Skillshort

Self-Study Preparation Pack

CS EXECUTIVE

Paper 3: Setting up of Business, Industrial and Labour Laws (SBILL)

Important Topics, Weightage & Question Frequency

For the December 2026 examination · Official split: Part I Setting up of Business 60 marks; Part II Industrial and Labour Laws 40 marks · Frequency based on the papers of Dec 2024, June 2025, Dec 2025 and June 2026

Official Part weightage | Lesson frequency in 4 papers | Labour Codes shift | Priority list

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This subject pack has 6 parts

1 Chapter-wise notes
2 Important topics & weightage
3 Past papers: trends & links
4 Mock tests + solutions
5 Chapter practice questions
6 Last-week plan & strategy

Prepared by Skillshort for self-study. Original explanations and questions; not an official ICSI publication. Items marked VERIFY should be checked against the latest official material.

1. Official weightage and paper structure

Part	Lessons	Marks	Questions
Part I – Setting up of Business	Lessons 1–13	**60**	Q1 case study (5 × 3), Q2 (5 × 3), Q3 (5 × 3), Q4 or Q4A (3-mark parts)
Part II – Industrial and Labour Laws	Lessons 14–23	**40**	Q5 case study (5-mark parts), Q6 or Q6A (4 × 5)

The Part split is printed in the ICSI syllabus. Within each Part there is no official lesson weightage, so the next table counts question parts in the last four papers.

2. Lesson frequency – Part I (Dec 2024 – June 2026)

Lesson	Dec 2024	June 2025	Dec 2025	June 2026	Weight in practice
1 Selection of business organisation	Control as a factor; joint Hindu family business	–	**Factors for choosing an entity**	**Why choose the right form**	★★ 1 part every paper
2 Companies	Name with "National" rejected	OPC promoter's participation; **SBO** VERIFY	Old company's objects; restriction in MOA	**MOA / AOA drafting care**; DIN; **private to public conversion**	★★★ 2 parts
3 LLP	**Partner's fraud**	**LLP set-up** at two locations; SBO in LLPs	**LLP with 21 branches**; partnership vs LLP	**Partner's fraud**; limited liability	★★★ 2 parts every paper
4 Startups	**Life cycle** of a start-up	**Angel-tax exemption**; SISFS vs CGSS	Entrepreneurship vs startup	**Unrecognised startup**	★★ 1–2 parts
5 MSME	Micro enterprise case	National SC-ST Hub	MSMED Act objectives	**Delayed payment to a micro unit**	★★ 1 part every paper
6 Conversion	–	–	–	Private to public	★
7 Non-corporate entities (trusts, societies, co-operatives, HUF)	Public trust; partnership deed vs trust deed	Housing society; **multi-State co-operative**	Farmers' society; public vs private trust	Trust income exempt (s.12) VERIFY	★★★ 2 parts
8 Financial services (NBFC, ARC, HFC, Nidhi, chit, MFI, payments bank)	**ARC case**; **chit fund**; IDF-NBFC; Nidhi; **NOF**	**HFC registration**; NBFC deregistration; Nidhi name rules	Chit fund in a slum; **payments bank**; **bank vs NBFC**; small finance NBFC	**NBFC start-up capital**; **50-50 principal-business test**; MFI; HFC	★★★ 3–4 parts every paper
9 Business collaborations (JV, SPV, multidisciplinary firm)	**Equity vs contractual JV**; contracts	**SPV**; new JV company	Collaborations; multidisciplinary firm; SPV vs company	Foreign collaborations	★★ 1–2 parts
10 Foreign company's BO / LO / PO / WOS	**US company's branch**	**Project office in A&N**; **closing a branch**	Hong Kong company (Land border – Press Note 3)	**Branch office remittance**; project office role	★★★ 1–2 parts every paper
11 Business outside India (ODI)	Location factors	Recent changes	–	**ODI in an unlimited-liability entity**	★★ 1 part
12 Industry-specific laws	–	–	Defence manufacturing licence	–	★

Lesson	Dec 2024	June 2025	Dec 2025	June 2026	Weight in practice
13 Registrations and licences	–	**FSSAI** for a home baker; PAN-Aadhaar; **Pollution NOC**	**Shops and Establishments**	Trade licence	★★ 1–2 parts

3. Lesson frequency – Part II

Lesson	Dec 2024	June 2025	Dec 2025	June 2026	Weight in practice
14 Constitution and labour	Government company workforce (Art. 14 / 16) VERIFY	**Begar (Art. 23)**	–	–	★
15 Need for Labour Codes	–	–	–	**Need and objectives of the Codes**	★
16 OSH Code (factories, contract labour)	**Contract labour case**	**Contract labour in coal transport**	Occupier's duty for **hazardous processes**	**Factory with 740 workers** VERIFY	★★★ 1–2 parts
17 IR Code (disputes, standing orders)	**Standing Orders matters**	–	**Trade union charter of demands**	Lay-off / retrenchment VERIFY	★★ 1 part
18 Code on Wages (wages, bonus)	**Minimum and maximum bonus**; delayed salary	**Set-on and set-off**	–	**Records and returns**	★★ 1 part
19 Code on Social Security (EPF, ESI, gratuity, maternity)	**Maternity benefit (100 women)**	**EPF withdrawal**; ESI coverage after growth; **nursing breaks and creche**	**Exempted PF trust**; **gratuity on retirement**; E.I. Court	**EPF for a trainee**; gratuity after 2 years VERIFY	★★★ 2–3 parts
20 Child and adolescent labour	–	–	–	**Adolescent in a shop**	★
21 Apprentices	**Novation (s.5)**	**Contract of apprenticeship**	**Graduate apprentice**	**Qualifications and contract**	★★ 1 part every paper
22 Simplification of returns	–	**First Schedule laws; 25-worker unit**	Definitions	–	★ 1 part
23 POSH Act	**s.14 penalties**	**ICC with no women employees**	**Local Committee**	**Interim measures**	★★ 1 part every paper

Part II answers were framed under the old Acts up to December 2025. From **June 2026** questions use the **Labour Codes** (in force 21 November 2025). Answer under the Code and mention the old Act in brackets.

TREND What this tells you

- **Financial services organisations** (NBFC, ARC, HFC, Nidhi, chit funds, payments banks) are the biggest Part I block – 10–12 marks.
- **LLP, foreign company offices and non-corporate entities** each give 5–8 marks every time.
- Part I has many short **"differentiate"** and **"explain"** parts of 3 marks – crisp 4–5 point answers.
- In Part II, **social security** (EPF, ESI, gratuity, maternity), **contract labour / OSH**, **apprentices** and **POSH** are asked every time.

4. Priority list

Priority	Topics	Why
★★★ Must do	Forms of business and selection factors; LLP (incorporation, partners' liability, conversion, SBO); NBFC registration, NOF and principal-business test; ARC, HFC, Nidhi, chit fund; foreign BO / LO / PO (FEMA rules, closure, Press Note 3); trusts, societies and co-operatives; OSH Code (factory, contract labour); Code on Social Security (EPF, ESI, gratuity, maternity); POSH Act; Apprentices Act	Asked in at least three of the four papers
★★ Important	OPC and s.8 company; startups (recognition, tax benefits, schemes); MSME definition and delayed payment; JV and SPV; ODI; FSSAI, Shops and Establishments, pollution consent; IR Code (strikes, lay-off, standing orders); Code on Wages (minimum wages, bonus)	One part in most papers
★ Do once	Conversion of entities; industry-specific laws; constitution and labour; need for Codes; child and adolescent labour; simplification of returns	Occasional