

Indicative MCQs for Limited Insolvency Examination

SERIES – 5

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THE INSOLVENCY AND BANKRUPTCY CODE, 2016

Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016

Q.1. An individual will not be considered eligible to be registered as an Insolvency Professional, if he/she has been convicted by any competent court:

- A** For a term exceeding three months
- B** 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
- C** For an offence involving moral turpitude and a period of three years has not elapsed from the date of expiry of the sentence
- D** 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

Q.2. An Individual who has been convicted of an offence and sentenced to an imprisonment for a period of seven years or more _____:

- A** Shall not be eligible to be registered as an Insolvency Professional.
- B** Shall be eligible to be registered as an Insolvency Professional after the lapse of 3 years from the date of expiry of the sentence.
- C** Shall be eligible to be registered as an Insolvency Professional, subject to prior approval of the Insolvency and Bankruptcy Board of India.
- D** Shall be eligible to be registered as an Insolvency Professional after the lapse of 5 years from the date of expiry of the sentence.

Q.3. What is the mandatory qualification and experience for getting 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 in Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act/Sick Industrial Companies Act (SICA) for more than 10 years
- C** At least 20 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

Q.4. What is the fee for obtaining Certificate of registration as an Insolvency Professional

- A** Rupees Five Thousand (non-refundable)
B Rupees Fifteen Thousand (non-refundable)
C Rupees Ten Thousand (non-refundable)
D Rupees Twenty Thousand (non-refundable)

Q.5. In which of the following form shall an application for obtaining Certificate of registration as an Insolvency professional is made:

- A** Form A
B Form C
C Form B
D Form D

Q.6. Under which form is the Certificate of Registration as an Insolvency Professional granted:

- A** Form A
B Form B
C Form C
D Form D

Q.7. What is the fee payable after the grant of Certificate of registration as an Insolvency Professional:

- A** Rs. 10,000 every year
B Rs. 15,000 every year
C Rs. 10,000, every 5 years after the year in which the certificate is granted
D Rs. 15,000, every 5 years after the year in which the certificate is granted

Q.8. What is the time period for maintenance of records by an Insolvency professional in respect of assignments undertaken by him:

- A Atleast 8 years from the completion of such assignment
- B Atleast 5 years from the completion of such assignment
- C Atleast 5 years from the completion of such assignment
- D Atleast 3 years from the completion of such assignment

Q.9. What is the time period within which Insolvency and Bankruptcy Board of India grants certificate of registration to an Insolvency Professional:

- A Within 60 days from the date of receipt of application by Board
- B Within 45 days from the date of receipt of application by Board
- C Within 90 days from the date of receipt of application by Board
- D Within 120 days from the date of receipt of application by Board

Q.10. What is the time limit available with applicant for responding to the objections raised by IBBI in the context of grant of certificate of registration as an Insolvency Professional:

- A within 15 days of receipt of communication from the Board
- B within 30 days of receipt of communication from the Board
- C within 45 days of receipt of communication from the Board
- D within 60 days of receipt of communication from the Board

Q.11. What is the validity of limited period registration as an Insolvency Professional:

- A 30 days from the date of submission of details and fee
- B 45 days from the date of submission of details and fee
- C 3 months from the date of submission of details and fee
- D 6 months from the date of submission of details and fee

Q.12. What is the time period available with IBBI for communicating its objection to the applicant in the context of grant of certificate of registration as an Insolvency Professional:

- A Within 15 days from the date of receipt of application
 - B Within 45 days from the date of receipt of application
 - C Within 30 days from the date of receipt of application
 - D Within 60 days from the date of receipt of application
-

Q.13. What is the fee payable to Insolvency and Bankruptcy Board of India (IBBI) for obtaining limited period registration as an Insolvency Professional:

- A Rs. 5,000
 - B Rs. 10,000
 - C Rs. 15,000
 - D Rs. 50,000
-

Q.14. Application for obtaining Limited period registration as an Insolvency professional is to be made in:

- A Form A of Second Schedule
 - B Form C of Second Schedule
 - C Form B of Second Schedule
 - D Form D of Second Schedule
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Q.15. Which of the following is the appropriate authority for disposal of show cause notice served by IBBI to Insolvency Professional for disciplinary proceedings:

- A National Company Law Tribunal
 - B Regional Director
 - C Registrar of Companies
 - D Disciplinary Committee of Insolvency and Bankruptcy Board of India
-

Q.16. When does the order of the Disciplinary Committee with regard to disposal of show cause notice become effective:

- A With immediate effect
- B Until the lapse of 30 days from the date of issue of order, unless the Disciplinary Committee states otherwise
- C After the lapse of 60 days from the date of issue of order
- D Until the lapse of 45 days from the date of issue of order, unless the Disciplinary Committee states otherwise

Q.17. The order passed by Disciplinary Committee in case of disposal of show cause notice may provide for:

- A No action; Actions under Section 220 (2) to (4) of the Insolvency and Bankruptcy Code, 2016
- B Warning; No action
- C No action; warning; Actions under Section 220 (2) to (4) of the Insolvency and Bankruptcy Code, 2016; reference to Insolvency and Bankruptcy Board of India
- D Actions under Section 220 (2) to (4) of the Insolvency and Bankruptcy Code, 2016; Warning

Q.18. In which form shall an application for obtaining Certificate of Registration as Insolvency Professional Entities be made:

- A Form A
- B Form C
- C Form B
- D Form D

Q.19. Who is an eligible person to obtain certificate of registration as an Insolvency professional entities:

- A HUFs
- B Trust
- C LLPs or partnership firms or company

D Association of person

Q.20. In which form is the certificate of registration granted to an Insolvency Professional Entity:

A Form A

B Form C

C Form B

D Form D

Q.21. Show cause notice served by Insolvency and Bankruptcy Board of India to Insolvency Professional Agency for disciplinary proceedings shall be disposed of by Disciplinary Committee within:

A 6 months from the date of assignment

B 180 days from the date of issue of show cause notice

C 3 months from the date of assignment

D 90 days from the date of issue of show cause notice

Q.22. What is the time period within which intimation has to be served to the Board in case insolvency professional ceases to be director or partner of Insolvency Professional Entity:

A within 7 days

B within 10 days

C within 15 days

D within 30 days

Q.23. An Individual may be granted limited period registration as an insolvency Professional, if he/she is in practice and holding membership of ICSI/ICAI (CA)/ICAI (CMA)/ Advocate for at least:

A 10 years

B 20 years

C 15 years

D 25 years

Q.24. An Insolvency Professional may disclose information related to the resolution process:

- A If the consent is acquired from the High Court
- B If the consent is acquired from a third party to the resolution process
- C If required by law and consented by the parties to the resolution process
- D If required by law or if it is consented by the parties to the resolution process

Q.25. First Schedule of IBBI (Insolvency Professional) Regulations, 2016 provides for:

- A Rules and Regulations for Insolvency Professional
- B Professional Competence for Insolvency Professional
- C Code of Conduct for Insolvency Professional
- D Professional Ethics for Insolvency Professional

Q.26. Can Insolvency professional engage in any employment:

- A Yes, after obtaining prior approval from Insolvency and Bankruptcy Board of India
- B Yes, in a business which is consistent with his profession
- C No, an Insolvency Professional cannot engage in any employment except when he has temporarily surrendered his certificate of member with the agency with which he is registered.
- D Yes, after an expiry of two years from the date of becoming Insolvency Professional

Q.27. When should an insolvency professional refrain from accepting assignments:

- A In case the numbers of assignments exceed 10
- B If he is not able to devote adequate time to each assignment
- C In case the numbers of assignments exceed 20
- D In case the numbers of assignments exceed 30

Q.28. How can a Board de-recognise an insolvency professional entity:

- A By passing an ex-parte order

- B By passing a reasoned order
- C By giving notice of de-recognition
- D By publication in official gazette a notification of de-recognition

Q.29. Which of the following types of the entity is not eligible to be recognised as an insolvency professional entity:

- A Limited Liability Partnership
- B Registered Partnership Firm
- C Registered Cooperative Society
- D Company

Q.30. In which of the following cases a company may be recognised as an insolvency professional entity:

- A One-third of directors are registered as insolvency professionals.
- B Two-third 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.

Q.31. In which of the following cases shall a Limited Liability Partnership/registered partnership firm may be recognised as an insolvency professional entity:

- A One-third of partners are registered as insolvency professionals
- B Majority of partners are registered as insolvency professionals
- C Two-third of partners are registered as insolvency professionals
- D All partners are registered as insolvency professionals

Q.32. The order passed by the Disciplinary Committee under Regulation 11(7) with regard to disposal of show-cause notice shall not be issued to or published in:

- A** Insolvency Professional
 - B** Professional body (ICAI/ICSI/ICWAI) of which professional is a member
 - C** Insolvency Professional Agency
 - D** Website of Insolvency and Bankruptcy Board of India
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Q.33. Within how many days should the Insolvency Professional Agency inform the Board of any temporary surrender or revival of certificate of membership:

- A** Not later than 3 days from the date of approval of application for temporary surrender or revival
 - B** Not later than 5 days from the date of approval of application for temporary surrender or revival
 - C** Not later than 7 days from the date of approval of application for temporary surrender or revival
 - D** Not later than 10 days from the date of approval of application for temporary surrender or revival
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Q.34. A person cannot render services as an insolvency professional if he is not a citizen of India unless:

- A** he becomes a managing director of insolvency professional entity registered in the form of a company
- B** he becomes a whole-time director of insolvency professional entity registered in the form of a company
- C** he becomes a director of insolvency professional entity registered in the form of a company
- D** he becomes a manager of insolvency professional entity registered in the form of a company

Q.35. Within what time period shall the Board acknowledge receipt of an application for certificate of registration as an Insolvency Professional:

- A** 7 days of its receipt
- B** 14 days of its receipt
- C** 3 days of its receipt
- D** 21 days of its receipt

Q.36. When did the Insolvency and Bankruptcy Board Of India (Insolvency Professionals) regulations, 2016 came into force:

- A** 27th November, 2016
- B** 28th November, 2016
- C** 29th November, 2016
- D** 30th November, 2016

Q.37. In order to determine an individual as fit and proper person under Regulation 4, which of the following considerations are not taken into account:

- A** Integrity, reputation and character
- B** Absence of convictions and restraint orders
- C** Prescribed standards of physical appearance
- D** Competence including financial solvency and net worth

ANSWER SHEET

Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016

Q. Ans.

1. D
2. A
3. D
4. C
5. A
6. B
7. C
8. D
9. A
10. A
11. D
12. B
13. A
14. A
15. D
16. B
17. C
18. B
19. C

Q. Ans.

20. D
21. A
22. A
23. C
24. D
25. C
26. C
27. B
28. B
29. C
30. D
31. B
32. B
33. C
34. C
35. A
36. C
37. C