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# PRESIDENCY UNIVERSITY

Presidency University Act, 2013 of the Karnataka Act No. 41 of 2013 | Established under Section 2(f) of UGC Act, 1956  
Approved by AICTE, New Delhi | Approved By BCI  
Bengaluru

## Even Semester Mid Term, March 2026

**Date: 12/03/2026**

**Time: 11:45 AM - 01:15 PM**

**Course Code: PGL3018**

**Course Name: Investment Laws**

**Semester: Second Semester**

**Max. Marks: 50**

**Weightage: 50%**

CO - Levels	CO1	CO2
Marks	26	64

### PART-A: Answer Following Questions. 10 M

Qn.No	Questions	M	CO	BT
1	What is meant by "indirect expropriation"?	2	CO1	BT2
2	Define Most Favoured Nation (MFN) clause.	2	CO1	BT2
3	What is Investor-State Dispute Settlement (ISDS)?	2	CO2	BT2
4	State one difference between diplomatic protection and treaty-based protection.	2	CO2	BT2
5	What is meant by "legitimate expectations" in investment law?	2	CO1	BT2

### PART-B: Answer Any 1 Following Questions. 10 M

Qn.No	Questions	M	CO	BT
6	Critically examine the evolution of international investment law from diplomatic protection to treaty-based investor-State arbitration.	10	CO1	BT3
7	Define Investment Law and analyze its scope in regulating cross-border corporate investments.	10	CO1	BT3

### PART-C: Answer Any 1 Following Questions. 10 M

Qn.No	Questions	M	CO	BT
8	Discuss the structure and essential components of a Bilateral Investment Treaty (BIT).	10	CO2	BT2

9	Critically evaluate the Fair and Equitable Treatment (FET) standard in international investment law.	10	CO2	BT2
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**PART-D: Answer Any 1 Following Questions. 10 M**

Qn.No	Questions	M	CO	BT
10	Examine the concept of indirect expropriation and the legal tests applied by arbitral tribunals.	10	CO2	BT4
11	<p>A foreign renewable energy company invested in a host State under a BIT guaranteeing Fair and Equitable Treatment (FET). Five years later, the host State withdrew tax incentives promised under a government policy due to fiscal constraints. The investor claims violation of FET, arguing frustration of legitimate expectations. Question:</p> <p>Analyze whether the host State has breached the FET standard. Discuss the doctrine of legitimate expectations and limits of regulatory sovereignty.</p>	10	CO2	BT4

**PART-E: Answer Any 1 Following Questions. 10 M**

Qn.No	Questions	M	CO	BT
12	<p>Imagine A mining corporation alleges indirect expropriation after new environmental regulations prohibit extraction in protected zones, rendering its operations commercially unviable.</p> <p>Question:</p> <p>Apply legal tests for indirect expropriation. Can environmental regulation be justified under the police powers doctrine?</p>	10	CO2	BT3
13	<p>Imagine An investor invokes the Most Favoured Nation (MFN) clause to bypass a mandatory 18-month local litigation requirement in the basic BIT, relying on a more favorable procedural clause in another treaty signed by the host State.</p> <p>Question:</p> <p>Discuss whether MFN clauses can be used to import dispute settlement provisions from third-party treaties.</p>	10	CO2	BT3