Skillshort

Self-Study Preparation Pack

CS EXECUTIVE

Paper 6: Economic, Commercial and Intellectual Property Laws (ECIPL)

Mock Test 1 – Full Paper with Model Answers

ICSI Syllabus 2022 pattern: 100 marks · 3 hours (+15 minutes' reading) · Part I Economic and Commercial Laws (60 marks) Q1–Q4 · Part II Intellectual Property Laws (40 marks) Q5–Q6 · all questions compulsory · internal choice in Q4/Q4A and Q6/Q6A · Original Skillshort questions, figures and dates verified in Python · Laws as amended up to 31 May 2026

Time: 3 hours | Max marks: 100 | Answer ALL questions | Model answers follow the paper

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This subject pack has 6 parts

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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.

Question Paper

Answer ALL questions. Cite the section, rule or regulation wherever possible.

Part I – Economic and Commercial Laws (60 marks)

Q1 Case study. Skyline Homes Pvt. Ltd. began selling flats in "Lotus Enclave", a 90-apartment project on 3,000 sq m of land in Pune, with an estimated cost of ₹120 crore. It advertised the project on social media before registering it with MahaRERA. It took 15% of the price as an advance from several buyers without a registered agreement for sale. Out of ₹40 crore collected, it moved ₹20 crore to another project. Possession, promised for March 2026, is now expected in March 2027, and one buyer, Neha, wants to withdraw.

(i) Is registration of "Lotus Enclave" compulsory? State the exemptions and the penalty for advertising without registration. **(3 marks)**

(ii) Was Skyline allowed to take a 15% advance? **(3 marks)**

(iii) Examine the transfer of ₹20 crore in the light of the separate-account rule. **(3 marks)**

(iv) What remedies does Neha have for the delay? **(3 marks)**

(v) Where can buyers complain, who decides compensation, and where does an appeal lie? **(3 marks)**

Q2 Examine the following under the Foreign Exchange Management Act, 1999 (3 marks each):

(a) Mr. Arora, a resident individual, remitted USD 1,80,000 in June 2025 for his daughter's tuition in Canada. In February 2026 he wants to remit USD 1,00,000 to buy a flat in Dubai.

(b) Ms. Iyer, resident, wants to gift USD 10,000 to her nephew, an NRI in Singapore.

(c) Mr. Shah wants to buy lottery tickets of a UK lottery online with his credit card.

(d) Mr. Brown, a UK citizen (not a person of Indian origin), retires from an Indian company and wants to remit his savings of USD 6,00,000 to the UK.

(e) A start-up received foreign investment and issued shares, but filed Form FC-GPR 4 months late.

Q3 Answer the following (3 marks each):

(a) State the FDI limits and routes for publishing newspapers, scientific journals and facsimile editions of foreign newspapers.

(b) Explain provisional attachment of property under s.5 of the Prevention of Money-laundering Act, 2002.

(c) Who cannot accept foreign contribution under s.3 of the Foreign Contribution (Regulation) Act, 2010?

(d) State the main fiscal benefits available to an SEZ unit.

(e) What is the financial commitment limit for overseas direct investment by an Indian entity, and which activities are prohibited?

Q4 Answer the following (3 marks each):

(a) Which horizontal agreements are presumed to have an appreciable adverse effect on competition?

(b) Give four examples of abuse of dominant position under s.4 of the Competition Act, 2002.

(c) When does a "deal value" combination have to be notified to the CCI? State the time limit for the CCI's decision.

(d) State the pecuniary jurisdiction of the consumer commissions.

(e) What is an "improvement notice" under the Legal Metrology Act, 2009?

OR Q4A Answer the following (3 marks each):

(a) When is a product manufacturer liable under s.84 of the Consumer Protection Act, 2019?

(b) Explain the liability of an endorser for a misleading advertisement.

(c) State the obligations of a reporting entity under the PMLA.

(d) Who is a status holder under the Foreign Trade Policy 2023?

(e) Explain the Export Promotion Capital Goods (EPCG) scheme.

Part II – Intellectual Property Laws (40 marks)

Q5 Case study. Kumar Spices registered the trade mark "MASALA KING" for spices; the application was filed on 15 June 2016. In 2025, Fresh Brew Ltd. started selling tea as "MASALA KINGG" in similar red packaging. Kumar Spices has not yet renewed its registration.

(i) By when must Kumar Spices renew its mark, and what happens if it misses the date? **(5 marks)**

(ii) Can Kumar Spices sue for infringement although tea and spices are different goods? **(5 marks)**

(iii) Explain the essentials of a passing-off action, with a case law. **(5 marks)**

(iv) What civil and criminal remedies are available? **(5 marks)**

Q6 Answer the following (5 marks each):

(a) What are the tests of patentability? Explain s.3(d) with the Novartis case.

(b) Explain compulsory licences under s.84 of the Patents Act, 1970.

(c) State the term of copyright for literary works, films and anonymous works.

(d) Who may apply for registration of a geographical indication? What is an authorised user?

OR Q6A Answer the following (5 marks each):

(a) What are the requirements for registering a design, and how long does registration last?

(b) Explain copyright in a computer programme and the fair-dealing exceptions available to its lawful owner.

(c) Distinguish pre-grant and post-grant opposition of a patent.

(d) State the main features of the TRIPS Agreement.

Model Answers

SOLUTION Q1 (i) Registration – s.3 of RERA, 2016

- No promoter may **advertise, market, book or sell** a plot, apartment or building in a planning area without registering the project with the RERA Authority.
- **Exemption** (s.3(2)): land area **not more than 500 sq m** or **not more than 8 apartments** in all phases; projects with completion certificate before the Act; renovation not involving marketing.
- Lotus Enclave has 3,000 sq m and 90 flats, so **registration is compulsory**.
- **s.59**: penalty up to **10% of estimated project cost** = up to **₹12 crore**; continued default – imprisonment up to **3 years** or a further fine up to 10%, or both.

SOLUTION Q1 (ii) Advance – s.13

- A promoter **shall not accept more than 10%** of the cost as advance or application fee without first entering into a **written agreement for sale** and **registering** it.
- Taking 15% is a breach; penalty under **s.61** up to **5% of estimated cost** (₹6 crore).

SOLUTION Q1 (iii) Separate account – s.4(2)(l)(D)

- **70%** of amounts realised from allottees must be kept in a **separate scheduled-bank account** and used only for **cost of construction and land** of that project. 70% of ₹40 crore = **₹28 crore** must stay in the account.
- Withdrawals must be in proportion to completion and certified by an **engineer, an architect and a practising CA (or CS/CMA)**; accounts audited annually.
- Moving ₹20 crore to another project breaches this rule – penalty under s.61 and the Authority may **revoke registration** (s.7).

SOLUTION Q1 (iv) Neha's remedies – s.18

- If the promoter fails to give possession by the agreed date, the allottee may **withdraw** and get a **refund with interest** at the prescribed rate (generally SBI's highest MCLR + 2%) VERIFY plus compensation; **or**
- **stay** in the project and receive **interest for every month of delay** till possession.

SOLUTION Q1 (v) Forum

- Complaint to the **RERA Authority** (s.31); **compensation** is decided by the **adjudicating officer** (ss.71–72).
- Appeal to the **Real Estate Appellate Tribunal within 60 days** (s.44); then to the **High Court within 60 days** (s.58).

SOLUTION Q2 FEMA cases

(a) Under the **Liberalised Remittance Scheme** a resident individual may remit up to **USD 2,50,000 per financial year** for permitted current or capital account purposes, including education and buying property abroad. Both remittances fall in FY 2025-26: 1,80,000 + 1,00,000 = **USD 2,80,000**, which is above the limit. Mr. Arora can remit only **USD 70,000** more under LRS; the excess needs RBI approval, or he must wait until April 2026. TCS also applies.

(b) A **gift to an NRI relative** is a permitted LRS remittance (within USD 2,50,000), so Ms. Iyer may send USD 10,000 through her AD bank. A rupee gift to the NRI relative's NRO account is also allowed within LRS.

(c) Remittance from **winnings of lottery** or **purchase of lottery tickets** is **prohibited** under Schedule I of the FEM (Current Account Transactions) Rules, 2000. Use of an international credit card does not change this.

(d) Under the **FEM (Remittance of Assets) Regulations, 2016**, a foreign national who has **retired from employment in India** may remit his **current income and savings** subject to taxes; remittance from sale of assets is capped at **USD 1 million per financial year** VERIFY. USD 6,00,000 is within the limit.

(e) FC-GPR must be filed within **30 days of issue of shares**. Late reporting is a contravention; it may be regularised by paying a **Late Submission Fee** to RBI, or by **compounding** under s.15. If neither, penalty under **s.13**: up to **three times the sum involved** (or ₹2 lakh where not quantifiable) plus ₹5,000 per day for continuing default.

SOLUTION Q3

(a) Newspapers and periodicals on news and current affairs – **26%, government route**; Indian editions of foreign magazines on news – 26%, government route; **scientific/technical/specialty journals** – **100%, government route**; **facsimile edition** of foreign newspapers – **100%, government route** VERIFY.

(b) The Director (or Deputy Director authorised) who has reason to believe that a person holds **proceeds of crime** likely to be concealed may provisionally **attach** it by order for **180 days**. A copy goes to the Adjudicating Authority, which must confirm or release it within 180 days (s.8). Attachment needs a report under s.173 CrPC/BNSS for the scheduled offence, except in urgent cases.

(c) Candidates for election; **journalists**, editors, owners and publishers of newspapers and news broadcasters; **judges**, government servants and employees of government-controlled bodies; **members of legislature**; **political parties** and their office-bearers; organisations of a political nature notified by the Government; persons in audio/audio-visual news; persons notified by the Government.

(d) Duty-free import and domestic procurement of goods; exemption from **IGST** on supplies (zero-rated); exemption from state levies as per state policy; external commercial borrowing up to USD 500 million a year without maturity restriction VERIFY; the income-tax deduction under s.10AA is **not available to units starting operations after 31 March 2020**.

(e) Total financial commitment in all foreign entities ≤ **400% of net worth** as per the last audited balance sheet. Prohibited: **real-estate business**, **gambling** or betting, and dealing in **financial products linked to the Indian rupee** without RBI approval; ODI must not create a structure with more than two layers of subsidiaries (round-tripping limits).

SOLUTION Q4

(a) Under **s.3(3)** agreements between enterprises in **identical or similar trades** that (i) **fix prices**, (ii) **limit or control production**, supply, markets, technical development or investment, (iii) **share markets** by area, goods or customers, or (iv) result in **bid rigging** – are presumed to cause an appreciable adverse effect. Joint ventures that increase efficiency are excluded.

(b) Imposing **unfair or discriminatory prices** (including predatory pricing); **limiting production** or technical development; **denying market access**; making contracts subject to **unconnected supplementary obligations**; using dominance in one market to **enter or protect another** market.

(c) Since 10 Sept 2024 an acquisition with **deal value above ₹2,000 crore** must be notified if the target has **substantial business operations in India**, even if asset/turnover thresholds are not met. The CCI forms a prima facie opinion within **30 days**; the overall time limit is **150 days**, failing which the combination is deemed approved.

(d) District: up to **₹50 lakh** of consideration paid; **State**: above ₹50 lakh up to **₹2 crore**; **National**: above **₹2 crore** (Consumer Protection (Jurisdiction) Rules, 2021).

(e) After the **Jan Vishwas (Amendment of Provisions) Act** VERIFY, a first-time contravention of certain provisions may be met with an **improvement notice** giving time to comply, instead of a fine; fines apply for repeat contraventions. This reduces the criminal burden on traders.

SOLUTION Q4A

(a) A manufacturer is liable if the product has a **manufacturing defect**, is **defective in design**, **deviates from specifications**, **does not conform to an express warranty**, or **fails to carry adequate instructions or warnings**. Liability applies even if the manufacturer was not negligent.

(b) Under **s.21**, the CCPA may impose on an endorser a penalty up to **₹10 lakh** (₹50 lakh for repeat) and **prohibit** the endorser from endorsing for up to **1 year** (3 years for repeat). No penalty if the endorser exercised **due diligence** to verify the claims. Influencers must also disclose material connections.

(c) Maintain **records of all transactions** (cash > ₹10 lakh, suspicious transactions) for **5 years**; furnish reports to **FIU-IND** (CTR monthly; STR within **7 days** of forming suspicion); verify **identity of clients and beneficial owners** (KYC); keep identity records for 5 years after the business relationship ends.

(d) An exporter recognised by DGFT on the basis of export performance (in USD) in the current and previous three years: **One Star** to **Five Star** export houses. Benefits include **self-certification**, priority clearance and exemption from bank guarantee. Exports by MSMEs and certain sectors get double weightage VERIFY.

(e) Allows **import of capital goods at zero customs duty** for pre-production, production and post-production, subject to an **export obligation of 6 times the duty saved** within **6 years** from authorisation. Domestic sourcing gets a reduced obligation.

SOLUTION Q5 (i) Renewal – s.25 of the Trade Marks Act, 1999

- A registration lasts **10 years** from the **date of application** – here **15 June 2026** – and is renewable for 10 years at a time.
- Renewal may be filed **6 months before expiry** (from 15 Dec 2025).
- If missed, the Registrar issues a notice; renewal is still possible **within 6 months after expiry** with a **surcharge** (till 15 Dec 2026).
- If not renewed the mark is **removed**; it may be **restored within 1 year** of expiry (till 15 June 2027) on payment of fees. Kumar Spices should renew at once; it can still sue as the registered owner during the grace period VERIFY.

SOLUTION Q5 (ii) Infringement – s.29

- Infringement normally needs a similar mark on **similar goods**. Under **s.29(4)** a mark is infringed even for **dissimilar goods** if it has a **reputation in India** and the use without due cause **takes unfair advantage** or is **detrimental** to its distinctive character or repute.
- "MASALA KINGG" is deceptively similar and the trade dress copies the red packaging. If Kumar shows reputation, it may sue for infringement; otherwise for **passing off**.

SOLUTION Q5 (iii) Passing off

- A common-law action protecting **goodwill** (saved by s.27(2)). Essentials (the "classical trinity"): **goodwill** in the mark; **misrepresentation** by the defendant leading the public to believe its goods are the plaintiff's; **damage** or likely damage to goodwill.
- **Cadila Health Care v. Cadila Pharmaceuticals (2001)**: factors – nature of marks, degree of similarity, nature of goods, class of buyers, mode of purchase. Registration is not needed.

SOLUTION Q5 (iv) Remedies

- **Civil (s.135)**: **injunction** (including interim and ex parte), **damages or account of profits**, **delivery-up** of infringing labels for destruction; suit in a District Court where the plaintiff resides or carries on business (s.134).
- **Criminal**: falsifying or falsely applying a mark (s.103) and selling goods with a false mark (s.104) – imprisonment **6 months to 3 years** and fine **₹50,000 to ₹2 lakh**; police may search and seize (s.115).

SOLUTION Q6

(a) An invention must be **novel**, involve an **inventive step** (not obvious to a person skilled in the art), and be **capable of industrial application**; it must not fall in ss.3 or 4. **s.3(d)** excludes a **new form of a known substance** unless it shows **enhanced efficacy**. In **Novartis AG v. Union of India (2013)** the Supreme Court refused a patent for the beta-crystalline form of imatinib, as therapeutic efficacy was not enhanced.

(b) After **3 years from grant**, any interested person may apply to the Controller if (i) **reasonable requirements of the public** are not satisfied, (ii) the invention is not available at a **reasonably affordable price**, or (iii) it is **not worked in India**. The Controller considers the nature of the invention, the applicant's ability and efforts to get a voluntary licence. **Natco v. Bayer (2012)** – first compulsory licence (Nexavar). Revocation for non-working may follow under s.85 two years after the first licence.

(c) Literary, dramatic, musical and artistic works: **life of the author + 60 years**; **films, sound recordings, photographs, anonymous and pseudonymous works, posthumous works and works of government**: **60 years** from the beginning of the calendar year after **publication**.

(d) Any **association of persons, producers, organisation or authority** representing the interest of the producers may apply. An **authorised user** is a producer who applies to be registered as such; only registered proprietors and authorised users may use the GI. Registration lasts **10 years**, renewable.

SOLUTION Q6A

(a) The design must be **new or original**, **not disclosed** to the public anywhere before filing, **significantly distinguishable** from known designs, applied to an **article** and judged by the eye, and not contain scandalous matter. Term: **10 years**, extendable once by **5 years** (total 15).

(b) A computer programme is a **literary work** (s.2(o)); the owner has the exclusive right to **sell or rent** copies (s.14(b)). Under **s.52(1)(aa)–(ad)** the lawful possessor may make **back-up copies**, copy to use it for its purpose, observe/study/test its functioning, and do acts needed for **interoperability**.

(c) Pre-grant (s.25(1)): by **any person**, after publication and before grant, on the grounds in s.25(1). **Post-grant (s.25(2))**: only by a **person interested**, within **one year** of publication of grant, heard by an Opposition Board.

(d) Minimum standards for copyright, trade marks, GI, designs, patents, layout designs and undisclosed information; **national treatment** and **MFN**; **enforcement** obligations (civil, criminal, border measures); WTO **dispute settlement**; transition periods for developing countries; patent term 20 years.