

SERIES - 2

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Published by:

 **INSOLVENCY PROFESSIONALS AGENCY**

1st Floor, ICSI House, 22, Institutional Area, Lodi Road

New Delhi-110003

Phones: 011-4534 1099

Email: info@icsiipa.com

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THE INSOLVENCY AND BANKRUPTCY CODE, 2016

Liquidation Process and Regulations

SECTION - I

Liquidation Process (Section 33-54)

Q.1. Can an Adjudicating Authority order the liquidation of a corporate debtor before the expiry of insolvency resolution process period:

- A No, an Adjudicating Authority cannot order the liquidation of a corporate debtor before the expiry of insolvency resolution process period.
- B As per the discretion of the Adjudicating Authority
- C Yes, if the Adjudicating Authority reject the resolution plan
- D Yes, if the interim resolution professional does not constitute Committee of Creditors

Q.2. Who is the Adjudicating Authority for dealing with the liquidation matter of corpora persons:

- A National Company Law Tribunal
- B Insolvency and Bankruptcy Board of India
- C Company Law Board
- D Delhi High Court

Q.3. Who is the Adjudicating Authority for dealing with the liquidation matter of a Limited Liability partnership:

- A Insolvency and Bankruptcy Board of India
- B National Company Law Tribunal
- C Delhi High Court
- D Company Law Board

Q.4. Can an Adjudicating Authority order the liquidation of a corporate debtor even after approving the resolution plan:

- A** Yes, if the resolution plan is contravened
- B** The Adjudicating Authority may order the liquidation of a corporate debtor even after approving the resolution plan on receiving an application from a third party who is unaffected by such liquidation
- C** Yes, the Adjudicating Authority may order for the liquidation of a corporate debtor if the committee of creditor does not approve the resolution plan after its approval by the Adjudicating Authority
- D** No, the Adjudicating Authority cannot order the liquidation of a corporate debtor after approving the resolution plan

Q.5. What are the actions consequent upon the passing of the liquidation order by the Adjudicating Authority:

- A** Public Announcement
- B** Intimation to the authority with which corporate debtor is registered
- C** Public Announcement and Intimation to the authority with which corporate debtor is registered
- D** Public Announcement and Intimation to the Regional Director

Q.6. Under which of the following condition can an Adjudicating Authority order the liquidation of corporate debtor:

- A** When the committee of creditors of corporate debtor decides to liquidate after the confirmation of resolution plan
- B** When half of the committee of creditors of corporate debtor decides to liquidate before the confirmation of resolution plan
- C** When half of the committee of creditors of corporate debtor decides to liquidate after the confirmation of resolution plan
- D** When the committee of creditors of corporate debtor decides to liquidate before the confirmation of resolution plan

Q.7. Whether any legal proceeding can be initiated by or against the corporate debtor after the passing of liquidation order by the Adjudicating Authority:

- A No, legal proceeding cannot be initiated by the liquidator on behalf of the corporate debtor after the passing of liquidation order by the Adjudicating Authority.
 - B Yes, legal proceeding can be initiated by the liquidator on behalf of the corporate debtor without prior approval of any authority
 - C Yes, legal proceeding can be initiated by the liquidator on behalf of the corporate debtor with prior approval of the Adjudicating Authority
 - D Yes, legal proceeding can be initiated by the liquidator on behalf of the corporate debtor subject to the approval by the Committee of creditors
-

Q.8. What is the nature of liquidation order:

- A Deemed to be a notice of discharge to the officers of the corporate debtor
 - B Deemed to be a notice of discharge to the financial creditor
 - C Deemed to be a notice of discharge to the officers and workmen of the corporate debtor
 - D Deemed to be a notice of discharge to the officers, employees and workmen of the corporate debtor
-

Q.9. Upon appointment of liquidator in a company, whose power shall be vested in the hands of the liquidator:

- A Power of Executive Directors of the corporate debtor
 - B Power of Executive Directors and Independent Directors of the corporate debtor
 - C Power of Board of directors, Key Managerial Personnel and the partners of the corporate debtor
 - D Power of only Board of Directors of the corporate debtor
-

Q.10. Under which situation can an Adjudicating Authority replace the resolution professional from getting appointed as liquidator:

- A When resolution plan has failed to meet the requirements and has been rejected by the Adjudicating Authority

B When resolution plan is not approved by the committee of creditors of corporate debtor

- C When Board of the corporate debtor recommends the replacement after approval of resolution plan by Adjudicating Authority
- D When IBBI recommends replacement without any reason to be recorded in writing or

Q.11. Can IBBI recommend the replacement of a liquidator in a liquidation process of corporate debtor:

- A No, IBBI cannot recommend the replacement of a liquidator in a liquidation process of corporate debtor
- B Only in those cases which are transferred from BIFR
- C Only in cases where the Board has appointed the Interim Resolution Professional
- D Yes, IBBI can recommend the replacement of a liquidator by recording the reasons in writing and intimating to Adjudicating Authority

Q.12. In case of replacement of liquidator upon the recommendation of IBBI, within how many days IBBI has to propose another name of an Insolvency Professional to the Adjudicating Authority:

- A within 10 days of the direction issued by the Adjudicating Authority
- B within 15 days of the direction issued by the Adjudicating Authority
- C within 30 days of the direction issued by the Adjudicating Authority
- D within 45 days of the direction issued by the Adjudicating Authority

Q.13. The fees for the liquidation process shall be paid to the liquidator from the proceeds of _____ :

- A Realised liabilities of corporate debtor
- B Liquidation estate
- C Liquidation fund
- D Capital Reserves of the corporate debtor

Q.14. Who can be appointed as a liquidator under IBC, 2016:

- A A Law Firm
- B An Individual who is a registered Insolvency Professional

C An Insolvency Professional Entity

D Registered Valuers

Q.15. Which of the following assets are included in the liquidation estate:

- A assets held in trust for any third party
 - B bailment contracts
 - C tangible assets, whether movable or immovable
 - D sums due to any workman or employee from the provident fund, the pension fund and the gratuity fund
-

Q.16. Which of the following assets are not included in the liquidation estate:

- A assets subject to the determination of ownership by the court or authority
 - B any asset of the corporate debtor in respect of which a secured creditor has relinquished security interest
 - C intangible assets including but not limited to intellectual property, securities and financial instruments, insurance policies, contractual rights
 - D assets in security collateral held by financial service providers and are subject to netting and set-off in multi-lateral trading or clearing transactions.
-

Q.17. Which of the following assets are included in the liquidation estate:

- A any assets or their value recovered through proceedings for avoidance of transactions as per the Code
 - 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 that may be avoided as per the Code
 - C assets of any Indian or foreign subsidiary of the corporate debtor
 - D contractual agreements which do not stipulate transfer of title but only use of the assets
-

Q.18. Which of the following assets are not included in the liquidation estate:

- A tangible assets, whether movable or immovable
- B contractual arrangements which do not stipulate transfer of title but only use of the assets

- C assets that may or may not be in possession of the corporate debtor including but not limited to encumbered assets
- D assets subject to the determination of ownership by the court or authority

Q.19. Within what time period does the liquidator have to provide financial information relating to corporate debtor that may be required by creditors:

- A within 7 days from the date of such request
- B within 10 days from the date of such request
- C within 15 days from the date of such request
- D within 30 days from the date of such request

Q.20. Within how many days shall the liquidator collect the claims of creditor:

- A Within 10 days from the date of commencement of liquidation process
- B Within 20 days from the date of commencement of liquidation process
- C Within 30 days from the date of commencement of liquidation process
- D Within 60 days from the date of commencement of liquidation process

Q.21. Within what time period shall a creditor withdraw or vary his submitted claim:

- A Within 7 days from the date of submission of claim
- B Within 10 days from the date of submission of claim
- C Within 14 days from the date of submission of claim
- D Within 30 days from the date of submission of claim

Q.22. Within how many days does the liquidator have to intimate the creditors about the acceptance or rejection of their claim:

- A within 7 days of such admission or rejection of claims
- B within 10 days of such admission or rejection of claims
- C within 15 days of such admission or rejection of claims

claims **D** within 30 days of such admission or rejection of
claims

Q.23. To whom can a creditor prefer an appeal in case of rejection of his claim:

- A Insolvency and Bankruptcy Board of India
 - B Jurisdictional District Court
 - C National Company Law Tribunal
 - D State/High Court
-

Q.24. Within how many days can a creditor prefer an appeal in case of rejection of his claims:

- A Within 7 days from the date of receipt of intimation of rejection of claim
 - B Within 14 days from the date of receipt of intimation of rejection of claim
 - C Within 30 days from the date of receipt of intimation of rejection of claim
 - D Within 45 days from the date of receipt of intimation of rejection of claim
-

Q.25. Which of the following transaction shall be deemed to be a preferential transaction:

- A Transfer made in the ordinary course of the business or financial affairs of the corporate debtor or the transferee
 - B Transfer creating a security interest in property acquired by the corporate debtor to the extent that such security interest secures new value and was given at the time of or after signing of a security agreement that contains a description of such property as security interest and was used by corporate debtor to acquire such property
 - C Transfer creating a security interest in property acquired by the corporate debtor to the extent that such transfer was registered with an information utility on or before thirty days after the corporate debtor receives possession of such property
 - D Transfer of property or an interest thereof of the corporate debtor for the benefit of a creditor or a surety or a guarantor for or on account of an antecedent financial debt or operational debt or other liabilities owed by the corporate debtor
-

Q.26. Which of the following transaction shall not be deemed to be a preferential transaction:

A transfer of property or an interest thereof of the corporate debtor for the benefit of a creditor or a surety or a guarantor for or on account of an antecedent financial debt or other liabilities owed by the corporate debtor

- B** transfer of property or an interest thereof of the corporate debtor for the benefit of a creditor or a surety or a guarantor for or on account of an antecedent operational debt or other liabilities owed by the corporate debtor
- C** transfer of property or an interest thereof of the corporate debtor for the benefit of a creditor or a surety or a guarantor for or on account of an antecedent financial debt or operational debt or other liabilities owed by the corporate debtor having 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.
- D** transfer made in the ordinary course of the business or financial affairs of the corporate debtor or the transferee

Q.27. Which of the following order cannot be issued by an Adjudicating Authority in case the corporate debtor is indulged in preferential transactions:

- A** Transfer of any property in connection with giving of the preference to be vested in the corporate debtor
- B** Vesting of any property if it represents the application either of the proceeds of sale of property so transferred or of money so transferred
- C** Transfer of property affecting any interest in property which was acquired from a person other than the corporate debtor or any interest derived from such interest and was acquired in good faith and for value
- D** Release or discharge (in whole or in part) of any security interest created by the corporate debtor

Q.28. Which of the following order cannot be issued by an Adjudicating Authority in case the corporate debtor is indulged in preferential transactions:

- A** An order requiring any person to pay such sums in respect of benefits received by him from the corporate debtor, such sums to the liquidator or the resolution professional, as the Adjudicating Authority may direct
- B** An order requiring a person, who has received a benefit from the preferential transaction in good faith and for value to pay a sum to the liquidator or the resolution professional
- C** An order providing security or charge on any property for the discharge of any financial debt or operational debt under the order, and such security or charge to

have the same priority as a security or charge released or discharged wholly or in part by the giving of the preference

- D** An order requiring any property transferred in connection with the giving of the preference to be vested in the corporate debtor

Q.29. Which of the following transaction shall be considered as an undervalued transaction:

- A** Gift by a corporate debtor to a person in ordinary course of business
- B** Gift by a corporate debtor to financial creditor in ordinary course of business
- C** Gift by a corporate debtor to an operational creditor in the ordinary course of business
- D** Gift by a corporate debtor to a person not in ordinary course of business

Q.30. Which of the following transaction will amount to an undervalued transaction on part of corporate debtor:

- A** When corporate debtor enters into a transaction with a person which involves the transfer of one or more assets for a consideration; the value of which is significantly less than the value of the consideration provided by the corporate debtor.
- B** When corporate debtor enters into a transaction with a person which involves the transfer of one or more assets for a consideration; the value of which is equal to the value of the consideration provided by the corporate debtor.
- C** When corporate debtor enters into a transaction with a person which involves the transfer of one or more assets for a consideration; the value of which is more than the value of the consideration provided by the corporate debtor.
- D** When corporate debtor enters into a transaction with a person which involves the transfer of one or more assets for a consideration; the value of which is significantly less than the value of the consideration provided by the financial creditor.

Q.31. What is the time period for determining the relevance of avoidable transaction:

- A** Such transaction was made by the corporate debtor with any person within the period of 1 month preceding the insolvency commencement date.
- B** Such transaction was made by the corporate debtor with any person within the period of 2 years preceding the insolvency commencement date.

- C** Such transaction was made by the corporate debtor with any person within the period of 1 year preceding the insolvency commencement date.
-

- D Such transaction was made by the corporate debtor with any person within the period of 5 years preceding the insolvency commencement date.

Q.32. What is the time period for determining the relevance of avoidable transaction:

- A Such transaction was made by the corporate debtor with related party within the period of 6 months preceding the insolvency commencement date.
- B Such transaction was made by the corporate debtor with related party within the period of 2 years preceding the insolvency commencement date.
- C Such transaction was made by the corporate debtor with related party within the period of 1 year preceding the insolvency commencement date.
- D Such transaction was made by the corporate debtor with related party within the period of 3 years preceding the insolvency commencement date.

Q.33. In which of the following cases can the liquidator make an application for avoidance of transaction to the Adjudicating Authority if the terms of such transaction

require exorbitant payments to be made by the corporate debtor:

- A Extortionate credit transaction in which corporate debtor has been a party to transaction involving the receipt of financial or operational debt during the period within 1 year preceding the insolvency commencement date
- B Extortionate credit transaction in which corporate debtor has been a party to transaction involving the receipt of financial or operational debt during the period within 2 years preceding the insolvency commencement date
- C Extortionate credit transaction in which corporate debtor has been a party to transaction involving the receipt of financial or operational debt during the period within 3 years preceding the insolvency commencement date
- D Extortionate credit transaction in which corporate debtor has been a party to transaction involving the receipt of financial or operational debt during the period within 4 years preceding the insolvency commencement date

Q.34. Under which Section of the Code can a secured creditor realise his security interest:

- A Section 50
- B Section 51

C Section 52

D Section 53

Q.35. In which of the following manner can the insolvency resolution process cost be recovered from a secured creditor who has realised his security interest:

- A By deducting half of the cost from the proceeds of realization of secured creditor
- B By deducting such cost from the proceeds of realization of unsecured creditor
- C By deducting half of the cost from the proceeds of realization of secured creditor and remaining half from the unsecured creditor
- D By deducting such cost from the proceeds of realization of secured creditor

Q.36. Which of the following is to be recovered first from the proceeds of liquidation estate:

- A insolvency resolution process costs and the liquidation costs
- B debts owed to a secured creditor
- C workmen's dues for a period of twenty-four months preceding the liquidation commencement date
- D preference shareholders

Q.37. Who is to be given priority amongst the following in distribution of the proceeds of liquidation estate:

- A financial debts owed to unsecured creditors
- B workmen's dues for the period of twenty-four months preceding the liquidation commencement date
- C debts owed to a secured creditor for any amount unpaid following the enforcement of security interest
- D wages and any unpaid dues owed to employees other than workmen for the period of twelve months preceding the liquidation commencement date

Q.38. Which of the following is to be recovered last from the proceeds of liquidation estate:

- A debts owed to a secured creditor for any amount unpaid following the enforcement of security interest

B any remaining debts and dues

- C workmen's dues for the period of twenty-four months preceding the liquidation commencement date
- D equity shareholders or partners

Q.39. To whom shall the dissolution order of the corporate debtor be forwarded:

- A To Insolvency and Bankruptcy Board of India
- B To Insolvency Professionals Agency with whom the liquidator is registered
- C To the authority with which corporate debtor is registered
- D To the concerned Regional Director

Q.40. Within how many days does the dissolution order have to be forwarded to the authority with which the corporate debtor is registered:

- A Within 7 days from the date of order
- B Within 10 days from the date of order
- C Within 15 days from the date of order
- D Within 30 days from the date of order

THE INSOLVENCY AND BANKRUPTCY CODE, 2016

SECTION - II

Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016

Q.1. What is the primary eligibility to be a liquidator of a corporate debtor under the Code:

- A Insolvency Professional who shall be independent of corporate debtor
 - B Insolvency Professional who shall be independent of creditors of corporate debtor
 - C Any advocate who shall be independent of corporate debtor
 - D Insolvency Professional who shall be a related party to corporate debtor
-

Q.2. Under which of the following condition, an Insolvency Professional shall not be considered to be independent of corporate debtor:

- A Is eligible to be appointed as an independent director on the board of the corporate debtor under section 149 of the Companies Act, 2013 (18 of 2013), where the corporate debtor is a company
 - B Is a related party of the corporate debtor
 - C Has not been an employee or proprietor or a partner of a firm of auditors of the corporate debtor
 - D Has not been an employee or proprietor or a partner of a company secretaries or cost auditors of the corporate debtor
-

Q.3. Can an insolvency professional continue as a liquidator of a corporate debtor if professional entity of which he is a partner is also representing interest of any stakeholders of the corporate debtor in same liquidation process:

- A Yes, an insolvency professional can continue as a liquidator of a corporate debtor if professional entity of which he is a partner is also representing interest of any stakeholders of the corporate debtor in same liquidation process without prior approval from any authority

- B** No, an insolvency professional cannot continue as a liquidator of a corporate debtor if professional entity of which he is a partner is also representing interest of any stakeholders of the corporate debtor in same liquidation process
- C** Yes, an insolvency professional can continue as a liquidator of a corporate debtor if professional entity of which he is a partner is also representing interest of any stakeholders of the corporate debtor in same liquidation process subject to prior approval from Insolvency and Bankruptcy Board of India
- D** Yes, an insolvency professional can continue as a liquidator of a corporate debtor if professional entity of which he is a partner is also representing interest of any stakeholders of the corporate debtor in same liquidation process subject to prior approval from National Company Law Tribunal

Q.4. Is liquidator fee part of the liquidation cost of corporate debtor:

- A** Yes, liquidator fee is part of the liquidation cost of corporate debtor
- B** No, liquidator fee is not a part of the liquidation cost of the corporate debtor
- C** Depends on the agreement between liquidator and corporate debtor
- D** Depends on the agreement between the financial creditors and liquidator

Q.5. What portion of the fee is the liquidator entitled to receive after the distribution of realised amount from the liquidation estate:

- A** 25% of the fee payable on realization
- B** 75% of the fee payable on realization
- C** 50% of the fee payable on realization
- D** 85% of the fee payable on realization

Q.6. Which of the following reports is the liquidator required to prepare and submit under the liquidation process:

- A** Preliminary Report or Progress Report
- B** Preliminary Report and Progress Report
- C** Preliminary Report and Annual Report
- D** Sale Memorandum and Asset Report

Q.7. To whom shall the liquidator submit the report prepared by him/her in the course of liquidation of corporate debtor:

- A Insolvency and Bankruptcy Board of India
- B Insolvency Professional Agency with whom the liquidator is registered
- C Authority with which the corporate debtor is registered
- D Adjudicating Authority

Q.8. For how long shall the liquidator preserve the copy of reports prepared by him in the course of liquidation of corporate debtor:

- A 5 years from the date of dissolution
- B 8 years from the date of dissolution
- C On permanent basis
- D 15 years from the date of dissolution

Q.9. In what manner shall the liquidator preserve the copy of reports prepared by him in the course of liquidation of corporate debtor:

- A Physical Manner
- B Physical Manner and Electronic Manner
- C Electronic Manner
- D Physical Manner or Electronic Manner

Q.10. In what manner shall the liquidator make available the copy of reports prepared by him in the course of liquidation of corporate debtor to the stakeholders:

- A Physical Manner
- B Physical Manner and Electronic Manner
- C Electronic Manner
- D Physical Manner or Electronic Manner

Q.11. For how long shall the liquidator preserve the registers and books of corporate debtor in the course of liquidation of corporate debtor:

A 5 years from the date of dissolution

-
- B 8 years from the date of dissolution.
 - C On permanent basis.
 - D 15 years from the date of dissolution.
-

Q.12. The liquidator shall maintain the registers of corporate debtor as per the format prescribed in which of the following schedule:

- A Schedule I
 - B Schedule II
 - C **Schedule III (Correct)**
 - D Schedule IV
-

Q.13. Is the liquidator eligible to appoint professionals under him/her during the liquidation process:

- A Yes, the liquidator is eligible to appoint professionals under him/her during the liquidation process without prior approval from any authority
 - B No, the liquidator is not eligible to appoint professionals under him/her during the liquidation process
 - C Yes, the liquidator is eligible to appoint professionals under him/her during the liquidation process after prior approval from National Company Law Tribunal
 - D Yes, the liquidator is eligible to appoint professionals under him/her during the liquidation process after prior approval from Insolvency and Bankruptcy Board of India
-

Q.14. Can a liquidator appoint a professional who is a related party of the corporate debtor for his assistance under the liquidation process:

- A Yes, a liquidator can appoint a professional who is a related party of the corporate debtor for his assistance under the liquidation process without prior approval of any authority
- B No, a liquidator cannot appoint a professional who is a related party of the corporate debtor for his assistance under the liquidation process

- C Yes, a liquidator can appoint a professional who is a related party of the corporate debtor for his assistance under the liquidation process with prior approval of National Company Law Tribunal
- D Yes, a liquidator can appoint a professional who is a related party of the corporate debtor for his assistance under the liquidation process with prior approval of Insolvency and Bankruptcy Board of India

Q.15. In what manner shall the liquidator maintain the particulars of consultation with stakeholders:

- A Form A of Schedule I
- B Form A of Schedule III
- C Form A of Schedule II
- D Form A of Schedule IV

Q.16. Which of the following shall not be considered as an onerous property of corporate debtor:

- A Land of any tenure not burdened with onerous covenants
- B Shares or stocks in companies
- C Unprofitable contracts
- D Any other property which is not saleable or is not readily saleable by reason of the possessor thereof being bound either to the performance of any onerous act or to the payment of any sum of money

Q.17. Within what time frame does the liquidator have to make an application to the Adjudicating Authority with respect to onerous property of corporate debtor:

- A Within 1 month from liquidation commencement date
- B Within 3 months from liquidation commencement date
- C Within 6 months from liquidation commencement date
- D Within 9 months from liquidation commencement date

Q.18. Within what time frame does the liquidator have to communicate his intention to a person who inquired in writing about the filing of application in respect of onerous property:

- A Within 1 month of receipt of inquiry
 - B Within 3 months of receipt of inquiry
 - C Within 2 months of receipt of inquiry
 - D Within 6 months of receipt of inquiry
-

Q.19. In what form shall the liquidator make public announcement:

- A Form A of Schedule II
 - B Form B of Schedule II
 - C Form C of Schedule II
 - D Form D of Schedule II
-

Q.20. Within how many days shall the liquidator make the public announcement:

- A 3 days from the date of his appointment
 - B 4 days from the date of his appointment
 - C 5 days from the date of his appointment
 - D 7 days from the date of his appointment
-

Q.21. Where shall the public announcement made by the liquidator be published:

- A Only in one English and one regional language newspaper
 - B Only the website of the corporate debtor
 - C One English and one regional language newspaper as well as on the website, if any, of the corporate debtor
 - D On any website, if any, designated by National Company Law Tribunal
-

Q.22. Within what time frame shall the liquidator submit Preliminary Report to the

Adjudicating Authority:

A Within 25 days from the liquidation commencement date

- B** Within 30 days from the liquidation commencement date
C Within 60 days from the liquidation commencement date
D Within 75 days from the liquidation commencement date

Q.23. Which of the following content does not form part of Preliminary Report:

- A** Capital structure of creditors
B Estimate of assets and liabilities of corporate debtor
C Proposed action plan of liquidation
D Capital structure of corporate debtor

Q.24. What is the nature of Progress Report:

- A** Weekly Report
B Monthly Report
C Quarterly Report
D Annual Report

Q.25. Within how many days shall the first Progress Report be submitted by the Liquidator to the Adjudicating Authority:

- A** Within 15 days from the end of Quarter
B Within 15 days from the end of Quarter in which he is appointed
C Within 7 days from the end of Quarter
D Within 7 days from the end of Quarter in which he is appointed

Q.26. Within how many days shall the Progress Report subsequent to first Progress Report be submitted to Adjudicating Authority:

- A** Within 15 days from the end of Quarter
B Within 15 days from the end of Quarter in which he is appointed
C Within 7 days from the end of Quarter

D Within 7 days from the end of Quarter in which he is appointed

Q.27. What shall be the content of Progress Report:

- A Appointment, tenure and cessation of professionals
- B Statement indicating progress in liquidation
- C Fees to liquidator
- D Developments in material litigation by or against creditors

Q.28. Which of the following Annexure will form part of the Progress Report of the last quarter of the financial year:

- A Audited Accounts of the liquidator's receipts and payments for the financial year
- B Accounts of the liquidator's receipts and payments for the financial year
- C Audited Accounts of the corporate debtor's receipts and payments for the financial year
- D Audited Accounts of the liquidator's receipts for the financial year

Q.29. In which form shall the Operational Creditor other than a workman or employee submit his proof of claim to the liquidator under the liquidation process:

- A Form A of Schedule II
- B Form B of Schedule II
- C Form C of Schedule II
- D Form D of Schedule II

Q.30. In which form shall the Financial Creditor submit his proof of claim to the liquidator under the liquidation process:

- A Form A of Schedule II
- B Form B of Schedule II
- C Form C of Schedule II
- D Form D of Schedule II

Q.31. In which form shall the workman or employee submit his proof of claim to the liquidator under the liquidation process:

A Form A of Schedule II

B Form D of Schedule

II C Form C of Schedule

II

D Form E of Schedule II

Q.32. In which form shall the stakeholders submit his proof of claim to the liquidator under the liquidation process:

A Form A of Schedule II

B Form G of Schedule II

C Form C of Schedule II

D Form E of Schedule II

Q.33. Who shall bear the cost of proving the claims under the liquidation process:

A Claimant

B Liquidator

C Corporate Debtor

D Creditors

Q.34. What is the available time period with the liquidator for verification of claims:

A within 7 days from the last date for receipt of claims

B within 15 days from the last date for receipt of

claims **C** within 30 days from the last date for receipt of

claims **D** within 60 days from the last date for receipt of

claims

Q.35. Which of the following is not an admissible manner of sale of assets by the liquidator under the liquidation process:

A Sale of asset by any method except on standalone basis

B Sell the corporate debtor as a going concern

C Sale of assets collectively

D Sale of assets in parcels

Q.36. What is an ordinary manner of selling the assets of corporate debtor under the liquidation process:

- A Private Sale
- B Auction
- C Sale on standalone basis
- D Any suitable method adopted by the liquidator

Q.37. What is the manner of selling the assets of corporate debtor under the liquidation process, if assets are of perishable nature:

- A Private Sale
- B Auction
- C Sale on standalone basis
- D Any suitable method

Q.38. Within how many days from the liquidation commencement date, shall the liquidator prepare the Asset Memorandum:

- A 7 days from the liquidation commencement date
- B 15 days from the liquidation commencement date
- C 30 days from the liquidation commencement date
- D 75 days from the liquidation commencement date

Q.39. Can Asset Memorandum be made accessible to the creditors of corporate debtor during the course of liquidation:

- A Yes, Asset Memorandum can be made accessible to the creditors of corporate debtor during the course of liquidation
- B No, Asset Memorandum cannot be made accessible to the creditors of corporate debtor during the course of liquidation, unless permitted by the Adjudicating Authority
- C Yes, Asset Memorandum can be made accessible only to financial creditors during the course of liquidation

- D** No, Asset Memorandum cannot be made accessible to the creditors of corporate debtor during the course of liquidation, unless permitted by the Committee of Creditors

Q.40. Which of the following report shall be prepared by the liquidator pursuant to the sale of assets of corporate debtor:

- A** Asset Memorandum
B Asset Report
C Asset Sale Report
D Asset Sale Memorandum

Q.41. Within what time period shall the liquidator intimate the creditors about the sale of his secured assets:

- A** within 7 days of receipt of intimation from the secured creditor
B within 21 days of receipt of intimation from the secured creditor
C within 30 days of receipt of intimation from the secured creditor
D within 75 days of receipt of intimation from the secured creditor

Q.42. In which bank shall the liquidator open a bank account of the corporate debtor under the liquidation process:

- A** Any Bank
B Any Commercial Bank
C Any Scheduled Bank
D Any Nationalised Bank

Q.43. What is the admissible time period within which liquidator shall liquidate the corporate debtor:

- A** No prescribed time period
B 1 Year
C 2 Years
D 5 Years

Q.44. What is the prescribed time period after which the unclaimed amount under the Companies Liquidation Account will be transferred to the general revenue account of Central government:

- A 5 Years
- B 10 Years
- C 15 Years
- D 20 Years

Q.45. Who among the following shall be appointed as Registered Valuers:

- A. a relative of the liquidator
- B. a related party of the corporate debtor
- C. an auditor of the corporate debtor
- D. any person who is not a partner or director of the insolvency professional entity of which the liquidator is a partner or director.

ANSWER SHEET

INSOLVENCY AND BANKRUPTCY CODE, 2016

Liquidation Process and Regulations

SECTION - I

Liquidation Process (Section 33- 54)

<u>Q.</u>	<u>Ans.</u>	<u>Q.</u>	<u>Ans.</u>
1.	C	21.	C
2.	A	22.	A
3.	B	23.	C
4.	A	24.	B
5.	C	25.	D
6.	D	26.	D
7.	C	27.	C
8.	D	28.	B
9.	C	29.	D
10.	A	30.	A
11.	D	31.	C
12.	A	32.	B
13.	B	33.	B
14.	B	34.	C
15.	C	35.	D
16.	D	36.	A
17.	A	37.	B
18.	B	38.	D
19.	A	39.	C
20.	C	40.	A

SECTION - II
**Insolvency and Bankruptcy Board of India (Liquidation
Process) Regulations, 2016**

<u>Q.</u>	<u>Ans.</u>		<u>Q.</u>	<u>Ans.</u>
	1.	A	23.	A
	2.	B	24.	C
	3.	B	25.	B
	4.	A	26.	A
	5.	C	27.	D
	6.	B	28.	A
	7.	D	29.	C
	8.	B	30.	D
	9.	B	31.	D
	10.	D	32.	B
	11.	B	33.	A
	12.	C	34.	C
	13.	A	35.	A
	14.	B	36.	B
	15.	C	37.	A
	16.	A	38.	D
	17.	C	39.	B
	18.	A	40.	C
	19.	B	41.	B
	20.	C	42.	C
	21.	C	43.	C
	22.	D	44.	C
			45.	D

