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**PRESIDENCY UNIVERSITY  
BENGALURU**

**SCHOOL OF COMMERCE**

**TEST 1**

**Winter Semester:** 2021 - 22

**Course Code:** MGI243

**Course Name:** LAWS FOR FINANCIAL SAFEGUARDS

**Program & Sem:** BBA & IV Sem

**Date:** 26<sup>th</sup> April 2022

**Time:** 11:30 AM to 12:30 PM

**Max Marks:** 30

**Weightage:** 15%

**Instructions:**

(i) Read the all questions carefully and answer accordingly.

**Part A [Memory Recall Questions]**

**Answer all the Questions. Each question carries TWO marks.**

**(5Qx 2M= 10M)**

Q.NO.1. RBI is working for:

(C.O.No.1) [Knowledge]

- (a) Financial Stability      (b) Provision for adequate credit growth  
(c) Only (a)      (d) (a) and (b)

Q.NO.2. Financial Protection in India is afforded by;

(C.O.No.1) [Knowledge]

- (a) RBI      (b) SEBI      (c) IBBI      (d) All of the above

Q.NO.3. Match the followings:

(C.O.No.1) [Knowledge]

(a) Unorganized Money Market

i. Fluctuations in the interest rates

(b) Lack of integration

ii. Lack of mobility of funds from one section  
of the money market to another

(c) Multiplicity in Interest Rates

iii. Short term and Long term finances

(d) Seasonal Stringency of money

iv. Regulated and unregulated Sectors

(a) a- iii, b-iv, c- ii, d-i

(b) a-iii, b-ii, c-i, d-iv

(c) a-i, b-iv, c-iii, d-ii

(d) None of the above

Q.NO.4. Bharatiya Reserve Bank Note Mudran;

(C.O.No.1) [Knowledge]

- (a) Notes are minted      (b) Coins are minted      (c) Only (a)      (d) Both (a) and (b)

Q.NO.5. Who is the current Governor of RBI?

(C.O.No.1) [Knowledge]

- (a) Sir Osborne Smith
- (b) Shaktikanta Das
- (c) Only b
- (d) None of the above

### Part B [Thought Provoking Questions]

**Answer both the Questions. Each question carries FIVE marks.**

**(2Qx5M=10M)**

Q.NO.6. "Any act, omission, concealment of any fact or abuse of position committed by any person with connivance, intent to deceive, to gain undue advantage from, or to injure the interests of, the company or its shareholders or its creditors or any other person, irrespective of the fact that there is any wrongful gain or wrongful loss.

Explain the above mentioned statement along with relevant laws in India governing white collar crimes related to commercial sector in India.

(C.O.No.1) [Knowledge]

Q.NO.7. Write note on the followings;

(a) Investigative agencies in Corporate Frauds

(b) Powers and protections under Indian Law

(C.O.No.1) [Knowledge]

### Part C [Problem Solving Questions]

**Answer the Question. Question carries TEN marks.**

**(1Qx10M=10M)**

Q.NO.8. **Kamara Co Ltd**, enters into the contract with an audit firm **Commune** on **12.02.1990**. **Rampal (CEO)**, contacts **Commune** on **14.03.1990** to not to mention certain transactions in the company's books of records in lieu of 5 Lakhs INR (**BRIBE**). Later on from 1995 to 2010, **Rampal** asked **Commune** to shadow the liability of 50 Crores from the book of records of the company for 25 Lakhs INR (**BRIBE**). Over the years, there were investments made in the stocks of the **Kamara Co Ltd**.

In the year 2021, **Rampal** confessed to have committed such fabrication of records and misappropriation of company's assets.

Decide on the liability of the company, CEO and Audit firm in line with Ramalinga Raju and Price Waterhouse. Explain the laws governing corporate frauds in India. (C.O.No. 1) [Knowledge]



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**PRESIDENCY UNIVERSITY  
BENGALURU**

**SCHOOL OF COMMERCE**

**TEST 2**

**Winter Semester:** 2021 - 22

**Course Code:** MGI 243

**Course Name:** LAWS FOR FINANCIAL SAFEGUARDS

**Program & Sem:** BBA & IVth SEMESTER

**Date:** 1<sup>st</sup> June 2022

**Time:** 11:30 AM-12:30 PM

**Max Marks:** 30

**Weightage:** 15%

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**Instructions:**

- (i) *Read the all questions carefully and answer accordingly.*
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**Part A [Memory Recall Questions]**

**Answer all the Questions. Each question carries TWO marks.**

**(5Qx 2M= 10M)**

Q.NO.1. IBC is for:

**(C.O.No.1) [Knowledge]**

- (a) To consolidate and amend the laws relating to reorganization and insolvency resolution of corporate persons, partnership firms, and individuals in a time-bound manner
- (b) For maximization of value of assets of such persons
- (c) To promote entrepreneurship
- (d) All of the above

Q.NO.2. CIRP stands for:

**(C.O.No.1) [Knowledge]**

- (a) Corporate Insolvency Resolution Process
- (b) Company Insolvency Rehabilitation Procedure
- (c) Only and (a)
- (d) All of the above

Q.NO.3. Application for CIRP by Financial Creditors is files under which of the following sections:

:

**(C.O.No.1) [Knowledge]**

- (a) Section 7 of IBC , 2016
- (b) Section 9 of IBC, 2016(c) Section 10 of IBC, 2016
- (d) Both (a) and (b)

Q.NO.4. The adjudicating authority in IBC-2016 is-

**(C.O.No.1) [Knowledge]**

- (a) NCLAT
- (b) NCLT
- (c) IBBI
- (d) Only (b)

Q.NO.5.Operational Creditor means:

**(C.O.No.1) Knowledge]**

- (a) Who has collateral for the loan amount
- (b) Who has borrowed the money
- (c) Who has supplied the services
- (d) The indignant

### **Part B [Thought Provoking Questions]**

**Answer both the Questions. Each question carries FIVE marks.**

**(2Qx5M=10M)**

Q.NO.6. P is a tobacco production company as defined under Companies Act, 2013. Y (whole seller) is a corporate person committing a default by absconding from the country to escape from the liability. As a security, P has taken the possession of Y's land by transfer of title deeds.

Suggest appropriate remedy under the present law in India.

**(C.O.No.1) [Knowledge]**

Q.NO.7. Creditor means any person to whom a debt is owed and includes a financial creditor, an operational creditor, a secured creditor, an unsecured creditor and a decree-holder.

In the light of above mentioned statements, discuss the meaning and concept of creditors under IBC, 2016.

**(C.O.No.1) [Knowledge]**

### **Part C [Problem Solving Questions]**

**Answer the Question. Question carries TEN marks.**

**(1Qx10M=10M)**

Q.NO.8. Ganga Pvt Ltd. is in contract with Bisleri Pvt.Ltd. for the delivery of packaged water bottles from Okhla, Delhi production house to NCR 24x7 stores. The agreement is in force from July, 2020. However, in December, 2020, Bisleri Pvt.Ltd stops paying for the services even after constant demands by Ganga Pvt Ltd. In December, 2022, Ganga Pvt Ltd. stops the delivery services to the Bisleri Pvt.Ltd. Suggest the remedy to Ganga Pvt Ltd.

Explain the difference between Financial and Operational Creditors.

**(C.O.No. 1) [Knowledge]**



**PRESIDENCY UNIVERSITY  
BENGALURU**

**SCHOOL OF COMMERCE**

**END TERM EXAMINATION**

**Winter Semester:** 2021 - 22

**Course Code:** MGI 243

**Course Name:** LAWS FOR FINANCIAL SAFEGUARDS

**Program & Sem:** BBA & IV Sem

**Date:** 1<sup>st</sup> July 2022

**Time:** 01:00 PM to 04:00 PM

**Max Marks:** 100

**Weightage:** 50%

**Instructions:**

- (i) *Read the all questions carefully and answer accordingly.*

**Part A [Memory Recall Questions]**

**Answer all the Questions. Each question carries TWO marks.**

**(10Qx 2M= 30M)**

Q.NO.1. Which Act(s) governs the contracts between several parties in securities market?

**(C.O.No.1) [Knowledge]**

- (a) SCRA, 1956
- (b) SEBI, 1992
- (c) Only (a)
- (d) (a) and (b)

Q.NO.2.The corporate structure of INDIA was revamped after:

**(C.O.No.1) Knowledge]**

- (a) ENRON Scandal
- (b) Satyam Computers
- (c) Tyco International
- (d) HealthSouth

Q.NO.3. Which section requires the recognized stock exchanges to furnish periodical returns to the SEBI relating to the affairs of the stock exchange?

**(C.O.No.1) Knowledge]**

- (a) Section 26 of SCRA, 1956
- (b) Section 6 of SCRA, 1956
- (c) Section 2(G) of SCRA, 1956
- (d) Section 2(Z) of SCRA, 1956

Q.NO.4. A recognized stock exchange may delist the securities under which section?

**(C.O.No.2) Knowledge]**

- (a) Section 21A of SCRA, 1956
- (b) Section 23 of SCRA, 1956
- (c) Section 35 of SCRA, 1956
- (d) Section 36 of SCRA, 1956

Q.NO.5. What are the essentials of good corporate governance model?

**(C.O.No.1) Knowledge]**

- (a) Transparency & Honesty
- (b) Fairness & Social Responsibility
- (c) Accountability
- (d) All of the above

Q.NO.6. Indian Financial Crimes and penalties are mentioned under which of the following parent laws?

**(C.O.No.2) Knowledge]**

- (a) Companies Act, 2013
- (b) LODR, 2015
- (c) Indian Penal Code, 1872
- (d) All of the above

Q.NO.7. Functions of RBI are to assure;

**(C.O.No.1) Knowledge]**

- (a) Price Stability
- (b) Provision of adequate credit for growth
- (c) Only (a)
- (d) All of the above

Q.NO.8. Insider Trading is defined under which of the following provisions?

**(C.O.No.2) [Knowledge]**

- (a) Section 195 of Companies Act, 2013
- (b) Section 207 of Companies Act, 2013
- (c) Section 106 of SEBI, 1992
- (d) All of the above

Q.NO.9. What is the penalty for Insider Trading?

**(C.O.No.1) [Knowledge]**

- (a) 28 Crores or more
- (b) 25 Crores or more
- (c) 25 Crores or three times of the profit made
- (d) All of the above

Q.NO.10. Match the followings:

**(C.O.No.1) [Knowledge]**

- |           |         |
|-----------|---------|
| (a) USA   | 1. SEC  |
| (b) EU    | 2. FCA  |
| (c) UK    | 3. ESMA |
| (d) India | 4. SEBI |

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

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

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

(d) None of the above

### **Part B [Thought Provoking Questions]**

**Answer all the Questions. Each question carries TEN marks.**

**(5Qx10M=50M)**

Q.NO.11. With liberalization, the Bank's focus has shifted back to core central banking functions like Monetary Policy, Bank Supervision and Regulation, and Overseeing the Payments System and onto developing the financial markets.

In the light of the above statement, highlight the role of RBI in governing the financial institutions in India.

**(C.O.No.2) [Comprehension]**

Q.NO.12. Insider trading involves the deliberate exploitation of unpublished price sensitive information obtained through or from a privileged relationship for trading in shares and securities for the purposes of gain (or to avoid a loss) at the expense of the uninformed public when the price of securities would be materially altered if the information were disclosed. Comment.

**(C.O.No.2) [Comprehension]**

Q.NO.13. Where the application for corporate insolvency resolution process is made by a financial creditor or the corporate debtor, as the case may be, the resolution professional, as proposed respectively in the application under section 7 or section 10, shall be appointed as the interim resolution professional, if no disciplinary proceedings are pending against him.

Elaborate the relevance of IRP/RP in CIRP under IBC, 2016.

**(C.O.No.2) [Comprehension]**

Q.NO.14. A moratorium is often effected in response to a crisis that disrupts normal routine. In the aftermath of earthquakes, floods, droughts or disease outbreaks, an emergency moratorium on some financial activities may be granted by a government or the central bank. It is lifted when normalcy returns.

Critically explain the concept and procedure of Moratorium with the help of provisions of IBC, 2016.  
**(C.O.No.3) [Comprehension]**

Q.NO.15. A business that provides supplies or services to a company or individual and does not demand payment immediately is also considered a creditor, based on the fact that the client owes the business money for services already rendered.

What is the difference between Operational and Financial Creditors under IBC, 2016?

**(C.O.No.2) [Comprehension]**

### **Part C [Problem Solving Questions]**

**Answer both the Questions. Each question carries FIFTEEN marks. (2Qx15M=30M)**

Q.NO.16. *“It was like riding a tiger without knowing how to get off without being eaten.”*

*“Vigilant corporate governance was one prime lesson which the corporates houses learnt and few others were, proper investigation of any inaccuracy of the accounting numbers, such frauds mars the reputation of the company for life thereby affecting future investments and overall future of the company”.*

Discuss by mentioning the facts and penalty awarded under the present case law.

**(C.O.No. 4) [Application]**

Q.NO.17. *Fintech, or technology that provides digital financial services is transforming the provision and delivery of financial services. At its most basic level digital technology enables speed – speed in processing information and speed in communication. Processing speed has reduced cost and time for transactions while communication speed has enhanced connectivity of systems expanding the reach of transactions. Taken together, digital technology is changing the way financial services are organised and financial products are delivered.*

**-Shri T Rabi Sankar, Deputy Governor, Reserve Bank of India.**

Justify with the help of various laws in India pertaining to Fintech.

**(C.O.No. 5) [Application]**