

Indicative MCQs for Limited Insolvency Examination

SERIES - 3

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THE INSOLVENCY AND BANKRUPTCY CODE, 2016

Insolvency and Bankruptcy Board of India (Insolvency Professional Agencies) Regulations, 2016

Q.1. Under which form shall an Insolvency Professional Agency make an application for registration to the Insolvency and Bankruptcy Board of India (Board):

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

Q.2. The certificate of registration as an Insolvency Professional Agency may be granted by the Board within how many days:

- A Within 90 days from the date of receipt of application by Board
- B Within 60 days from the date of making application by the applicant
- C Within 60 days from the date of receipt of application by Board
- D Within 180 days from the date of making application by the Applicant

Q.3. What is the validity period of certificate of registration of an Insolvency Professional Agency:

- A Five years from the date of making application
- B Five years from the date of issue of certificate
- C Ten years from the date of issue of certificate
- D Ten years from the date of making application

Q.4. What is the renewal fee of certificate of registration of an Insolvency Professional Agency:

- A Five Lakhs every year
- B No fee for renewal
- C Five Lakhs after every two years

D Five Lakhs after every ten years

Q.5.Can statutory bodies hold share capital of an Insolvency Professional Agency:

- A No, statutory bodies cannot hold share capital of an Insolvency Professional Agency.
- B Yes, statutory bodies can hold upto 10% of the share capital of an Insolvency Professional Agency without prior approval of the Insolvency and Bankruptcy Board of India
- C Yes, statutory bodies can hold share capital of an Insolvency Professional Agency with prior approval of Insolvency and Bankruptcy Board of India
- D Yes, statutory bodies can hold share capital of an Insolvency Professional Agency but subject to a maximum limit of 10 % of the share capital

Q.6.Upto what percentage can a person, other than a statutory body, hold shares of an Insolvency Professional Agency without prior approval of IBBI:

- A Upto 10% of the share capital of the Insolvency Professional Agency
- B Upto 15% of the share capital of the Insolvency Professional Agency
- C Upto 20% of the share capital of the Insolvency Professional Agency
- D Upto 30% of the share capital of the Insolvency Professional Agency

Q.7.If a person, other than a statutory body, wants to hold more than 10% of the share capital in an Insolvency Professional Agency, such a person shall seek the approval of:

- A Insolvency and Bankruptcy Board of India
- B Insolvency Professional Agency
- C Registrar of Companies
- D National Company Law Tribunal

Q.8.If in the opinion of the Insolvency and Bankruptcy Board of India (IBBI), the application for registration as an Insolvency Professional Agency is not complete, then IBBI:

- A Shall reject the application.
- B May or may not provide an opportunity of being heard to the applicant.
- C Shall provide an opportunity of being heard to the applicant.

D May ask the applicant to make a fresh application.

Q.9.What is the time period within which an applicant has to submit explanation to the Insolvency and Bankruptcy Board of India (IBBI)in case the registration application is incomplete:

- A 10 days from the date of communication from IBBI
 - B 15 days from the date of communication from IBBI
 - C 30 days from the date of communication from IBBI
 - D 60 days from the date of communication from IBBI
-

Q.10.What is the time period for acceptance or rejection of application by the Insolvency and Bankruptcy Board of India (IBBI) for granting certificate of registration to Insolvency Professional Agency, where in the opinion of IBBI, the application was unfit for consideration:

- A Within 10 days from the date of receipt of explanation by the applicant
 - B Within 15 days from the date of receipt of explanation by the applicant
 - C Within 30 days from the date of receipt of explanation by the applicant
 - D Within 60 days from the date of receipt of explanation by the applicant
-

Q.11.Which of the following entity is eligible to obtain registration as an Insolvency Professional Agency:

- A Partnership Firm
 - B HUF
 - C Section 8 Company under Companies Act, 2013
 - D Limited Liability partnership
-

Q.12.What shall be the minimum net worth of an Insolvency Professional Agency:

- A Rupees One Crore
 - B Rupees Ten Crores
 - C Rupees Five Crores
 - D Rupees Fifteen Crores
-

Q.13.The minimum paid up share capital of Insolvency Professional Agency is:

- A Rupees One Crore
- B Rupees Five Crores
- C Rupees Fifteen Crores
- D Rupees Twenty Crores

Q.14.Which of the following statement is correct:

- A Insolvency Professional Agency can be under the control of a person resident outside India
- B Insolvency Professional Agency cannot be under the control of a person resident outside India.
- C A person resident outside India can hold share capital of Insolvency Professional Agency upto certain specified percentage
- D Insolvency Professional Agency may or may not be under the control of a person resident outside India.

Q.15.What is the maximum share capital of Insolvency Professional Agency that can be held directly or indirectly by person(s) resident outside India:

- A Upto 50%
- B Not more than 51%
- C Not more than 49%
- D Upto 49%

Q.16.What is the application fee for obtaining registration as an Insolvency Professional Agency:

- A Rupees Ten Lakhs (non-refundable)
- B Rupees Twenty Lakhs (non-refundable)
- C Rupees Ten Lakhs (refundable)
- D Rupees Twenty Lakhs (refundable)

Q.17. In which form shall an application be made by the eligible company for obtaining renewal of registration of Insolvency Professional Agency:

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

Q.18. The application fee for obtaining renewal of registration of Insolvency Professional Agency is:

- A Rupees Ten Lakhs (non-refundable)
- B Rupees Five Lakhs (non-refundable)
- C Rupees Ten Lakhs (refundable)
- D Rupees Five Lakhs (refundable)

Q.19. What is the time period within which the notice inviting objections in case of surrender of certificate of registration by Insolvency Professional Agency is to be published on the website of Insolvency and Bankruptcy Board of India (IBBI):

- A Within 7 days from the date of receipt of application by IBBI
- B Within 10 days from the date of receipt of application by IBBI
- C Within 1 week from the date of receipt of application by IBBI
- D Within 1 month from the date of receipt of application by IBBI

Q.20. What is the time limit for submitting objections in case of surrender of certificate of registration by an Insolvency Professional Agency:

- A Within 1 month from the date of publication of notice of such surrender on the website of Insolvency and Bankruptcy Board of India
- B Within 30 days from the date on which Insolvency Professional Agency made application for surrender
- C Within 14 days from the date of publication of notice of such surrender on the website of Insolvency and Bankruptcy Board of India

- D Within 14 days from the date on which Insolvency Professional Agency made application for surrender
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Q.21. In how many days shall the Insolvency and Bankruptcy Board of India (IBBI) approve application for surrender of certificate of registration by Insolvency Professional Agency:

- A Within 30 days from the last date of submission of objections
- B Within 60 days from the date on which Insolvency Professional Agency made application for surrender
- C Within 14 days from the date of publication of notice of such surrender on the website of IBBI
- D Within 1 month from the date on which Insolvency Professional Agency made application for surrender
-

Q.22. The fact regarding the surrender of certificate of registration by Insolvency Professional Agency is to be published by:

- A Insolvency Professional Agency to Registrar of Companies
- B Insolvency Professional Agency to Ministry of Corporate Affairs
- C Insolvency and Bankruptcy Board of India on its website
- D National Company Law Tribunal on its website
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Q.23. What is the mode of serving the show cause notice by Insolvency and Bankruptcy Board of India (IBBI) on Insolvency Professional Agency for disciplinary proceedings:

- A Electronic means only
- B Only through registered post with acknowledgement due
- C Speed Post or Courier
- D Registered post with acknowledgement due or electronic means
-

Q.24. Which of the following is the appropriate authority for disposal of show cause notice served by Insolvency and Bankruptcy Board of India (IBBI) to Insolvency Professional Agency for disciplinary proceedings:

- A Insolvency and Bankruptcy Board of India
- B Regional Director
-

- C National Company Law Tribunal
- D Disciplinary Committee of Insolvency and Bankruptcy Board of India

Q.25. Show cause notice served by Insolvency and Bankruptcy Board of India (IBBI) to Insolvency Professional Agency for disciplinary proceedings shall be disposed of by Disciplinary Committee within:

- A 3 months from the date of assignment
- B 90 days from the date of issue of show cause notice
- C 6 months of the assignment
- D 180 days from the date of issue of show cause notice

Q.26. What shall be the effective date of the order passed by the Disciplinary Committee in case of disposal of show cause notice:

- A With immediate effect, subject to fulfilment of certain criteria
- B Until the lapse of 30 days from the date of issue of order
- C After the lapse of 60 days from the date of issue of order
- D With immediate effect

Q.27. The order passed by the 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 Actions under Section 220 (2) to (4) of the Insolvency and Bankruptcy Code, 2016; a warning
- C No action; warning; actions under Section 220 (2) to (4) of the Insolvency and Bankruptcy Code, 2016 or a reference to the Board to take action
- D Warning only

Q.28. Show cause notice served by Insolvency and Bankruptcy Board of India (IBBI) to Insolvency Professional Agency for disciplinary proceedings shall be disposed of by the Disciplinary Committee:

- A With reasoned order and within 3 months from the date of assignment

- B With reasoned order after observing the principles of natural justice
- C With reasoned order at the discretion of the Disciplinary Committee
- D With reasoned order after observing the principles of natural justice and within 3 months from the date of assignment

Q.29.The Disciplinary Committee of IBBI shall consist of:

- A Members from different Government departments
- B Members from different Government departments and Whole time members of the Board
- C Members from ICSI, ICAI & ICWAI
- D Whole time members of IBBI

Q.30.Within how many days shall an Insolvency Professional Agency aggrieved by the order of the Disciplinary Committee of Insolvency and Bankruptcy Board of India (IBBI) prefer an appeal:

- A Within 30 days of receipt of impugned order
- B Within 45 days of receipt of impugned order
- C Within 60 days of receipt of impugned order
- D Within 90 days of receipt of impugned order

Q.31.Which of the following is the appropriate authority for preferring an appeal against the order of Disciplinary Committee of Insolvency and Bankruptcy Board of India (IBBI):

- A Advisory Board of IBBI
- B Regional Director (RD)
- C National Company Law Appellate Tribunal
- D Governing Board of IBBI

Q.32.What is the validity period of the in-principal approval granted to Insolvency Professional Agency:

- A Not exceeding 3 years
- B Not exceeding 1 year

- C Not exceeding 5 years
- D Not exceeding 2 years

Q.33.What is the fee for Insolvency Professional Agency for obtaining in-principal approval:

- A Rs. 5 Lakhs
- B Rs. 10 Lakhs
- C Rs. 15 Lakhs
- D Rs. 20 Lakhs

Q.34.The nature of fee paid for obtaining in-principal approval for Insolvency Professional Agency is:

- A Partly Refundable
- B Refundable
- C Non Refundable
- D Refundable subject to few conditions

Q.35.What is the eligible language for preferring an appeal before the Appellate Tribunal:

- A English or Vernacular Language
- B Vernacular Language
- C English Language
- D English and English translation of documents in case they are in any other Indian language

Q.36. An application for appeal made to Appellate Tribunal shall be in:

- A Quadruplicate
- B Triplicate
- C Duplicate
- D No limit specified

Q.37. Which of the following details are to be mentioned in an application for appeal:

- A** Full name, parentage, age, description of each party and address and in case a party sues or being sued in a representative character
- B** Full name, parentage, description of each party and address and in case a party sues or being sued in a representative character
- C** Full name, parentage, age, description of each party and address
- D** Full name, age, description of each party and address and in case a party sues or being sued in a representative character

Q.38. An application for appeal shall be:

- A** Divided into paragraphs and shall be numbered consecutively and each paragraph shall contain as nearly as may be, a separate fact or allegation or point.
- B** Divided into paragraphs and each paragraph shall contain separate fact or allegation or point and names of parties shall be numbered consecutively and a separate line should be allotted to the name and description of each party.
- C** Divided into paragraphs and shall be numbered consecutively and each paragraph shall contain as nearly as may be, a separate fact or allegation or point and names of parties shall be numbered consecutively.
- D** Divided into paragraphs and shall be numbered consecutively.

ANSWER SHEET

Insolvency and Bankruptcy Board of India (Insolvency Professional Agencies) Regulations, 2016

<u>Q.</u>	<u>Ans.</u>	<u>Q.</u>	<u>Ans.</u>
1.	A	31.	C
2.	C	32.	B
3.	B	33.	B
4.	A	34.	C
5.	B	35.	D
6.	A	36.	B
7.	A	37.	A
8.	C	38.	A
9.	B		
10.	C		
11.	C		
12.	B		
13.	B		
14.	B		
15.	C		
16.	A		
17.	A		
18.	B		
19.	A		
20.	C		
21.	A		
22.	C		
23.	D		
24.	D		
25.	C		
26.	B		
27.	C		
28.	B		
29.	D		
30.	A		