment is necessary, and the instrument is dishonoured at the due date for presentment, in which of the following cases\_\_
- (a) if the maker, drawee or acceptor intentionally prevents the presentment of the instrument
  - (b) if the instrument being payable at his place of business, he closes such place on a business day during the usual business hours
  - (c) if the instrument not being payable at any specified place, he cannot after due search be found
  - (d) Any of the above
10. The maker, acceptor or indorser respectively of a negotiable instrument is discharged from liability -
- (a) by cancellation
  - (b) by release
  - (c) by payment
  - (d) Any of the above
11. A promissory note, bill of exchange or cheque is said to be -----  
-----when the maker of the note, acceptor of the bill or drawee of the cheque makes default in payment upon being duly required to pay the same.
- (a) dishonour by non-acceptance
  - (b) dishonour by non-payment

### **Question Bank on IBBI Limited Insolvency Examination**

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- (c) dishonour by default
  - (d) dishonour by non-adherence
12. Under section 97 of the Negotiable Instruments Act, 1881, when the party to whom notice of dishonour is dispatched is dead, but the party despatching the notice is ignorant of his death, the notice is
- (a) sufficient
  - (b) not sufficient
  - (c) null and void and has no effect
  - (d) invalid
13. In which of the following cases notice of dishonour of a promissory note, bill of exchange or cheque is not necessary-
- (a) to charge the drawers, when the acceptor is also a drawer
  - (b) in the case of a promissory note which is not negotiable
  - (c) when the party entitled to notice, knowing the facts, promises unconditionally to pay the amount due on the instrument.
  - (d) Any of the above
14. When a promissory note or bill of exchange has been dishonoured by non-acceptance or non-payment, the holder may, within a reasonable time, cause such dishonour to be noted and certified by a notary public. As per The Negotiable Instruments Act, 1881, such certificate is called a \_\_\_\_\_.
- (a) complaint
  - (b) grievance
  - (c) protest
  - (d) dishonour note
15. A protest under section 100 of The Negotiable Instruments Act, 1881 must contain-
- (a) the name of the person for whom and against whom the instrument has been protested
  - (b) either the instrument itself, or a literal transcript of the instrument and of everything written or printed thereupon
  - (c) when the note or bill has been dishonoured, the place and time

of dishonour, and, when better security has been refused, the place and time of refusal

(d) All of the above

16. The compensation payable in case of dishonour of a promissory note, bill of exchange or cheque, by any party liable to the holder or any indorsee, shall be determined by the following rules except-

(a) the holder is entitled to the amount due upon the instrument, together with the expenses properly incurred in presenting, noting and protesting it

(b) when the person charged resides at a place different from that at which the instrument was payable, the holder is entitled to receive such sum at the current rate of exchange between the two places

(c) an indorser who, being liable, has paid the amount due on the same is entitled to the amount so paid with interest at [six per centum] per annum from the date of payment until tender or realization thereof, together with all expenses caused by the dishonour and payment

(d) when the person charged and such indorser reside at different places, the indorser is entitled to receive such sum at the current rate of exchange between the two places

17. As per the Negotiable Instrument Act, 1881, until the contrary is proved, it shall be presumed that a lost instrument was \_\_\_\_\_

(a) expired

(b) stolen

(c) duly stamped

(d) misplaced

18. Where a cheque bears across its face an addition of the words "and company" or any abbreviation thereof, between two parallel transverse lines, or of two parallel transverse lines simply, either with or without the words "not negotiable", that addition shall be deemed a crossing, and the cheque shall be deemed as

(a) general crossing

(b) special crossing

### **Question Bank on IBBI Limited Insolvency Examination**

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- (c) restrictive crossing
  - (d) none of the above
19. Where a cheque is crossed generally, the banker on whom it is drawn-
- (a) shall not pay it otherwise than to a banker
  - (b) shall not pay it otherwise than to the holder
  - (c) shall not pay it to a banker
  - (d) shall pay to the holder
20. In the absence of a contract to the contrary, the liability of the maker or drawer of a foreign promissory note, bill of exchange or cheque is regulated in all essential matters
- (a) by the law of the place where the instrument is made payable
  - (b) by the law of the place where the instrument is indorsed
  - (c) by the law of the place where the instrument is made
  - (d) by the law of the place where the instrument is accepted
21. What is the penalty for dishonour of cheque for insufficiency, etc., of funds in the account under section 138 of The Negotiable Instruments Act, 1881 ?
- (a) imprisonment for a term which may be extended to two years
  - (b) with fine upto twice the amount of the cheque
  - (c) imprisonment for a term which may be extended to two years or with fine upto twice the amount of the cheque or both
  - (d) imprisonment for a term which may be extended to two years or with fine upto twice the amount of the cheque
22. The provisions of section 138 of The Negotiable Instruments Act, 1881, i.e., penalty for dishonor of cheque shall not apply unless the cheque has been presented to the bank
- (a) within a period of six months
  - (b) within a period of six months from the date on which it is drawn or within the period of its validity, whichever is earlier
  - (c) within a period of 15 days from the date on which it is drawn
  - (d) within a period of three months

**The Negotiable Instruments Act, 1881**

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23. Under the provisions of section 143 of the Negotiable Instruments Act, 1881, all offences in case of dishonor of cheques shall be tried by
- (a) any Judicial Magistrate
  - (b) Judicial Magistrate of the First Class or by a Metropolitan Magistrate
  - (c) only a District Judge
  - (d) High Court Judge
24. Every trial under the provisions of section 143 of the Negotiable Instruments Act, 1881, in case of dishonor of cheques shall be endeavoured to conclude within -----from the date of filing of the complaint.
- (a) twelve months
  - (b) six months
  - (c) three months
  - (d) eighteen months
25. As per section 147 of the Negotiable Instruments Act, 1881, every offence punishable under the Act shall be
- (a) compoundable
  - (b) non-compoundable
  - (c) cognizable
  - (d) may or may not be compoundable



## **ANSWERS**





## PART A

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### Chapter 1 : Insolvency and Bankruptcy Code, 2016

#### Section 1 to Section 5

1. (a) 28.05.2016
2. (d) All of the above
3. (d) All of the above
4. (a) When the amount of the default is one lakh rupees or more
5. (b) Corporate person who owes a debt to any person
6. (d) All of the above
7. (b) Property whether situated in India or outside India
8. (c) Both (a) & (b)
9. (d) All of the above
10. (c) accepting, recording, authenticating and verifying financial information.
11. (d) GAIL
12. (d) None of the above.
13. (c) means a right, title or interest or a claim to property.
14. (b) Insolvency, liquidation, bankruptcy, voluntary liquidation
15. (a) Central Government
16. (c) Bankruptcy Law Reforms Committee
17. (c) Whole of India but Part III shall not apply to J & K
18. (b) non-payment of debt when whole or any part or instalment of the amount of debt has become due and payable and is not repaid by the debtor or the corporate debtor
19. (d) None of the Above
20. (d) None of the above.
21. (c) Any payment of fees for the services of an insolvency professional to any person other than the insolvency professional

### **Question Bank on IBBI Limited Insolvency Examination**

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- 22. (c) receivables sold or discounted other than any receivables sold on non-recourse basis
- 23. (b) a person, who individually or jointly with any other person, submits a resolution plan to the resolution professional pursuant to the invitation made under clause (h) of sub-section (2) of section 25

#### **Section 6 to Section14**

- 1. (b) Rs 1 lakh and Rs 1 Crore
- 2. (b) Financial Creditor, Operational Creditor and Corporate debtor
- 3. (b) One or more creditors jointly
- 4. (c) National Company Law Tribunal
- 5. (b) No, financial service providers are excluded
- 6. (a) NCLT in all cases
- 7. (a) Corporate Debtor having completed corporate insolvency resolution process 12 months preceding the date of making of the application
- 8. (c) Date on which an application is made to the adjudicating authority
- 9. (d) Date of admission of an application for initiating corporate insolvency resolution process by the Adjudicating Authority
- 10. (b) 180
- 11. (b) 14 days
- 12. (c) 7
- 13. (c) Date of admission of application by NCLT
- 14. (d) Demand notice
- 15. (a) Interim Resolution Professional
- 16. (b) 180 days from the date of admission of application
- 17. (c) With consent of committee of creditors and by Application to adjudicating authority
- 18. (c) 75%
- 19. (d) No extension is possible

## Answers – Part A

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- 20. (c) Yes, one extension upto 90 days can be obtained
- 21. (b) Financial Creditors and Corporate Applicants
- 22. (c) Declare moratorium, cause a public announcement of the process, Appoint Insolvency professional, call for submission of claims
- 23. (d) Completion of the corporate insolvency resolution process
- 24. (b) Supply of essential goods and services
- 25. (b) Can Prohibit Enforcement or Recovery of security interest under SARFEASI

### Section 15 to Section 21

- 1. (b) The Statement of Assets and Liabilities of the Corporate Debtor
- 2. (b) 14
- 3. (c) 30 days
- 4. (b) Will be vested with powers of the Board of Directors of the Company and the powers of the BoD will be suspended
- 5. (c) Act on instructions and also Furnish all information as requested by the Insolvency Resolution professional
- 6. (d) Undertake suo moto transactions without the Consent of the Committee of Creditors
- 7. (b) Government, Statutory Authorities, Accountants and other specified persons
- 8. (b) No, the Code provides powers to the IRP to access all information from various parties
- 9. (a) 2 years
- 10. (d) Assets of the Indian or foreign subsidiary of the corporate debtor
- 11. (a) Assets over which the corporate debtor has ownership rights but located in a foreign country
- 12. (c) Application to the Adjudicating authority for directions
- 13. (d) to close down the operations which will cause going concern impairment
- 14. (a) is not less than the amount equivalent to twice the amount of the debt

### **Question Bank on IBBI Limited Insolvency Examination**

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- 15. (b) All financial creditors excluding related parties
- 16. (d) Enforcing his claim for debts against the corporate debtor
- 17. (b) Can , to the extent of his financial debts for his voting power
- 18. (a) Financial debt
- 19. (b) All lenders in proportion to their debt share
- 20. (d) Refuse to be part of the Committee of Creditors
- 21. (a) Not less than 75% of voting share in all cases
- 22. (b) 7
- 23. (d) The code provides that the Board will specify the manner of constitution of the committee

#### **Section 22 to Section 32**

- 1. (c) 7
- 2. (d) Appoint one additional person as the IRP
- 3. (c) Directly by them after 75% majority approval and with prior approval of the new professional by the Board
- 4. (a) The Interim professional shall continue
- 5. (a) The Resolution professional
- 6. (d) Operational creditors whose dues are less than 10% of the total debt
- 7. (b) 10%
- 8. (c) Borne by the Creditor concerned
- 9. (d) Raising interim finance on a suo moto basis without consent of Committee of Creditors
- 10. (c) Can be replaced with 75% voting in favour of the decision and approval of the Board
- 11. (b) Seek information from the Company's bankers
- 12. (a) Void
- 13. (c) IBBI
- 14. (a) Resolution professional
- 15. (c) Would get not less than the value that they would be entitled to in the event of liquidation

- 16. (b) 75% of the financial creditors
- 17. (d) Approval of committee of creditors and Approval of Adjudicating authority
- 18. (d) Be implemented before the approval of the Adjudicating authority
- 19. (b) Corporate debtor, shareholders and employees and creditors
- 20. (d) No appeals are possible against rejections of Resolution Plans by NCLT

**Section 55 to Section 58**

- 1. (d) Share capital and Net-worth
- 2. (c) 90
- 3. (a) 45
- 4. (d) Approval of committee of creditors and Approval of Adjudicating authority
- 5. (a) Once and for 45 days
- 6. (d) Creditor or corporate debtor with proof of evidence of default
- 7. (b) Shall be the same process as per Corporate Insolvency Resolution process

**Section 33 to Section 54**

- 1. (a) An acceptable Resolution plan is presented for approval within time limits as specified
- 2. (b) Call the meeting of the shareholders of the corporate
- 3. (c) By any person other than the corporate debtor whose rights have been prejudicially affected
- 4. (c) No suit or legal proceedings can be initiated against the Corporate debtor subject to Secured creditors under Sec 52 of the Code
- 5. (b) Except where the business of the entity is carried on a going concern basis by the liquidator
- 6. (d) Shall act as the liquidator unless replaced by the Adjudicating Authority
- 7. (b) NCLT

### **Question Bank on IBBI Limited Insolvency Examination**

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8. (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
9. (c) Yes, the liquidator can be proposed by the Board only based on a request from the Adjudicating Authority
10. (d) Representative of a banking institution on the Committee of Creditors
11. (b) 10
12. (d) Proportion based on value of assets realized
13. (b) Paid from the proceeds of the liquidation estate
14. (d) Sell immoveable properties without the consent of the secured creditors
15. (c) Liquidation estate
16. (c) Not Binding on the liquidator subject to certain specific provisions
17. (d) All other stakeholders including those not consulted
18. (c) All sums due to any workman or employee from the provident fund, the pension fund and the gratuity fund
19. (d) assets of any Indian or foreign subsidiary of the corporate debtor
20. (d) Any assets over which the corporate debtor has ownership rights, including all rights and interests therein as evidenced in the balance sheet of the corporate debtor
21. (a) assets subject to the determination of ownership by the court or authority
22. (d) Information utility, Credit Information Utilities established by law, Data base maintained by the Board and Information systems for financial and non-financial liabilities and securities and assets posted as security interest
23. (d) Entitled to receive in 7 days or receive explanation for non receipt
24. (a) 30 days
25. (d) In the format as prescribed by the Board

## Answers – Part A

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- 26. (a) Can be varied or withdrawn within 14 days
- 27. (d) Can be rejected fully or partly by the liquidator with reasons for the same recorded in writing and communicated to the creditor and corporate debtor
- 28. (d) Needs to document the reasons and communicate to the creditor and corporate debtor
- 29. (a) 7 days
- 30. (c) NCLT
- 31. (a) 14 days
- 32. (b) NCLT
- 33. (d) Any Transfer of property of a corporate debtor to a creditor where such creditor was placed in a more beneficial position than in the event of a distribution of assets upon liquidation
- 34. (a) The transfer of assets to a creditor which has the effect of putting such creditor or a surety or a guarantor in a beneficial position than it would have been in the event of a distribution of assets being made in accordance with section 53
- 35. (c) 2 years for related party transactions and 1 year for other parties
- 36. (b) Insolvency Commencement date
- 37. (d) Can be considered for application to the Adjudicating Authority only in respect of transactions undertaken within 2 years of the insolvency initiation ( application ) date
- 38. (c) Transactions which are not in the nature of substitution of financial or operational debts with other financial or operational debts and reflect money or new worth in goods, services or new credit
- 39. (b) NCLT
- 40. (a) Gifts by the corporate debtor or Transfer of assets of a corporate debtor for a consideration significantly less than the value of consideration provided by the corporate debtor
- 41. (a) Independent expert
- 42. (c) 2 years for related party transactions and 1 year for other parties



### **Question Bank on IBBI Limited Insolvency Examination**

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- 43. (b) Insolvency Commencement
- 44. (d) Liquidator or resolution professional, creditor, member, partner of a corporate debtor
- 45. (b) Report the matter to the Board and request Disciplinary proceedings
- 46. (b) An extortionate financial or operational debt or payments therefor within 2 years from the insolvency commencement date
- 47. (c) May realise their security interest or relinquish their security interest to the liquidation estate and receive proceeds from sale of assets by liquidator
- 48. (c) By means as specified by the Board or information utility
- 49. (c) Is possible subject to verification and permission by the liquidator
- 50. (a) NCLT
- 51. (b) Should pay their share of the insolvency resolution costs to the liquidation estate after realisation of their assets
- 52. (c) Need to accounted for and tendered to the liquidator
- 53. (b) The Secured creditor shall be paid by the liquidator in the manner specified in Sec 53
- 54. (c) National Company law Tribunal
- 55. (d) Yes, subject to the priority order as set out in Section 53 of the code
- 56. (a) (Insolvency Process and Liquidation costs), (Workmen 24 month dues & secured creditors who have relinquished interest), (Unsecured creditors), (Secured creditors who have a deficit after enforcing their interest), (Preference shareholders), (Equity Shareholders)
- 57. (c) Deducted proportionately from the proceeds to each class of recipients
- 58. (b) Proportionately
- 59. (d) Where the assets of the corporate debtor have been completely liquidated and Upon application to the adjudicating authority and approval by them
- 60. (b) 7 days

**Section 59**

1. (b) The Insolvency and Bankruptcy Code
2. (a) When a corporate person has not committed any default
3. (d) Majority of the directors
4. (b) Majority of directors , Solvency ,With no intent to defraud any person
5. (a) Declaration of solvency of the company by directors and Declaration by directors that there is no intent to defraud creditors, Financial Statements for the period as specified and report of a registered valuer
6. (d) Special – 4 weeks
7. (b) Two thirds of the debts of the company
8. (b) 7 days
9. (a) Board and Registrar of Companies
10. (b) Dissolution to the Adjudicating Authority

**Section 80 to Section 93**

1. (a) Annual income does not exceed Rs.100,000
2. (c) Person themselves or By a Resolution professional
3. (b) Approved / Rejected by the Adjudicating Authority based on report of Resolution Professional
4. (b) Should be shared with all creditors
5. (c) Also specifies the qualifying debts and other amounts qualifying for discharge
6. (a) The debtor can act as a director of a Company and perform the relevant acts
7. (a) The debtor cannot travel outside the country
8. (c) 180
9. (d) Can amend claims based on objections from Creditors and apply for orders to the Adjudicating Authority
10. (b) Can apply to the Adjudicating Authority
11. (c) Shall give an opportunity for the creditor and debtor to be heard

### **Question Bank on IBBI Limited Insolvency Examination**

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12. (c) Material errors or omissions in information / documents supplied and Change in financial circumstances since the date of application impacting the FSO process
13. (d) Either by debtor or creditor based on an application made to the Adjudicating Authority
14. (d) Review of objections filed by creditors
15. (d) Too many objections from creditors
16. (a) Application to AA , FSO , Final list of Qualifying Debts by RP, Discharge Order
17. (d) Interest, Penalties and Other sums owed under contract
18. (d) Liability in relation to credit card debt
19. (d) Liability to pay damages for negligence, nuisance or breach of a statutory, contractual or other legal obligation
20. (c) His dependent mother
21. (c) XYZ Bank files a case in the Court for such debt owed by the debtor
22. (c) financial information of his brothers and sisters to two years prior to the date of the application
23. (c) an interim moratorium shall commence on the date of filing of application and shall cease to have effect on the date of admission or rejection of such application
24. (b) 7
25. (a) 10
26. (d) 10 days
27. (c) a fresh start process, insolvency resolution process or bankruptcy process is subsisting against the debtor
28. (b) Adjudicating Authority
29. (a) IBBI
30. (c) It shall not discharge any other person from any liability in respect of the qualifying debts
31. (b) 7

**Section 94 to Section 100**

1. (c) Person themselves or By a Resolution professional or by a Creditor
2. (a) if all partners or a majority apply jointly
3. (a) He is an undischarged bankrupt
4. (c) Jointly with other creditors against any of the partners or the firm
5. (d) Proof of debt and default and unpaid demand notice
6. (a) Is not An order to cease business operations
7. (c) Commences on date of application and ceases on date of admission
8. (a) IBBI
9. (d) Based on application and approval from the adjudicating Authority
10. (a) Can Recommend a Fresh Start process to the Adjudicating Authority
11. (d) Decided directly by the Adjudicating Authority based on report of Resolution Professional recommending or rejecting the application
12. (d) Communicated to the creditors along with the report of the Resolution Professional
13. (d) Reject the application and pass orders for creditors to proceed with Chapter IV bankruptcy

**Section 101 to Section 120**

1. (d) A period of 180 days or the date of passing of an order on the Repayment Plan
2. (b) English and vernacular newspaper in circulation in the state, 21 days
3. (a) Total debt due by the debtor
4. (d) Electronic communication or through Courier, Speed post or registered letter

### **Question Bank on IBBI Limited Insolvency Examination**

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5. (b) Information in the application of the debtor and Response to public announcement
6. (b) 30
7. (c) Debtor in consultation with the Resolution Professional
8. (c) After it is prepared and approved by Creditors and the Adjudicating Authority
9. (d) Can be relaxed provided the reasons for the same are indicated in the report of the Resolution professional submitted with the Repayment plan
10. (b) All creditors present in the list compiled by the Resolution Professional
11. (d) Can appoint a proxy
12. (d) Can participate and vote but shall forfeit his right to enforce the security interest in respect of his secured debt
13. (c) Provided he submits an affidavit that his participation and voting pertains to his unsecured debt and the value of such debt is disclosed
14. (b) 75% of all those present or by proxy
15. (d) Debtors and all creditors and Adjudicating Authority
16. (c) Can be rejected or modified by the Adjudicating authority with further directions for implementation
17. (b) Both when completed or terminated prematurely
18. (d) Request and recommendation for a bankruptcy order
19. (b) When repayment plan has been accomplished fully
20. (d) A discharge order or order to apply for bankruptcy

#### **Section 121 to Section 128**

1. (d) Directly without applying for insolvency resolution process
2. (b) Can be filed without a bankruptcy trustee also
3. (d) Records of insolvency resolution and Copy of order permitting the creditor to apply for bankruptcy and Details of debts
4. (b) Only unsecured portion of the debt along with the estimated value of the unsecured portion

- 5. (c) Bankruptcy Trustee
- 6. (b) 14
- 7. (a) till the debtor is discharged under a Discharge Order
- 8. (c) Not affect the rights of the secured creditors except for interest after the bankruptcy commencement date if he does not take any action to realise his security within thirty days from the said date
- 9. (b) Is valid from date of application to bankruptcy commencement date
- 10. (c) To all partners
- 11. (b) Bankruptcy estate

**Section 129 to Section 148**

- 1. (c) Statement of financial position of the firm and all the partners
- 2. (b) Adjudicating Authority
- 3. (a) Published in leading newspapers, Placed on website of the Adjudicating authority, Affixed on the premises of the Adjudicating authority
- 4. (d) Date, Proxy forms and mode of proxy voting
- 5. (d) Is possible in person or by electronic means
- 6. (a) A committee of creditors shall be constituted
- 7. (b) Associates of the Debtor and Creditors not named in the list submitted to the adjudicating authority to whom notice of meeting has not been sent
- 8. (c) After completion of one year from the bankruptcy commencement date or 7 days After the approval of the Report of the Administration of the estate is approved by the Committee of Creditors whichever is earlier
- 9. (d) From All debts except debts incurred by means of fraud or breach of trust to which he was a party
- 10. (a) Function as An employee of a private limited company
- 11. (d) Not act as a director of any company, or directly or indirectly take part in or be concerned in the promotion, formation or management of a company

### **Question Bank on IBBI Limited Insolvency Examination**

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- 12. (c) Can travel abroad with the consent of the Adjudicating Authority
- 13. (c) Can be modified or recalled subject to the provisions of the law
- 14. (d) Proportion based on value of the estate of the bankrupt
- 15. (d) By Committee of Creditors based on an application made to the Adjudicating Authority
- 16. (a) The new trustee shall be recommended by the Board on a reference made by the Adjudicating Authority who shall appoint the person
- 17. (d) On preparation of the Report on the administration of the Bankruptcy process and approval of the same by the Committee of Creditors

### **Section 149 to Section 178**

- 1. (d) investigate the affairs of the bankrupt, realise the estate of the bankrupt; and distribute the estate of the bankrupt
- 2. (c) Increase in income and Acquisition and devolution of assets
- 3. (b) In his official name
- 4. (a) Immediately
- 5. (d) Without conveyance, assignment or transfer
- 6. (d) all sums due to any workman or employee from the provident fund, the pension fund and the gratuity fund
- 7. (a) Void, except in case of a person who has received in good faith and for value
- 8. (c) In good faith and for value and without notice of the filing for bankruptcy
- 9. (b) After giving due notice
- 10. (c) any other property comprised in the estate of the bankrupt which is unsaleable or not readily saleable
- 11. (b) DRT
- 12. (b) 2
- 13. (b) 2 years with associates, 6 months with others
- 14. (d) It is in the ordinary course of business

## Answers – Part A

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- 15. (b) Requires exorbitant interest or is unconscionable under the principles of law relating to contracts
- 16. (d) continue as if he were alive
- 17. (a) (Costs and Expenses for Bankruptcy Process), (Workmen 24 month dues & secured creditors), (Employees 12 months dues), (Government Dues) , (Unsecured creditors)
- 18. (b) Equality
- 19. (c) Used in paying Interests
- 20. (d) Shall rank equally amongst themselves unless contractually agreed to the contrary by such creditors
- 21. (b) Paid to the legal representatives of the estate of the deceased bankrupt.
- 22. (a) Secured Creditors
- 23. (c) 7 days
- 24. (d) All of the above.
- 25. (d) All of the above
- 26. (d) None of the above
- 27. (d) None of the above.
- 28. (d) All of the above.
- 29. (a) All the property of the debtor, whether or not it is comprised in the estate of the bankrupt, but shall not include property held by the debtor in trust for any other person.
- 30. (a) bankruptcy commencement date
- 31. (c) Both (a) & (b)
- 32. (a) an undervalued transaction
- 33. (c) Both (a) & (b)

### Section 206 to Section 208

- 1. (c) Only If he is registered with an authorised Insolvency Professional Agency and the Insolvency and Bankruptcy Board of India
- 2. (d) Interim resolution professional, Resolution Professional, Liquidator, Bankruptcy Trustee



### **Question Bank on IBBI Limited Insolvency Examination**

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3. (c) Interim resolution professional, Resolution Professional, Liquidator
4. (c) Insolvency professional Agency, IBBI

#### **Section 209 to Section 216**

1. (b) Insolvency and Bankruptcy Board of India
2. (a) 7
3. (d) Cancel or suspend the Certificate of Registration after giving them an opportunity of being heard
4. (b) Whole-time members of IBBI
5. (a) National Company Law Appellate Tribunal
6. (c) Core Services
7. (c) Have direct access to information to RBI

#### **Section 217 to Section 220**

1. (a) The IBBI
2. (a) Appoint a person / persons to investigate the matter
3. (a) Disciplinary Committee of the Board
4. (d) Suspend or cancel the registration and may impose penalty
5. (a) one crore rupees
6. (b) Whole-time members of the Board

#### **Section 60 to Section 67**

1. (a) National Company Law Tribunal
2. (c) National Company Law Tribunal
3. (b) National Company Law Appellate Tribunal
4. (c) Supreme Court , on a question of law arising out of such order
5. (a) Fully excluded
6. (a) 10 days
7. (a) Rs 1 lakh to Rs 1 crore
8. (a) The registered office of the corporate person
9. (d) proof of claims was not submitted by one or more of the creditors during the insolvency resolution process

10. (a) NCLAT

**Section 188 to Section 194**

1. (b) Central Government
2. (a) perpetual succession and a common seal,
3. (a) Ministry of Industries
4. (b) 10
5. (c) 3 out of 5 Members
6. (b) Selection Committee
7. (c) 5 years or 65 years whichever is earlier
8. (b) Chairperson or any other member chosen by members present to preside, when Chairperson is unable to attend
9. (a) Majority votes of the members present and voting
10. (b) Invalid
11. (b) Ex officio member
12. (d) if he has, so abused his position as to render his continuation in office detrimental to the public interest

**Section 196**

1. (b) Insolvency professionals, Agencies and Information utilities
2. (a) Central government
3. (b) IBBI
4. (c) nominate one of its members to be part of the insolvency proceedings of a corporate debtor
5. (d) for certain entities with networth erosion to commence insolvency resolution process

**Section 179 to Section 183**

1. (b) Debt Recovery Tribunal
2. (d) actually and voluntarily resides, carries on business or personally works for gain
3. (a) any suit or proceeding by or against the individual debtor
4. (c) None other than DRT or DRAT

### **Question Bank on IBBI Limited Insolvency Examination**

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- 5. (d) No court, tribunal or authority
- 6. (b) 30
- 7. (a) 15
- 8. (b) 45
- 9. (d) Supreme Court
- 10. (b) 15
- 11. (c) 10
- 12. (a) Fully excluded
- 13. (a) Question of Law

#### **Sec 184 to Section 187**

- 1. (a) 1 year imprisonment and/ or Rs.5 Lakhs
- 2. (b) Rs. 5 Lakhs
- 3. (c) Imprisonment which may extend to 6 months, or with fine which may extend to Rs. 5 Lakhs, or with both
- 4. (b) Imprisonment which may extend to 1 year, or with fine which may extend to Rs. 5 Lakhs, or with both
- 5. (b) Rs. 5 Lakhs
- 6. (b) Imprisonment for a term which may extend to 2 years, or with fine, which may extend to 3 times of the value of the loss, or with both.
- 7. (d) Imprisonment which may extend to 1 year, or with which may extend to Rs 5 lakhs, or with both.
- 8. (c) Bankruptcy trustee shall not be liable under this section if he seizes or disposes of any property which is not comprised in the estate of the bankrupt and at that time had reasonable grounds to believe that he is entitled to seize or disposes that property.
- 9. (d) (a) or (b) or both (a) and (b)

#### **Section 235 to Section 241**

- 1. (a) Adjudicating Authority
- 2. (a) Companies Act, 2013
- 3. (a) Central Government

4. (c) Shall Never
5. (b) IBBI
6. (b) IBBI
7. (a) Central Government
8. (a) Both houses of parliament
9. (b) IBBI

## **Chapter 2: Application to Adjudicating Authority Rules**

1. (a) Financial Creditor
2. (b) Term, tenure, due date and interest
3. (b) Jointly with other financial creditors
4. (d) Assignment or relevant document
5. (b) Corporate Debtor(s)
6. (b) Demand Notice in Form 3 or invoice copy in Form 4
7. (d) Speed Post or Registered Post with Acknowledgement
8. (b) Should be served on Corporate Debtor forthwith
9. (a) Undisputed debts as on date of Application
10. (b) Applicant before admission
11. (c) Requires consent of IRP in Form 2
12. (d) Form F
13. (d) Any of the above
14. (c) Filed in electronic form in scanned format
15. (d) CD or USB flash drive or similar drive acceptable to AA

## **Chapter 3: Corporate Insolvency Resolution Regulations**

1. (c) Any person who is independent of the Corporate Debtor.
2. (b) He is eligible to be appointed as an Independent Director
3. (b) 3 years
4. (d) 3 years

### **Question Bank on IBBI Limited Insolvency Examination**

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5. (c) 10%
6. (b) not be done not permissible under the code
7. (d) Insolvency Resolution Professional
8. (b) 3 days
9. (b) One English and one regional language
10. (b) Can publish an advertisement in the location where the Corporate debtor conducts material business operation
11. (a) One English, one regional website, Corporate debtor website , website of board.
12. (b) Applicant
13. (a) Shall not from part of Insolvency Resolution Process Cost
14. (b) Immediately' means not later than three days from the date of his appointment.
15. (c) Yes, to the extent committee of creditors ratifies.
16. (b) Corporate Applicant
17. (b) B, C, D
18. (b) Shall be admitted provided proof of employment for the relevant period of dues is also furnished
19. (b) The creditor
20. (b) May permit proof any time before approval of a resolution plan
21. (b) Can be included in Committee of Creditors from Date of Admission of such claim
22. (a) Within 14 days of appointment of Interim Resolution Professional
23. (a) in person, by post or by electronic means
24. (a) Resolution Professional
25. (d) 7
26. (b) To claimants, officers of corporate debtors and website of the entity
27. (b) Corporate Debtor.

## Answers – Part A

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- 28. (c) Eighteen largest operational creditors by value plus one representative from workmen and one representative from employees.
- 29. (b) One workmen and one employee.
- 30. (d) Amount due to creditors, workmen and employees.
- 31. (d) 7 days.
- 32. (b) 33%
- 33. (c) 7 days.
- 34. (b) 24 hours.
- 35. (a) By hand delivery or by post or by electronic means.
- 36. (d) Venue date, time, option to attending the video conferencing and permission to an authorised representative.
- 37. (b) 33% of the voting rights either in person or by video conferencing.
- 38. (d) Same time and place next day.
- 39. (b) Members present.
- 40. (b) Resolution professional.
- 41. (b) Throughout the meeting.
- 42. (d) None of the Above.
- 43. (c) By electronic means within 48 hours.
- 44. (b) Not change the same
- 45. (b) Blocked forthwith.
- 46. (a) Immediately at the conclusion of the meeting
- 47. (d) 24 hours.
- 48. (a) 7, 2
- 49. (c) 5
- 50. (b) His relative
- 51. (d) Shall be eligible provided the details are furnished to the interim resolution professional who cognizes for the same.
- 52. (a) Within 2 days of change

### **Question Bank on IBBI Limited Insolvency Examination**

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- 53. (d) 10%
- 54. (b) Shall be done provided the sale approved by the creditor.
- 55. (a) Book value.
- 56. (d) Amounts relating to supply of essential goods & services
- 57. (d) Electricity cost provided not at direct input to the output produced or supplied by the corporate debtor.
- 58. (c) Applicant or adjudicating authority where not fixed by the applicant.
- 59. (a) Ratified by the committee of creditors
- 60. (b) Insolvency commencement date.
- 61. (a) Two registered valuers.
- 62. (d) Physical verification of inventory & Fixed Assets and in accordance with international valuation standards.
- 63. (a) Electronic form.
- 64. (b) Committee of creditors.
- 65. (a) Each member of committee of creditors.
- 66. (d) Another registered valuer shall be appointed and the average of the two closest estimates shall be considered.
- 67. (a) 2 yrs.
- 68. (c) 14 days.
- 69. (d) 1%.
- 70. (a) After receiving an undertaking of confidentiality.
- 71. (b) Provide for reduction in the amount payable to the creditors.
- 72. (c) (a) and (b)
- 73. (a) conviction for any offence , if any, during the preceding ten years;
- 74. (d) persons who are promoters or in the management immediately two years before the resolution process.
- 75. (d) All of the above
- 76. (c) Shall be compulsorily provided for the resolution plan.

- 77. (d) Term of plan, implementation, see control of business and means of supervision during its implementation.
- 78. (a) 30
- 79. (b) Committee of Creditors & Adjudicating Authority

**Chapter 4: Insolvency Professional Agencies Regulations**

- 1. (d) Section 8 company
- 2. (b) 10 crore rupees
- 3. (b) 5 crore rupees
- 4. (b) 49
- 5. (a) One
- 6. (b) 10 lakh rupees
- 7. (a) Form A
- 8. (d) 6 months
- 9. (b) Five lakh rupees
- 10. (c) 60 days
- 11. (c) 5
- 12. (a) 5 lakh
- 13. (a) 10%
- 14. (d) All of the above
- 15. (d) IBBI
- 16. (c) Disciplinary Committee
- 17. (d) Any of the above
- 18. (c) 30 days
- 19. (b) National Company Law Tribunal, 30 days
- 20. (c) 10 lakh rupees
- 21. (b) 1 year



**Chapter 5: Model Bye Laws and Governing Board of IPA**

1. (d) Three times
2. (a) 7 days
3. (b) 15 days
4. (a) 7
5. (c) Residents of India
6. (b) Atleast 1 independent
7. (a)  $\frac{1}{4}$
8. (d) Chairperson
9. (d) Membership, Disciplinary, Monitoring and Grievance Redressal Committees
10. (a) Independent director
11. (b) Insolvency Professional Agency
12. (c) 30
13. (b) Membership Committee
14. (b) Monitoring policy
15. (b) Atleast Two times
16. (b) Monitoring Committee
17. (b) 6 months
18. (d) Appellate Panel, 30 days
19. (b) 30 days
20. (d) Any of the above
21. (d) Any of the above

**Chapter 6: Insolvency Professional Regulations**

1. (b) Minor
2. (c) not be considered eligible to be registered as an Insolvency Professional, if punishable with imprisonment for a term exceeding six months or for an offence involving moral

- turpitude, and a period of five years has not elapsed from the date of expiry of the sentence.
3. (d) Integrity, reputation, absence of Conviction and restraint orders and competence, including Financial Solvency and Net worth
  4. (c) A Graduate and also passed the Limited Insolvency Examination
  5. (b) 15
  6. (d) Passing of National Insolvency Examination or passing of Limited Insolvency Examination and having experience of ten years as member of ICSI/ICAI/ICWAI
  7. (b) IBBI
  8. (b) 7 days of Receipt.
  9. (a) Form A
  10. (c) Ten thousand rupees
  11. (a) 60
  12. (b) Form B
  13. (b) Ten thousand rupees
  14. (d) After receiving no objection from both the concerned Insolvency Professional Agencies and approval by the Board
  15. (c) 3 years
  16. (b) Yes, if he becomes a Director of Insolvency Professional entity registered in the form of company.
  17. (b) 30
  18. (c) 6
  19. (d) Chartered Accountant, Company Secretary, Cost Accountant and Lawyer
  20. (b) Complete
  21. (b) Not later than 7 days from the date of approval.
  22. (c) 6
  23. (d) Any of the above.
  24. (d) A Company, A Registered Partnership Firm or an LLP

### **Question Bank on IBBI Limited Insolvency Examination**

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- 25. (a) Majority
- 26. (a) Unregistered Partnership Firms
- 27. (d) Majority of Whole Time Directors are registered as Insolvency Professionals.
- 28. (d) No, except when he has temporarily surrendered his certificate of membership with the agency he had registered.

### **Chapter 7: Engagement of Research Associates and Consultants Regulations**

- 1. (a) IBBI
- 2. (c) Any number as it may deem fit
- 3. (a) Schedule I
- 4. (b) consolidated remuneration in accordance with Schedule II
- 5. (c) every 6 months with reference to tasks assigned and output delivered
- 6. (d) on the website of the Board and if needed a public notice
- 7. (c) Five Levels
- 8. (d) Annual leave of 12 days
- 9. (d) Ex- Officio Members
- 10. (a) 40000/-
- 11. (b) Four times
- 12. (b) Ten days
- 13. (c) 30 days
- 14. (b) Six months, two years

### **Chapter 8: IBBI (Voluntary Liquidation Process) Regulations, 2017**

- 1. (d) 1<sup>st</sup> April, 2017
- 2. (a) the date on which the proceedings for voluntary liquidation commence

## Answers – Part A

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3. (a) majority of the designated partners, if a corporate person is a limited liability partnership
4. (a) audited financial statements and record of business operations of the corporate person for the previous two years
5. (c) business affairs except required for beneficial winding up of its business.
6. (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.
7. (b) All of the above.
8. (d) All of the above.
9. (b) 45 days
10. (c) Five years
11. (a) Form B of Schedule I
12. (b) Form C of Schedule I
13. (c) Form D of Schedule I
14. (d) Form F of Schedule I
15. (d) All of the above
16. (b) Preliminary Report
17. (a) Five days
18. (d) Form E of Schedule I
19. (c) 30 days
20. (d) 45 days
21. (b) 5,000
22. (c) Six months
23. (c) Twelve months
24. (c) twelve per cent per annum
25. (d) Fifteen years
26. (c) Eight years

**Question Bank on IBBI Limited Insolvency Examination**

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**Chapter 9: IBBI (Inspection & Investigation) Regulations, 2017**

1. (d) None of the above.
2. (a) Information Utility
3. (d) All of the above
4. (d) All of the above.
5. (b) 10
6. (c) Where the Inspecting Authority has an apprehension that records of the service provider may be destroyed, mutilated, altered, falsified or secreted.
7. (c) Is submitted to the Board
8. (a) Disciplinary Committee
9. (c) 90 days
10. (c) Yes, at any time
11. (d) All of the above.
12. (a) Police Officer
13. (d) 180 days
14. (c) Public Announcement

**Chapter 10: Procedure for Governing Board Meetings**

1. (b) Seven days
2. (c) Three Members, if the Governing Board has eight or more Members
3. (a) Chairman
4. (a) The Chairperson and every Whole Time Member before entering upon their duties.
5. (c) Every Member before entering upon his duties.
6. (b) Fifty percent of Members of the existing strength of the Committee.
7. (a) exigencies warranting such relaxation.

- 8. (c) Four
- 9. (a) Three members
- 10. (c) Whole Time Member

**Chapter 11: IBBI (Fast Track Insolvency Resolution Process for Corp Persons) Regulations, 2017**

- 1. (b) Period of 90 days
- 2. (d) he is not a related party of the corporate debtor.
- 3. (a) Form A
- 4. (b) Form B
- 5. (c) Creditor
- 6. (c) ten days of the Public Announcement
- 7. (a) the fast track commencement date.
- 8. (b) 18 largest operational creditors by value, one representative of employee and workmen
- 9. (b) representing thirty three per cent of the voting rights.
- 10. (d) all of the above.
- 11. (b) the members of the Committee participating in the meeting
- 12. (c) One

**Chapter 12: IBBI (Liquidation Process) Regulations, 2016**

- 1. (b) Committee of Creditors
- 2. (d) all of the above
- 3. (e) all of the above.
- 4. (c) 8 years
- 5. (c) Physical as well as electronic copy
- 6. (a) Form A of Schedule II.
- 7. (b) claims an interest in a disclaimed property

### **Question Bank on IBBI Limited Insolvency Examination**

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- 8. (b) require the corporate debtor to make exorbitant payments in respect of the credit provided
- 9. (a) 5 days
- 10. (b) Form B of Schedule II.
- 11. (b) 75 days
- 12. (a) 15 days
- 13. (a) 15<sup>th</sup> April, 2017

### **Chapter 13: Information Utilities Regulations**

- 1. (d) All of the above
- 2. (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
- 3. (b) has a minimum net worth of fifty crore rupees;
- 4. (a) Form A of the Schedule
- 5. (b) Five Years
- 6. (d) Credit Card Sales Team
- 7. (b) B
- 8. (d) 60 days
- 9. (d) NCLAT
- 10. (c) 1<sup>st</sup> April 2017
- 11. (c) its bye-laws are in accordance with Chapter VI
- 12. (a) at least 6 months before the expiry of Registration
- 13. (b) IBBI
- 14. (d) Non refundable fee of Rs 5 lakh
- 15. (d) an Indian company, (i) which is listed on a recognised Stock Exchange in India, or (ii) where no individual, directly or indirectly, either by himself or together with persons acting in concert, holds more than ten percent of the paid-up equity share capital, may hold up to hundred percent of the paid-up equity

- share capital or total voting power of an information utility up to five years from the date of its registration.
- 16. (c) More than half of the directors of an information utility shall be Indian nationals who may be non resident in India
  - 17. (d) None of the above
  - 18. (c) On the 7<sup>th</sup> day of receipt of approval by the Board
  - 19. (b) At least Two directors
  - 20. (a) Central Government or State Government
  - 21. (d) For Free
  - 22. (c) Universally accessible formats
  - 23. (d) All of the Above
  - 24. (d) IBBI on recommendation of Technical Committee
  - 25. (c) Governing board of Information Utility
  - 26. (b) The Governing Board may amend the bye-laws of the information utility 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, by the directors.

#### **Chapter 14: IBBI (Advisory Committee) Regulations, 2017**

- 1. (d) All of the above
- 2. (a) Professional members who are eminent academicians or practitioners in the relevant area
- 3. (b) 2:1
- 4. (a) 3 years
- 5. (b) One of the General Members
- 6. (b) 50
- 7. (b) 10000/-
- 8. (c) Right to vote



**Chapter 15: IBBI (Employee's Service) Regulations, 2017**

1. (b) Brother's wife
2. (a) Schedule-I
3. (b) Two years
4. (c) One day's notice, One month's notice
5. (d) All of the above
6. (b) Last day
7. (a) 55 years of age or 30 years of service, whichever is earlier
8. (c) Resignation after completing four years of continuous service\
9. (d) All of the above
10. (c) Extraordinary leave
11. (d) Sick leave
12. (c) Four months
13. (b) 12
14. (a) Half day, 5 days
15. (c) 30 days
16. (b) 10 days, 30 days
17. (c) 540
18. (b) Two years
19. (b) Two months basic pay of the employee
20. (d) All of the above
21. (d) Removal from service which shall not be a disqualification for future employment
22. (d) Stoppage of pay of an employee at the efficiency bar in a time scale, on the ground of his unfitness to cross the bar
23. (b) 15 days
24. (a) 50% of his pay for the first six months of suspension and 75% of his pay for the period of suspension beyond six months
25. (c) 45 days
26. (a) 3 members

**Chapter 16: IBBI (Grievance and Complaint handling Procedure) Regulations, 2017**

1. (b) The Insolvency and Bankruptcy Board of India
2. (d) All of the above
3. (d) 45 days of the occurrence of the cause of action for the grievance or the complaint.
4. (c) 15 days thereof.
5. (b) 15 days thereof.
6. (b) Rs. 2500
7. (a) 45 days
8. (a) If in the opinion of the Board, the complaint is not frivolous.
9. (b) there does not exist a prima facie case
10. (a) if it is anonymous
11. (c) Yes, but on the request of complainant
12. (b) Yes, unless its disclosure is necessary for processing the grievance or complaint or under any law.
13. (a) 30 days of the receipt
14. (d) None
15. (c) within a week of its receipt.
16. (c) Within 30 days

## PART B

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### Chapter 1: The Partnership Act, 1932

1. (c) Partnership Act, 1932
2. (b) Except State of Jammu and Kashmir
3. (b) 1st day of October, 1932 with exceptions
4. (c) Trade, occupation and profession
5. (d) Any person who is not a partner in the firm
6. (a) From status
7. (c) Members of HUF carrying on family business
8. (c) firm name
9. (c) Implied authority
10. (a) Yes
11. (c) It may be express or may be implied by a course of dealing
12. (a) All the partners agree for such a change
13. (b) All partners
14. (b) Continue to be full-fledged partners
15. (c) The legal heirs or representatives not liable for any liability
16. (c) With the consent of all the partners for the time being, to the benefits of partnership
17. (d) Shall become partner on the expiry of six months from the date of attaining majority or his / her obtaining knowledge that he had been admitted to the benefits of partnership, whichever is later unless other expressed through notice that refers to his cessation as partner on attaining majority.
18. (d) Can expel, save in the exercise in good faith or powers conferred by contract between the partners
19. (b) No
20. (c) Liable for the period until public notice is given of the dissolution
21. (d) As the Court deems it

- 22. (a) Partnership deed
- 23. (d) All of the above
- 24. (a) 6%
- 25. (c) Partners
- 26. (b) Un-limited
- 27. (b) Partnership at – will
- 28. (c) 6 months
- 29. (a) Profits, Capital, Personal property of partners
- 30. (d) carry on the business of the firm
- 31. (c) All
- 32. (b) Payment of debts of the firm to third parties, Payment to each partner for advances as distinguished from capital, Payment to each partner on account of capital, Residue if any shall be divided among partners in the proportion in which they were entitled to share profits

## **Chapter 2: The Limited Liability Partnership Act, 2008**

- 1. (c) Members of an LLP are taxed as partners.
- 2. (b) Limited Liability Partnership Act 2008.
- 3. (d) Partners of an ordinary partnership cannot be disqualified, whereas partners of a limited liability partnership can be.
- 4. (b) The partners of a limited liability partnership are known as 'members'.
- 5. (a) Two members
- 6. (a) 2
- 7. (b) The provisions of the Partnership Act shall not apply to LLPs
- 8. (c) The partners of a LLP are not its agents
- 9. (b) LLP
- 10. (a) 1
- 11. (b) 2

### **Question Bank on IBBI Limited Insolvency Examination**

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12. (d) 182 days
13. (b) 30 days, Registrar of Companies
14. (c) Fifteen
15. (c) Sixty
16. (a) Punishment with fine
17. (d) Central Government
18. (a) Unlisted public company
19. (d) Either (a) or (b)
20. (d) Both (a) and (c)
21. (d) All of the above
22. (c) Both (a) & (b)
23. (d) All of the above
24. (b) 30 days
25. (d) All partners shall be deemed to be a designate partner
26. (c) Rs.10,000 to Rs. 5,00, 000

### **Chapter 3: The Companies Act 2013**

#### **Chapter III- Prospectus and Allotment of Securities**

1. (d) Any of the above
2. (c) Private Placement or Rights Issue or Bonus Issue
3. (a) Any document by which offer for sale of securities is made to the public
4. (b) Main Object, Capital Structure, Key Personnel details, Procedure for allotment and Bank Account details
5. (b) Special Resolution
6. (a) 3 Days
7. (a) In lieu of prospectus
8. (d) Red herring prospectus
9. (b) Public Company making public offer for convertible securities

- 10. (d) All of the above
- 11. (a) Shelf
- 12. (d) Both (a) and (b)
- 13. (d) All of the above
- 14. (b) that at the date when the offer was made the whole consideration to be received by the company in respect of the securities had not been received by it
- 15. (d) 90 Days
- 16. (c) Rs 3,00,000
- 17. (a) Punishment for fraud

**Chapter IV- Share Capital and Debentures**

- 1. (a) On all the Resolutions Placed before the Company.
- 2. (b) Irredeemable preference shares
- 3. (d) All the above
- 4. (a) Shares shall be first issued to existing shareholders
- 5. (d) All the above
- 6. (c) A company can issue shares at both discount and premium
- 7. (b) Company in general meeting by special resolution
- 8. (b) Face
- 9. (a) Yes
- 10. (c) Both (a) & (b)
- 11. (a) The company issues prospectus to member exceeding 500 for subscription of debentures
- 12. (c) 3 years
- 13. (a) When company purchase its own shares out of free reserves or securities premium account
- 14. (b) For issue of fully paid up bonus shares
- 15. (b) Special Resolution
- 16. (a) 25%

### **Question Bank on IBBI Limited Insolvency Examination**

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- 17. (d) All of the above
- 18. (c)  $\frac{3}{4}$  of the shareholding
- 19. (b) No
- 20. (a) Special resolution
- 21. (d) None of the Above
- 22. (a) In a General Meeting
- 23. (d) Authorized by Articles of Association.
- 24. (d) Tribunal
- 25. (d) All of the above
- 26. (b) Revaluation Reserve

### **Chapter V- Acceptance of Deposits by Companies**

- 1. (c) All of the above
- 2. (b) repaid within 1 year
- 3. (a) without any limitation of liability.
- 4. (a) Rs.100 crores
- 5. (d) Rs 500 Crore
- 6. (a) Yes
- 7. (a) Yes
- 8. (a) Yes
- 9. (a) 100
- 10. (b) No, if he furnishes a declaration in writing that the amount is not being given out of funds acquired by him by borrowing or accepting loans or deposits from others
- 11. (a) Permitted vide Notification No. GSR 464E, dated 5th June, 2015
- 12. (a) Special resolution
- 13. (a) Yes
- 14. (a) within 30 days.
- 15. (c) may be granted by the Tribunal on an application.

**Chapter VI- Registration of Charges**

1. (b) 30 days
2. (b) Charge identification number
3. (c) 300 days
4. (a) When Charge is registered u/s 77
5. (b) From the date of registration
6. (b) The person in whose favour charge is created loses his right
7. (b) Yes
8. (d) Minimum fine of Rs. 1,00,000/- which may extend to Rs. 10,00,000/-
9. (c) Central Government
10. (d) Intentional misstatement of any particular
11. (c) 30
12. (d) Unless registered with the Registrar and certificate of registration of such charge is given by the Registrar
13. (a) 14
14. (d) 30
15. (c) Shall be open for inspection by any creditor on payment of fees

**Chapter VII- Management and Administration**

1. (b) 15 days
2. (c) place, date, day, hour of the meeting and statement of business.
3. (d) All of the above.
4. (b) Two members personally present.
5. (a) Cancelled
6. (a) in writing
7. (b) Yes by the person who made the demand
8. (a) Tribunal
9. (c) Not Applicable
10. (b) No



### **Question Bank on IBBI Limited Insolvency Examination**

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- 11. (a) Within 30 days of date of change
- 12. (c) Fine which may extend to Rs. 1,00,000/-
- 13. (d) Any Number
- 14. (a) Yes, in case of class of companies prescribed by Central Government

### **Chapter IX- Accounts of Companies**

- 1. (a) Accounting Standards
- 2. (a) accrual
- 3. (a) True
- 4. (a) 8 years
- 5. (d) All of the above.
- 6. (d) All of the above
- 7. (a) an order is made by a court of competent jurisdiction or the Tribunal to the effect that the relevant earlier accounts were prepared in a fraudulent manner
- 8. (b) Once a year
- 9. (b) the correction in respect of which the previous financial statement or report do not comply with the provisions of section 129 or section 134
- 10. (d) All of the above
- 11. (b) Net worth Rs 500 crore or more
- 12. (a) at least 2% of the average net profits of the company made during the 3 immediately preceding financial years
- 13. (a) Yes
- 14. (b) turnover of 200 crore rupees or more during the preceding financial year
- 15. (a) Registered office
- 16. (b) At that Branch and proper summarized returns periodically relating to transactions are sent to registered office
- 17. (c) 4 Years

- 18. (d) Yes, as the Board of Directors deem fit, under notice to the Registrar within 7 days of the decision.
- 19. (c) Rs 50000

**Chapter XV- Compromises, Arrangements and Amalgamations**

- 1. (b) 15 December 2016
- 2. (c) A or B both
- 3. (a) True
- 4. (a) scheme that restructures or varies the debt obligations of a company towards its creditors
- 5. (c) if 90% of the creditors in value agree and confirm to the scheme by way of affidavit
- 6. (a) No time limit prescribed
- 7. (b) No
- 8. (d) All of the above
- 9. (d) None of the above.
- 10. (b) within a period of sixty days of the receipt of the scheme
- 11. (b) it may file an application before the Tribunal

**Chapter XVII- Registered Valuer**

- 1. (a) Audit Committee
- 2. (d) All of the above
- 3. (a) Not less than 25000/- but which may extend to 100000/-
- 4. (d) A and C both
- 5. (b) No
- 6. (c) to undertake valuation of any assets in which he has a direct or indirect interest or becomes so interested at any time during or after the valuation of assets.
- 7. (a) 3 years

## **Question Bank on IBBI Limited Insolvency Examination**

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### **Chapter XVIII– Removal of names of the Companies from the register of Companies**

1. (a) Removal
2. (a) Where the Registrar has reasonable cause to believe that a company has failed to commence its business within one year of its incorporation;
3. (b) A notice published in the prescribed manner in the Official Gazette
4. (a) Yes
5. (c) Tribunal
6. (d) Yes, before the expiry of twenty years from the publication in the Official Gazette
7. (d) Yes, before the expiry of twenty years from the publication in the Official Gazette
8. (d) Yes, before the expiry of twenty years from the publication in the Official Gazette
9. (c) file an appeal to the Tribunal within a period of three years from the date of the order of the Registrar
10. (b) after extinguishing all liabilities by consent of 75 % of members in terms of paid up share
11. (c) company is not carrying on any business or operation for a period of two immediately preceding financial years and has not made any application within such period for obtaining the status of a dormant company under section 455
12. (b) 30
13. (c) If at any time in the previous six months, the company has shifted its registered office from one State to another
14. (a) 3
15. (d) All of the above

### **Chapter XX- Winding up**

1. (d) All of the above

2. (b) May file an appeal to the CG
3. (c) Both A and B
4. (d) All of the above.
5. (a) Yes
6. (a) when the business of the company is continued
7. (b) Within three weeks from the date of passing of winding up order
8. (b) Company Liquidator
9. (d) All of the above.
10. (d) None of the above.
11. (b) Monthly
12. (d) None of the above.
13. (a) Contributories in own right and as being representatives
14. (b) Twelve
15. (a) Company Liquidator

**Chapter XXVII- NCLT & NCLAT**

1. (d) Any person who has been held judicial office for at least Ten Years
2. (b) New Delhi
3. (c) 60 Days
4. (c) Both Judicial and Technical members
5. (b) Eleven
6. (d) Both (a) and (b)
7. (d) Supreme Court
8. (a) Tribunal
9. (d) Member of Legislative Assembly for 5 years
10. (b) Member has been declared as person of good character
11. (a) It shall have same jurisdiction, powers and authority as the High Court
12. (b) The Limitation Act shall apply on proceedings before Tribunal

**Chapter 4: The Indian Contract Act, 1872**

1. (a) Proposal
2. (b) Promise
3. (d) Promisee
4. (b) Agreement
5. (a) Void Agreement
6. (c) Contract
7. (b) When B accepts the proposal
8. (c) The statement is false
9. (c) Majority
10. (a) The parties agree on the same thing in the same sense
11. (d) Disclosures
12. (b) Valid Contract
13. (d) All of the above
14. (a) Void Agreement
15. (c) Agreement to enter into trade
16. (a) The agreement is Valid
17. (d) Both (b) & (c)
18. (a) Contract of Indemnity
19. (b) Contract of Guarantee
20. (a) A guarantee which extends to a series of transaction
21. (c) Surety
22. (b) Creditor
23. (b) Bailment
24. (c) Bailor/Bailee
25. (d) All of the above
26. (c) Pledge

**Chapter 5: The Transfer of Property Act, 1872**

1. (d) All of the above
2. (c) One or more Living Persons
3. (d) None of the above
4. (a) Such condition shall be treated as Void
5. (a) Transfer made for the benefit public
6. (b) The direction is valid only upto the life of Z
7. (b) Vested Interest
8. (b) Vested Interest
9. (a) The transfer is Void
10. (c) The ulterior disposition shall take effect upon the failure of the prior disposition
11. (d) The disposition in favour of B does not take effect.
12. (a) The property cannot be transferred during the pendency of any suit or proceedings in any court
13. (c) Either (a) or (b)
14. (b) Simple Mortgage
15. (d) Usufructuary Mortgage
16. (b) Registration is not compulsory
17. (a) Mortgagor
18. (d) All of the above
19. (b) 15
20. (c) Notice is waived
21. (b) Void
22. (a) Gift of Immovable Property
23. (b) One hundred rupees
24. (b) Lease
25. (c) Exchange
26. (d) Gift

**Chapter 6: The Sale of Goods Act, 1930**

1. (c) Movable
2. (d) Both A & B
3. (c) Money
4. (c) Actionable claims
5. (b) Agreement to sell
6. (b) B
7. (a) Ascertained
8. (c) The voluntary transfer of possession from one person to another.
9. (d) Damages
10. (b) The Sale of Goods Act 1930 applies to contracts for the Sale of Goods where ownership is to be transferred immediately from the seller to the buyer and to contracts where the seller agrees to transfer ownership at a later date.
11. (d) All of the above
12. (c) Both (a) & (b)
13. (a) Sale
14. (a) Condition
15. (c) Both (a) & (b)
16. (b) Mercantile Agent
17. (a) Caveat Emptor
18. (c) Both (a) & (b)
19. (a) Seller
20. (c) Price
21. (a) When the contract is made
22. (c) In a future date
23. (d) All of the above.
24. (d) Ownership

- 25. (b) The bulk of goods shall correspond with the sample and with the description.
- 26. (d) Money
- 27. (c) Both (a) & (b)
- 28. (a) Insolvent

**Chapter 7: The Recovery of Debt Due to Banks and Financial Institutions Act, 1993**

- 1. (d) Payments and Settlement Bank
- 2. (a) Any liability inclusive of interest
- 3. (b) One Person
- 4. (c) The Central Government
- 5. (a) One Person
- 6. (a) For a term of Five Years
- 7. (d) Yes, there is a bar of Jurisdiction except the Supreme Court, and a High Court exercising jurisdiction under articles 226 and 227 of the Constitution.
- 8. (d) All of the above
- 9. (d) Less than ten lakh rupees or such other amount, being not less than one lakh rupees, or as maybe notified by the Central Government.
- 10. (a) Yes
- 11. (a) By the location of the defendant
- 12. (b) Proportion to the debt
- 13. (a) Yes
- 14. (c) Yes
- 15. (c) Within one hundred and eighty days from the date of receipt of the application.
- 16. (d) All of the above
- 17. (d) B & C Both



### **Question Bank on IBBI Limited Insolvency Examination**

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- 18. (c) Personally liable to the Recovery Officer to the extent of his own liability to the defendant so discharged or to the extent of the defendant's liability for any debt due under this Act, whichever is less.
- 19. (d) All of the above
- 20. (b) 30 days
- 21. (d) All of the above.
- 22. (b) No, unless the relief's prayed for are consequential to one another.
- 23. (d) No, the defendant cannot challenge the Certificate issued by the Recovery Officer on any ground.
- 24. (c) Yes, with the intimation to the Recovery Officer
- 25. (a) Yes, before the expiry of the period of three years from the date of commencement of this Act.
- 26. (a) 24th June 1993
- 27. (c) 5 years
- 28. (b) 62 years
- 29. (b) 65 years
- 30. (b) 3
- 31. (a) 1 lakh rupees
- 32. (a) District Judge
- 33. (b) High Court Judge
- 34. (a) 3
- 35. (d) 3 months
- 36. (c) Section 21 of the Indian Penal Code
- 37. (c) High Court Judge
- 38. (d) Supreme Court Judge

### **Chapter 8: The SARFAESI Act, 2002**

- 1. (c) Only A

## Answers – Part B

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2. (a) The Reserve Bank in prescribed format.
3. (d) All of the above
4. (c) Mardia Chemicals v/s Union of India
5. (a) Seventy five per cent. of the total value of the security receipts issued by such company
6. (d) A & B
7. (b) Conciliation or arbitration under the Arbitration and Conciliation Act, 1996
8. (a) Not be sold or transferred by the secured creditor.
9. (c) Not less than sixty percent in value of the amount outstanding on such date.
10. (a) Restore the management of the business of the borrower to him.
11. (a) The Debts Recovery Tribunal
12. (c) Within forty-five days from the date on which action had been taken.
13. (c) Central Government
14. (c) Thirty days from the date of receipt of the order of Debts Recovery Tribunal.
15. (b) No
16. (a) Metropolitan Magistrate or a Judicial Magistrate of the First Class.
17. (d) All of the above.
18. (b) The term "debt" shall have the meaning assigned to it under Recovery of Debts Due to Banks and Financial Institutions Act, 1993.
19. (d) Any of the above
20. (d) Obligor
21. (b) Originator
22. (a) Securitization
23. (d) the creation of pledge by deposit of title deeds with the secured creditor

### **Question Bank on IBBI Limited Insolvency Examination**

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- 24. (a) Security receipt
- 25. (a) Ten per cent. of the paid-up equity capital
- 26. (d) All of the above
- 27. (a) For the purpose of realisation of such financial assistance;
- 28. (d) Stands Omitted
- 29. (c) Central Registrar
- 30. (b) Thirty days
- 31. (b) No
- 32. (a) Regulate
- 33. (c) 3
- 34. (d) All of the above
- 35. (a) within a period of thirty days from the date on which such order of cancellation is communicated to it, to the Central Government.
- 36. (b) Appellate Tribunal
- 37. (c) Trust
- 38. (c) 60
- 39. (d) either (a) or (b)
- 40. (a) Court of District Judge
- 41. (c) Central Registrar
- 42. (d) All of the above
- 43. (d) All of the above
- 44. (c) 30
- 45. (a) Debt securities

### **Chapter 9: Corporate Debt Restructuring Scheme**

- 1. (a) 2001
- 2. (c) 10 crores
- 3. (c) Three

## Answers – Part B

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4. (d) All of the above
5. (a) Representative general body
6. (a) Creditors & borrowers
7. (a) The individual cases
8. (a) 1 year
9. (b) CDR Cell
10. (a) Within a specified time frame of 90 days, or at best within 180 days of reference to the Empowered Group.
11. (d) All of the above
12. (b) 6 months
13. (a) Executive directors
14. (b) 90 days
15. (d) 180 days
16. (d) None of the above.
17. (c) Only A
18. (a) Be free to take necessary steps for immediate recovery of dues and / or liquidation or winding up of the company, collectively or individually.
19. (b) Restructuring
20. (b) Multiple banking accounts of corporate borrowers
21. (d) A & B Both
22. (c) BIFR
23. (a) Stand Still
24. (d) A and B Both
25. (d) All of the above.
26. (c) CDR Cell
27. (b) 1 month
28. (c) 50 lakhs
29. (d) Both a and b
30. (a) Five lakh

**Chapter 10: Strategic Debt Restructuring**

1. (c) Debt into equity
2. (c) Mandatory
3. (b) 30 days
4. (b) 75% by value and 60% by number
5. (b) 51%
6. (a) 26%
7. (a) Reference Date
8. (c) 90 days
9. (b) Fair value
10. (d) 18

**Chapter 11: Scheme for Sustainable Structuring of Stressed Assets (S4A) (of RBI)**

1. (a) 13th June, 2016
2. (d) All of the above
3. (a) The aggregate exposure (including accrued interest) of all institutional lenders in the account is more than Rs. 500 crore (including Rupee loans, Foreign Currency loans/External Commercial Borrowings)
4. (a) True
5. (a) 50%
6. (c) Yes, prior approval of RBI
7. (a) Advisory
8. (d) A & B both
9. (b) a prescribed percentage of outstanding debt
10. (a) asset classification
11. (d) All of the above
12. (b) 50, 75

- 13. (a) Yes, The existing promoter or the new promoter, may have the right of first refusal in case the lenders decide to sell the share, at a price beyond some predetermined price.
- 14. (a) Sustainable Structuring of Stressed Assets
- 15. (c) DCF

### **Chapter 12: The Specific Relief Act, 1963**

- 1. (a) 1963
- 2. (b) only for enforcing individual civil rights
- 3. (c) Instruments other than a will or codicil as defined by the Indian Succession Act 1925, whereby the destination or devolution of successive interests in movable or immovable property is disposed of or is agreed to be disposed of
- 4. (a) The Indian Contract Act, 1882
- 5. (c) Manner provided by the Code of Civil Procedure, 1908
- 6. (d) With respect of both movable and immovable property
- 7. (c) 9<sup>th</sup> Report of Law Commission of India on Specific Relief Act of 1877
- 8. (c) 6 months of dispossession
- 9. (a) restrain from using force to dispossess a person of immovable property without his consent otherwise than in due course of law
- 10. (d) the government
- 11. (d) no time limit is fixed
- 12. (a) neither appeal can be filed nor review is allowed
- 13. (d) Equity and law
- 14. (c) defendant
- 15. (a) a special or temporary right
- 16. (d) plaintiff
- 17. (b) trespasser
- 18. (c) not relevant
- 19. (d) any of the above

### **Question Bank on IBBI Limited Insolvency Examination**

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- 20. (d) a person who is not a owner having possession or control of a particular article of movable property
- 21. (c) against a person who is the owner of the article claimed
- 22. (a) if there is no concluded contract
- 23. (d) all the above.
- 24. (c) a contract made by a trustee in excess of his powers or in breach of trust cannot be specifically enforced.
- 25. (a) Where a party to a contract is unable to perform the whole of his part of it, but the part which must be left unperformed be a only a small proportion to the whole in value and admits of compensation in money
- 26. (a) Where a party to a contract is unable to perform the whole of his part of it, and the part which must be left unperformed either forms a considerable part of the whole though admitting of compensation of money or does not admit the compensation of money
- 27. (b) may relinquish all claims to the performance of the remaining part of contract and all right to compensation
- 28. (b) if a portion of its subject-matter existing at the date of the contract has ceased to exist at the time of its performance.
- 29. (a) who contracts to sell or let certain immovable property having no title or only an imperfect title
- 30. (a) movable property as far as may be to contracts for the sale or hire
- 31. (a) the representative in interest or the principal
- 32. (d) the representative in interest or the principal where the contract provides that his interest shall not be assigned
- 33. (d) All of the above
- 34. (a) The Indian Contract Act, 1872
- 35. (b) where provisions of Arbitration Act, 1940 applies
- 36. (b) where the contract is voidable
- 37. (d) all the above
- 38. (a) if the instrument in writing is void or voidable

- 39. (d) all the above.
- 40. (b) declaration of any legal character or to any right as to any property
- 41. (d) all the above.
- 42. (b) discretionary
- 43. (c) All of the above
- 44. (b) two
- 45. (a) 38
- 46. (d) all the above.
- 47. (b) 39
- 48. (c) both (a) & (b)
- 49. (b) temporary injunction
- 50. (a) Until a specific time

### **Chapter 13: The Limitation Act, 1963**

- 1. (a) 1963
- 2. (b) the whole of India except the State of Jammu and Kashmir
- 3. (d) All of the above
- 4. (a) all civil proceedings and some special criminal proceedings which can be taken in a court of law unless its application is excluded by any enactment.
- 5. (d) limitation, suit, appeal or application can be filed on next day when Court reopens
- 6. (a) Only to Courts
- 7. (d) All the above
- 8. (d) None of the above.
- 9. (d) None of the above.
- 10. (d) All of the above
- 11. (a) to proceeding in courts
- 12. (d) only after fraud or mistake is discovered by affected party



### **Question Bank on IBBI Limited Insolvency Examination**

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- 13. (c) an application under any of the provisions of Order XXI of the Code of Civil Procedure, 1908 (5 of 1908)
- 14. (a) set off or a counter claim
- 15. (d) All of the above
- 16. (c) separate suit
- 17. (b) the date of judgment
- 18. (d) the time requisite for obtaining a copy of a decree or an order, any time taken by the court to prepare the decree or order before an application for a copy thereof is made.
- 19. (a) suit and appeal filed as a pauper
- 20. (b) the day on which it was issued or made and the day on which it was withdrawn
- 21. (c) the date on which the application was made for obtaining the consent or sanction and the date of receipt of the order of the Government or other authority.
- 22. (d) appeal
- 23. (b) In case of further disability once the time has begun to run
- 24. (c) Nothing in this Act shall affect section 25 of the Indian Contract Act, 1872
- 25. (c) the defendant
- 26. (a) When the rule extinguished the contract and the parties were domiciled in that State or in the foreign country during the period prescribed by rule of limitation
- 27. (d) All the above
- 28. (c) One year from discovery of fraud or cessation of the force
- 29. (a) Gregorian Calendar
- 30. (b) Within 2 years of such obstruction
- 31. (d) for which the period of limitation prescribed by the Indian Limitation Act, 1908 expired before the commencement of this Act
- 32. (b) continuing breach of contract or continuing tort
- 33. (a) Pending

- 34. (d) for 20 years
- 35. (c) for 30 years
- 36. (c) may be instituted within a period of seven years next after the commencement of Indian Limitation Act, 1908 or within the period prescribed for such suit by the Indian Limitation Act, 1908 whichever period expires earlier
- 37. (b) may be preferred or made within a period of ninety days next after the commencement of this Act or within the period prescribed for such appeal or application by the Indian Limitation Act, 1908, whichever period expires earlier
- 38. (c) Schedule
- 39. (c) Marriage and divorce
- 40. (b) On the date on which the new plaintiff or defendant is made a party
- 41. (c) 3 years
- 42. (a) 3 years
- 43. (b) 3 years
- 44. (b) 1 year
- 45. (c) 12 years
- 46. (b) 12 years
- 47. (d) 30 years
- 48. (a) 3 years
- 49. (b) 12 years
- 50. (a) 3 years

#### **Chapter 14: The Arbitration and Conciliation Act, 1996**

- 1. (d) UNCITRAL, Model Law and Rules
- 2. (a) to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation and for matters connected therewith or incidental thereto.

### **Question Bank on IBBI Limited Insolvency Examination**

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3. (b) where the place of arbitration is in India
4. (d) State of Jammu and Kashmir
5. (c) domestic award
6. (d) sole arbitrator or a panel of arbitrators
7. (b) No judicial authority shall intervene except where so provided in this Part.
8. (d) Any of the above
9. (d) Any of the above
10. (c) a judicial authority cannot intervene except where so provided in the Part I
11. (d) An arbitration agreement need not be in writing
12. (b) a document signed by one of the parties
13. (d) Any of the above
14. (c) within a period of ninety days from the date of such order or within such further time as the Court may determine
15. (b) Odd number
16. (a) One
17. (c) Person of any Nationality
18. (d) Any of the above
19. (b) a Presiding Arbitrator
20. (c) he becomes de jure or de facto unable to perform his functions or for other reasons fails to act without undue delay and he continues in his office
21. (c) thirty days
22. (b) a substitute arbitrator shall be appointed
23. (d) None of the above
24. (a) commence on the date on which a request for that dispute to be referred to arbitration is received by the respondent.
25. (d) the respondent fails to communicate his statement of defence within the period of time agreed upon by the parties or

determined by the arbitral tribunal, the arbitral tribunal shall terminate the proceedings

- 26. (d) All of the above
- 27. (a) by a majority of all its members
- 28. (d) within a period of twelve months from the date the arbitral tribunal enters upon the reference.
- 29. (b) within a period of six months from the date the arbitral tribunal enters upon the reference
- 30. (d) Coercion
- 31. (c) In writing and signed
- 32. (a) members of the arbitral tribunal
- 33. (c) a signed copy of the award
- 34. (a) Code of Civil Procedure, 1908
- 35. (d) be final and binding on the parties and person claiming under them respectively.
- 36. (b) within thirty days from the receipt of the arbitral award
- 37. (d) of any nationality irrespective of the nationalities of the parties may be appointed as an arbitrator
- 38. (a) death of party thereto
- 39. (b) Same Court alone where application is filed shall have jurisdiction
- 40. (b) arbitral award on differences between persons arising out of legal relationships, whether contractual or not, considered as commercial under the law in force in India, made on or after the 11<sup>th</sup> day of October, 1960
- 41. (d) All of the above
- 42. (d) Any of the above
- 43. (c) shall not entail a review on the merits of the dispute
- 44. (a) an arbitral award on differences relating to matters considered as commercial under the law in force in India made after the 28<sup>th</sup> day of July, 1924
- 45. (b) certain disputes may not be submitted to conciliation.

### **Question Bank on IBBI Limited Insolvency Examination**

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- 46. (d) All of the above
- 47. (b) by an oral declaration of the conciliator, after consultation with the parties, to the effect that further efforts at conciliation are no longer justified, on the date of the declaration
- 48. (d) The Societies Registration Act, 1960
- 49. (c) twenty-five per cent. on the fee payable as per the table set out for fees
- 50. (c) Fourth Schedule

### **Chapter 15: The Negotiable Instruments Act, 1881**

- 1. (d) All of the above
- 2. (c) A Promissory note is an instrument in writing containing an unconditional undertaking, signed by the maker, to pay a certain sum of money only to, or to the order of, a certain person, or to the bearer of the instrument.
- 3. (b) Bill of Exchange
- 4. (a) Drawer/ Drawee
- 5. (b) the amount stated in words shall be the amount undertaken or ordered to be paid.
- 6. (d) third
- 7. (c) excluded
- 8. (b) each of them, none of them
- 9. (d) Any of the above
- 10. (d) Any of the above
- 11. (b) dishonour by non-payment
- 12. (a) sufficient
- 13. (d) Any of the above
- 14. (c) protest
- 15. (d) All of the above
- 16. (c) an indorser who, being liable, has paid the amount due on the same is entitled to the amount so paid with interest at [six per

## Answers – Part B

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centum] per annum from the date of payment until tender or realization thereof, together with all expenses caused by the dishonour and payment

- 17. (c) duly stamped
- 18. (a) general crossing
- 19. (a) shall not pay it otherwise than to a banker
- 20. (c) by the law of the place where the instrument is made
- 21. (c) imprisonment for a term which may be extended to two years or with fine upto twice the amount of the cheque or both
- 22. (b) within a period of six months from the date on which it is drawn or within the period of its validity, whichever is earlier
- 23. (b) Judicial Magistrate of the First Class or by a Metropolitan Magistrate
- 24. (b) six months
- 25. (a) compoundable

## Notes

[illegible]

## Notes

[illegible]



## Notes

[illegible]