

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, December 2021

Course: Investment Law
Program: BBA LLB (Corp Law)
Course Code: CLCP4002

Semester: VII
Duration: 03 hrs.
Max. Marks: 100

Instructions: Attempt all questions. Read questions properly.

SECTION A
(Type the answers in test box)

Objective Type Questions/Definitions/fill in the blanks

5Q x2M=10 Marks

Q. No.		Marks	CO
1	Which of the following is a permissible scenario under the latest FDI policy of India, with respect to eligibility of investor and investment routes? (a) An investor in China wants to invest in the manufacturing sector through the automatic route. (b) An investor in Pakistan wants to invest in atomic energy sector in India through automatic or government approval route. (c) An investor in USA wants to invest in the sector of Chit Funds. (d) None of the above.	2	CO1
2	Which of the following is a non-debt instrument under the FEMA regulations? (a) Corporate Bonds. (b) Fully, compulsorily and mandatorily convertible debentures. (c) Government Bonds. (d) All the above.	2	CO1
3	Which of the following is not true with respect to 'issue price of shares' to Person Resident Outside India (PROI) as per the FDI Consolidated Policy 2020? (a) The price shall not be less than the price worked out as per SEBI guidelines, where it's a listed company. (b) The price shall not be less than the fair valuation of shares done by SEBI registered Merchant Banker, where its an unlisted company. (c) Fair valuation of shares is to be done on an arm's length basis. (d) The price may be less than the fair valuation of shares (where it's an unlisted company) in certain specific sectors.	2	CO1
4	Which of the following is not true for Foreign Direct Investment in E-Commerce sector in India? (a) The sectoral cap for FDI is at 100%. (b) Both- Inventory and Marketplace based-models of e-commerce are eligible to receive	2	CO1

	FDI in India. (c) Route for investing in e-commerce sector through FDI is totally 'Automatic'. (d) All of the above.		
5	The key differentiating factor between a private and a public company is: (a) A private company can have only 2 shareholders while a public company can have 7. (b) A private company cannot be listed on a stock exchange while a public company can. (c) A private company has restricted share transferability while a public company doesn't. (d) A private company cannot take loans from public financial institutions while a public company can.	2	CO1

SECTION B
(Scan and upload)

(Conceptual based question)

4Q x5M=20 Marks

Q. No.		Marks	CO
1	What is the difference between issued share capital and paid-up share capital of a company? Explain with an illustration.	5	CO2
2.	What are partly paid-up shares? Explain with an illustration.	5	CO2
3	What are brown field and green field investments? Explain in relation to the FDI policy.	5	CO2
4	What is meaning of foreign direct investment (FDI)? How is it different from overseas direct investment (ODI)?	5	CO2

SECTION-C
(Scan and upload)

(Descriptive/Analytical Questions)

2Qx10M=20 Mark

Q.No.		Marks	CO
1	Explain the construct of capital account and current account transactions under the FEMA regulations, with illustrations. OR What are the different forms of doing business in India? List the forms and explain the limited liability construct for each of the forms.	10	CO3
2	What are different routes of FDI? Also explain the construct of investment cap, sectoral guidelines and downstream investment.	10	CO3

SECTION-D

(Case Studies/ Application Based Questions)

(Scan and upload)

2Qx25M =50 Marks

Q.No.	<p style="text-align: center;"><u>Relevant Facts Hypothetical Transaction</u></p> <ol style="list-style-type: none"> 1. Silver Castro India Limited (“SCIL”) is a joint venture company incorporated under the Indian Companies Act, 2013 (“Act”). 2. The equity shareholding pattern of SCIL is of follows: <ol style="list-style-type: none"> 1. (i) Silver Group Company (“Silver”): 60% 2. (ii) Castro Dome Corporation (“CDC”): 40% 3. CDC is a corporate, incorporated in Japan. Silver is a company incorporated in India, and is also a subsidiary of Silver Inc, a US based corporation. 4. One of the main objects of SCIL, as per it’s Memorandum of Association is as follows: <p style="margin-left: 40px;"><i>“Trading of (including imports & exports) components for agricultural machinery, industrial vehicles, automotive, construction machinery, mining machinery etc., components and product for household fixtures & accessories, indirect materials such as grease, and raw materials i.e. plastic resins, ferrous & nonferrous metals to companies for reselling on a B2B basis.”</i></p> 	Marks	CO
1	What is the sector of SCIL? Explain the sectoral guidelines (as per the FDI policy) applicable to SCIL.	25	CO4
2	Is the investment of Silver and CDC in SCIL as per the FDI Policy? Explain. Also, if SCIL intends to incorporate a wholly owned subsidiary in India (WoS), what will be the FDI % in such a WoS? Explain.	25	CO4