

# Indicative MCQs for Limited Insolvency Examination

*SERIES - 7*

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# THE INSOLVENCY AND BANKRUPTCY CODE, 2016

## *Voluntary Liquidation of Corporate Persons*

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**Q.1. How many partners are required to give a declaration for initiating voluntary liquidation of a limited liability partnership:**

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- A Declaration from all the partners is required
  - B Declaration from majority of partners is required
  - C Declaration from all designated partners is required
  - D Declaration from majority of designated partners is required
- 

**Q.2. How many years' financial statements are required to be annexed to the declaration for initiating voluntary liquidation:**

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- A Previous 2 years or the period since incorporation whichever is later
  - B Previous 2 years or the period since incorporation whichever is prior
  - C Previous 3 years or the period since incorporation whichever is later
  - D Previous 5 years or the period since incorporation whichever is later
- 

**Q.3. Within how many weeks of giving the declaration for initiating voluntary liquidation proceedings, shall the resolution be passed for appointment of an insolvency professional as a liquidator:**

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- A 5 weeks
- B 4 weeks
- C 3 weeks
- D 2 weeks

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**Q.4. Where the corporate person owes any debt to any person, creditors representing \_\_\_\_\_ in value of its debt shall approve the resolution for appointment of insolvency professional to act as a liquidator:**

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- A 1/3<sup>rd</sup>
- B 2/3<sup>rd</sup>
- C 3/4<sup>th</sup>
- D 1/4<sup>th</sup>

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**Q.5. Within how many days of passing of the resolution for appointment of liquidator shall the approval of creditors representing two-thirds of value of debt be obtained:**

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- A 7 days
- B 14 days
- C 21 days
- D 28 days

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**Q.6. To which of the following authorities shall intimation be sent of passing of the resolution for appointment of the liquidator:**

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- A The Insolvency and Bankruptcy Board of India (IBBI) only
- B Registrar of Companies (ROC) only
- C National Company Law Tribunal (NCLT)
- D The Insolvency and Bankruptcy Board of India (IBBI) and Registrar of Companies (ROC)

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**Q.7. Within how many days after passing of the resolution for appointment of the liquidator shall intimation be sent to the Registrar and the Board:**

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- A 30 days
- B 21 days
- C 14 days

**D** 7 days

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**Q.8. Which of the following statements is false:**

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- A** A person eligible to be appointed as a liquidator shall be considered independent if he is eligible to be appointed as an independent director under Section 149 of Companies Act, 2013 if the corporate person is a company.
- B** A person eligible to be appointed as a liquidator shall be considered independent if he is not a related party of the corporate person.
- C** A person eligible to be appointed as a liquidator shall be considered independent if he has been an employee or proprietor or partner of a firm of auditors.
- D** A person eligible to be appointed as a liquidator shall be considered independent if he has not been an employee or proprietor or partner of legal firm contributing 10% or more of the gross turnover of such firm.

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**Q.9. Within how many days from the liquidation commencement date shall the preliminary report be submitted by the liquidator:**

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- A** 60 days
- B** 45 days
- C** 30 days
- D** 15 days

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**Q.10. The liquidator shall not engage a professional who has served as an auditor to the corporate person at any time during \_\_\_\_\_ years preceding the liquidation commencement date:**

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- A** 5 years
- B** 4 years
- C** 3 years
- D** 2 years

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**Q.11. In which form shall a public announcement be made by the liquidator:**

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- A Form A of Schedule II to the Regulations
- B Form B of Schedule I to the Regulations
- C Form A of Schedule I to the Regulations
- D Form B of Schedule II to the Regulations

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**Q.12. Within how many days of his appointment shall the public announcement be made by the liquidator:**

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- A 10 days
- B 5 days
- C 7 days
- D 14 days

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**Q.13. The public announcement given by the liquidator shall provide the last date for submission of claim, which shall be:**

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- A 45 days from the liquidation commencement date
- B 30 days from the liquidation commencement date
- C 15 days from the liquidation commencement date
- D 60 days from the liquidation commencement date

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**Q.14. In which of the following sources a public announcement is not required to be published:**

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- A One English newspaper
- B Website of the corporate person
- C Website of Insolvency Professional Agency
- D Website designated by the Board for this purpose

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**Q.15. In which form shall a claim be submitted by an Operational Creditor other than workman or an employee:**

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- A** Form A of Schedule II to the Regulations
- B** Form B of Schedule I to the Regulations
- C** Form B of Schedule II to the Regulations
- D** Form A Schedule I to the Regulations

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**Q.16. In which form shall a claim be submitted by a Financial Creditor:**

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- A** Form B of Schedule II to the Regulations
- B** Form C of Schedule II to the Regulations
- C** Form C of Schedule I to the Regulations
- D** Form B of Schedule I to the Regulations

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**Q.17. In which mode shall a claim be submitted by a Financial Creditor:**

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- A** Registered Post
- B** Speed Post
- C** Courier
- D** Electronic Means

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**Q.18. Which of the following mode is not allowed for submission of claim by an Operational Creditor:**

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- A** In person
- B** Post
- C** Courier
- D** Electronic Means

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**Q.19. In which form shall a claim be submitted by a workman or employee of an Organisation:**

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- A** Form D of Schedule II to the Regulations

- B** Form C of Schedule I to the Regulations
- C** Form C of Schedule II to the Regulations
- D** Form D of Schedule I to the Regulations

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**Q.20. In which of the following form shall a claim be submitted by an authorised representative on behalf of numerous workmen or employees:**

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- A** Form E of Schedule II to the Regulations
- B** Form D of Schedule I to the Regulations
- C** Form D of Schedule II to the Regulations
- D** Form E of Schedule I to the Regulations

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**Q.21. In which of the following form shall a stakeholder other than a financial / operational creditor, employee or a workman may submit his claim:**

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- A** Form F of Schedule II to the Regulations
- B** Form F of Schedule I to the Regulations
- C** Form E of Schedule II to the Regulations
- D** Form E of Schedule I to the Regulations

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**Q.22. The claims denominated in foreign currency shall be valued in Indian currency at the official exchange rate as on \_\_\_\_\_:**

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- A** Date of commencement of financial year
- B** Liquidation commencement date
- C** First day of the month of the liquidation commencement date
- D** Date of filing of liquidation application to Adjudicating Authority

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**Q.23. Within how many days from the last date of submission of claims shall the claims be verified by the liquidator:**

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- A** 15 days
- B** 30 days



- C 45 days
- D 60 days

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**Q.24. Within how many days from the last date of receipt of claims shall the list of stakeholders be prepared by the liquidator:**

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- A 15 days
- B 30 days
- C 45 days
- D 60 days

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**Q.25. All the payments out of the account by the liquidator above Rs. \_\_\_\_\_ shall be made by cheques or through online banking transactions:**

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- A 1000
- B 2000
- C 3000
- D 5000

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**Q.26. Within how much time after the receipt of amount shall the proceeds from realisation be distributed to the stakeholders:**

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- A 1 month
- B 2 months
- C 3 months
- D 6 months

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**Q.27. Within how much time shall the liquidation process be completed by the liquidator:**

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- A 3 months
- B 6 months
- C 9 months
- D 12 months

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**Q.28. Within how much time shall the liquidator hold the meeting of the contributories of the corporate person in case voluntary liquidation process is not completed within 12 months:**

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- A 15 days
- B 30 days
- C 45 days
- D 60 days

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**Q.29. At what rate shall the interest be payable by a liquidator who retains any money which should have been paid by him in the Companies Liquidation Account:**

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- A 5%
- B 10%
- C 12%
- D 15%

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**Q.30. After how many years shall the unclaimed money of the Companies Liquidation Account be transferred to the general revenue account of the Central Government:**

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

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**Q.31. For how much time period shall the reports, registers and records be preserved by the liquidator after the dissolution of the corporate person:**

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- A 5 years
- B 8 years
- C 10 years
- D 15 years

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**Q.32. How much time period shall be given to the contributories to make payment of**

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**calls-in-arrears:**

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- A 15 days
- B 30 days
- C 45 days
- D 60 days

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**Q.33. Which Section of the Code deals with voluntary liquidation of corporate person:**

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- A Section 57
- B Section 58
- C Section 59
- D Section 60

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**Q.34. Under the voluntary liquidation of corporate persons, an affidavit from the majority of directors has to be given in which of the following cases:**

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- A Where full inquiry has been made into the affairs of the creditors and they have formed an opinion that either the company has no debt or that it will be able to pay its debts in full from the proceeds of assets to be sold in the voluntary liquidation
- B Where full inquiry has been made into the affairs of the company and they have formed an opinion that either the company has debt or it may pay its debts in full from the proceeds of assets to be sold in the voluntary liquidation
- C On the basis of assumptions they have formed an opinion that either the company has no debt or that it will be able to pay its debts in full from the proceeds of assets to be sold in the voluntary liquidation
- D Where full inquiry has been made into the affairs of the company and they have formed an opinion that either the company has no debt or that it will be able to pay its debts in full from the proceeds of assets to be sold in the voluntary liquidation

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**Q.35. The declaration from the Board of Directors in the voluntary liquidation of corporate persons shall be accompanied by which of the following documents:**

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- A Audited financial statements and record of business operations of the company for the previous three years or for the period since its incorporation, whichever is later.
- B Audited financial statements and record of business operations of the company for the previous two years or for the period since its incorporation, whichever is later.

- C Financial statements (audited/unaudited) and record of business operations of the company for the previous three years or for the period since its incorporation, whichever is later
- D Audited financial statements and record of business operations of the company for the previous three years or for the period since its incorporation, whichever is earlier.

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**Q.36. Within what time period from the date of giving of declaration by the directors of the company shall the Special Resolution for liquidation be passed:**

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- A 1 week
- B 2 weeks
- C 3 weeks
- D 4 weeks

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**Q.37. Who shall approve the resolution passed by the members of the liquidating company for its liquidation:**

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- A Creditors representing three fourth in the value of debt
- B Creditors representing two third in the value of debt
- C Creditors representing two third in the number
- D Creditors representing three fourth in number

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**Q.38. Within how many days creditors shall approve the resolution passed by the members of the liquidating company for its liquidation:**

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- A 5 DAYS
- B 15 DAYS
- C 7 DAYS
- D 30 DAYS

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**Q.39. Who has to notify the Registrar of Companies and IBBI regarding the passing of resolution by the members of liquidating company for its liquidation:**

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- A Liquidator of the Company
- B Company itself
- C Creditors of the Company

**D** Members of the Company

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**Q.40. To whom shall the liquidating company notify about the passing of resolution by the members for the liquidation:**

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- A** Registrar of the Company and Regional Director
- B** Insolvency and Bankruptcy Board of India (IBBI) and Regional Director
- C** Registrar of the Company and Insolvency and Bankruptcy Board of India (IBBI)
- D** Registrar of the Company

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**Q.41. Within how many days shall the notification be given to the Registrar of Companies and IBBI regarding the passing of resolution by the members of liquidating company for its liquidation:**

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- A** 5 DAYS
- B** 15 DAYS
- C** 7 DAYS
- D** 30 DAYS

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**Q.42. Within how many days shall the dissolution order be forwarded to the authority with which the corporate debtor is registered:**

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- A** 5 DAYS
- B** 14 DAYS
- C** 7 DAYS
- D** 30 DAYS

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**Q.43. When did the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017 came into force:**

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- A** 01 January, 2017
- B** 01 February, 2017
- C** 01 March, 2017
- D** 01 April, 2017

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## *Voluntary Liquidation of Corporate persons*

Q.     Ans.

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

Q.     Ans.

22.    B
23.    B
24.    C
25.    D
26.    D
27.    D
28.    A
29.    C
30.    C
31.    B
32.    A
33.    C
34.    D
35.    B
36.    D
37.    B
38.    C
39.    B
40.    C
41.    C
42.    B
43.    D