Skillshort

Self-Study Preparation Pack

CS EXECUTIVE

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

Mock Test 2 – 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. Ramesh bought an electric scooter from VoltRide Motors Ltd. for ₹1.6 lakh after watching a video by a well-known influencer calling it "100% fireproof". Three months later the battery caught fire while charging; Ramesh was injured and his garage was damaged. He claims ₹60 lakh, including medical costs and loss of income. VoltRide says the fire was caused by a local charger. Several similar fires have been reported across India.

(i) Is Ramesh a "consumer"? Which commission should he approach, and within what period? **(3 marks)**

(ii) Can VoltRide be held liable under product liability? **(3 marks)**

(iii) Is the influencer liable for the "100% fireproof" claim? **(3 marks)**

(iv) What can the Central Consumer Protection Authority do about the many fires? **(3 marks)**

(v) State the appeal route and time limits from the commission's order. **(3 marks)**

Q2 Examine the following (3 marks each):

(a) A foreign retailer wants to open multi-brand retail stores in India with 51% FDI.

(b) A foreign investor wants to acquire 80% of an Indian defence manufacturer.

(c) A Hong Kong company whose beneficial owner is a Chinese citizen wants to invest in an Indian fintech company.

(d) An Indian company received share-application money from a foreign investor on 1 April 2026 but has not allotted shares by 15 June 2026.

(e) An exporter shipped goods on 1 January 2026 and has not yet received payment.

Q3 Answer the following (3 marks each):

(a) An NGO registered under the FCRA received ₹50 lakh of foreign contribution in 2025-26 and spent ₹12 lakh on administrative expenses. Examine.

(b) Can an FCRA-registered NGO transfer foreign contribution to another registered NGO?

(c) Explain the approval mechanism for setting up an SEZ.

(d) State the procedure and the rights of the person whose property is confirmed as attached under the PMLA.

(e) What is "round tripping" in overseas investment, and how do the 2022 rules deal with it?

Q4 Answer the following (3 marks each):

(a) State the composition of the Competition Commission of India and the term of its members.

(b) Explain the lesser-penalty (leniency) provision under s.46.

(c) X Ltd. agrees to acquire Y Pvt. Ltd., an Indian software firm with a large Indian user base, for ₹2,500 crore. Neither party meets the asset or turnover thresholds. Must the deal be notified?

(d) What is an "ongoing project" under the Real Estate (Regulation and Development) Act, 2016?

(e) Why is approval of model required under the Legal Metrology Act, 2009?

OR Q4A Answer the following (3 marks each):

(a) State the declarations required on pre-packaged commodities.

(b) Explain the role of the Appellate Tribunal under the PMLA.

(c) Explain mediation under the Consumer Protection Act, 2019.

(d) What is "unfair trade practice"? Give four examples.

(e) Explain compounding of contraventions under s.15 of FEMA.

Part II – Intellectual Property Laws (40 marks)

Q5 Case study. Dr. Rao of Hyderabad invented a low-cost arsenic-removing water filter. She filed a patent application with a provisional specification on 1 February 2025. A US company wants to license the invention, and Dr. Rao also wants to file in the US. A rival firm says the invention is obvious.

(i) By when must she file the complete specification, and what if she does not? **(5 marks)**

(ii) When will the application be published, and when must she request examination? **(5 marks)**

(iii) Can she file directly in the US? **(5 marks)**

(iv) What is the term of the patent, and what continuing obligations will she have after grant? **(5 marks)**

Q6 Answer the following (5 marks each):

(a) Explain the registration and functions of a copyright society.

(b) State the rules on assignment of copyright under s.19.

(c) What is piracy of a registered design, and what is the penalty?

(d) What is a well-known trade mark? How is it determined?

OR Q6A Answer the following (5 marks each):

(a) Distinguish a geographical indication from a trade mark.

(b) State the objectives of the National IPR Policy, 2016.

(c) State five acts which are not infringement of copyright under s.52.

(d) Distinguish absolute and relative grounds for refusal of a trade mark.

Model Answers

SOLUTION Q1 (i) Consumer and forum

- Ramesh **bought goods for consideration** for personal use, so he is a **consumer** (s.2(7)). The deficiency is a **defect** in goods.
- Pecuniary jurisdiction depends on the **consideration paid** (2021 Rules), not the claim. He paid ₹1.6 lakh, so the **District Commission** has jurisdiction (up to ₹50 lakh). The ₹60 lakh claim of compensation does not move the case to the State Commission VERIFY.
- He may file where he **resides or works** (s.34), including e-filing, within **2 years** of the cause of action (s.69).

SOLUTION Q1 (ii) Product liability – Chapter VI

- A **product liability action** lies for harm caused by a defective product (s.82). The manufacturer is liable (s.84) for a **manufacturing defect**, **design defect**, deviation from specifications, breach of **express warranty** ("fireproof") or **lack of adequate warnings**, even without negligence.
- Exception (s.87): misuse, alteration or modification of the product. VoltRide must prove that the local charger caused the fire; similar fires across India point to a defect.

SOLUTION Q1 (iii) Influencer

- "100% fireproof" is a **misleading advertisement** (s.2(28)). Under **s.21(3)** the CCPA may impose on the **endorser** a penalty up to **₹10 lakh** (₹50 lakh for later contraventions) and ban endorsements for up to **1 year** (3 years).
- Defence (s.21(5)): the endorser exercised **due diligence** to verify the claim. CCPA's endorsement guidelines also require disclosure of the paid tie-up.

SOLUTION Q1 (iv) CCPA powers

- **Inquire or investigate** violations of consumer rights (s.19).
- **Recall** goods that are dangerous, **refund** the price and **discontinue** the practice (s.20).
- Issue **safety notices** to alert consumers; impose penalties on manufacturers for misleading ads (₹10 lakh / ₹50 lakh; s.21) and file class-action complaints.

SOLUTION Q1 (v) Appeals

- District → **State Commission within 45 days** (s.41).
- State (original) → **National Commission within 30 days** (s.51).
- National (original) → **Supreme Court within 30 days** (s.67). A second appeal from State to National lies only on a substantial question of law.
- The appellant must deposit **50%** of the amount ordered (₹25,000 cap at District level) VERIFY.

SOLUTION Q2

(a) Multi-brand retail trading: up to **51%, government route**, with conditions – minimum FDI **USD 100 million**, at least **50%** in **back-end infrastructure** within 3 years, **30%** sourcing from Indian small industries; subject to state government's policy VERIFY.

(b) Defence: up to **74%** under the **automatic route**; beyond 74% (here 80%) through the **government route** where it results in access to modern technology. A security clearance is required.

(c) Under **Press Note 3 (2020)**, an entity of a country sharing a **land border with India**, or where the **beneficial owner** is situated in or is a citizen of such a country, can invest only under the **government route**. A Hong Kong company owned by a Chinese citizen needs government approval even for fintech.

(d) Shares must be issued within **60 days** of receipt; otherwise the money must be **refunded within 15 days** after the 60 days (i.e. by 15 June 2026). The company is late; it must refund (or allot after compounding) and faces penalty under FEMA s.13 VERIFY.

(e) Export value must be **realised and repatriated within 15 months** from shipment (FEM Export of Goods and Services Regulations as amended in 2025). Payment for the 1 January 2026 shipment is due by **1 April 2027**; till then no breach. Extension may be sought from the AD bank.

SOLUTION Q3

(a) Under s.8(1), not more than **20%** of foreign contribution received in a year may be spent on **administrative expenses**. 12/50 = **24%**, above the limit. The excess of ₹2 lakh (24% − 20%) is a contravention; spending over 20% needs **prior approval of the Central Government**.

(b) No. After the 2020 amendment, s.7 **prohibits transfer** of foreign contribution to any other person, even a registered NGO.

(c) A developer submits a proposal to the **State Government**, which forwards it to the **Board of Approval** (BoA) with its recommendation within 45 days; the BoA may approve; the Central Government grants a **Letter of Approval** and **notifies** the area as an SEZ (s.4) after the developer identifies the area. Units are approved by the **Development Commissioner** / Unit Approval Committee.

(d) The Adjudicating Authority issues a notice (s.8) giving at least **30 days** to show the source of income and why the property should not be confiscated; after hearing it confirms or releases. Confirmed attachment continues during trial; the property is **confiscated** on conviction (s.8(5)) or released on acquittal. The person may appeal to the **Appellate Tribunal within 45 days** and then to the High Court within 60 days.

(e) Round tripping is routing Indian money abroad and back to India through a foreign entity to disguise its origin. Under the **FEM (Overseas Investment) Rules, 2022**, ODI in a foreign entity that has invested in India is allowed only if the structure has **no more than two layers** of subsidiaries; tax-evading structures are prohibited.

SOLUTION Q4

(a) A **Chairperson** and **not less than 2 and not more than 6 members**, appointed by the Central Government on recommendation of a Selection Committee. Term **5 years**; age limit **65 years**; not eligible for reappointment VERIFY.

(b) A party to a **cartel** that makes **full, true and vital disclosure** may get a lower penalty. **Leniency plus** (2023 amendment) gives additional reduction for disclosing another cartel. The first applicant may get up to **100%** reduction; later ones up to 50% and 30%.

(c) Yes. Under **s.5(d)** (2023 amendment), a transaction with **deal value above ₹2,000 crore** must be notified if the target has **substantial business operations in India**. A software firm with a large Indian user base meets that test, so X Ltd. must notify the CCI before completing; the CCI has **150 days** to decide.

(d) A project that started before the Act and where the **completion certificate** was not issued on the date the Act came into force (1 May 2017) VERIFY. Ongoing projects had to be registered within **3 months**.

(e) Every manufacturer or importer of a **weight or measure** must obtain **approval of its model** from the Director (Legal Metrology) before making or selling it (s.22). This ensures accuracy; the model is tested by a Government laboratory, and models approved under **OIML** certificates may get faster approval.

SOLUTION Q4A

(a) Name and address of the manufacturer/packer/importer; **common name** of the commodity; **net quantity**; **month and year of manufacture**; **MRP** (inclusive of all taxes); **consumer care** details; best-before date where relevant; unit sale price VERIFY.

(b) The **Appellate Tribunal** (the SAFEMA/ATFE) hears appeals against orders of the Adjudicating Authority, within 45 days; it may confirm, modify or set aside. Appeals from it go to the **High Court within 60 days** on a question of law.

(c) At the first hearing, or later, the commission may refer the dispute to **mediation** with the written consent of both parties. The **mediation cell** attached to each commission settles disputes within 3 months; the settlement is recorded as an order. Cases involving serious fraud or criminal offence are excluded.

(d) A trade practice that uses an unfair method or **deceptive** practice to promote sale. Examples: false representation of quality or **sponsorship**; **misleading** price offers; **bait advertising**; hoarding to raise price; refusing to take back defective goods; not issuing a **bill**; disclosing personal information.

(e) Any contravention under s.13 (except s.3(a) hawala) may be **compounded** by the RBI or ED on an application, within **180 days**. Once compounded no further proceedings. A contravention cannot be compounded again within **3 years** of a previous compounding VERIFY.

SOLUTION Q5 (i) Complete specification – s.9

- The **complete specification** must be filed within **12 months** of the provisional – by **1 February 2026**.
- If not filed, the application is **deemed abandoned**.

SOLUTION Q5 (ii) Publication and examination

- Publication after **18 months** from the date of filing or priority – about **1 August 2026**; early publication may be requested.
- Request for examination within **31 months** – by **1 September 2027**; otherwise deemed withdrawn VERIFY.

SOLUTION Q5 (iii) Foreign filing – s.39

- A **resident of India** cannot file abroad without first filing in India or obtaining **permission** from the Controller (foreign filing licence).
- Having filed in India, she must wait **6 weeks** with no secrecy direction before filing in the US. She may claim **Paris Convention** priority (12 months) or use the **PCT** route.

SOLUTION Q5 (iv) Term and obligations

- Term: **20 years from the date of filing** – until **1 February 2045**, subject to **annual renewal fees**.
- She must file a **statement of working** (Form 27) **once in three years** VERIFY; a **licence** to the US company must be **in writing and registered**.
- Non-working may lead to **compulsory licence** after 3 years and revocation.

SOLUTION Q6

(a) A **copyright society** registered with the Central Government (s.33) administers rights of owners: **issue licences**, **collect fees**, **distribute** them, after deducting expenses. Only one society for each class of works. Its tariff scheme is published (s.33A). Owners have a say in distribution.

(b) Assignment must be **in writing** signed by the assignor; it must state the rights, **duration** and **territory**. If duration is not stated it is **5 years**, and if territory is not stated, **India**. If the assignee does not exercise the rights within **1 year**, the assignment is deemed terminated.

(c) Piracy (s.22): applying a registered design or its imitation to an article for sale, or importing such articles, without consent. Penalty: up to **₹25,000** per contravention, total not more than **₹50,000** recoverable as a contract debt. Alternatively the proprietor may sue for **damages** and **injunction**.

(d) A mark which has become so well known to a **substantial segment of the public** that use on other goods would be taken to indicate a connection (s.2(1)(zg)). Factors (s.11(6)): knowledge among the relevant public, duration and area of use, promotion, registrations, record of enforcement. Registration is not necessary.

SOLUTION Q6A

(a)

Basis	GI	Trade mark
Identifies	Origin in a region	A trader
Owner	Producers' association	Individual/company
Assignable	**No**	Yes
Term	10 years	10 years

(b) Awareness of IPR; **generation** of IPR; **legal framework**; **administration and management**; **commercialisation**; **enforcement and adjudication**; **human capital development**. The slogan is "Creative India; Innovative India".

(c) Fair dealing for private study, research, criticism or review; reporting current events; reproduction for **judicial proceedings**; reading in public of extracts; performance by an **amateur club**; making **back-up copies** of computer programmes.

(d) Absolute (s.9): no distinctive character; descriptive; customary; deceptive; hurts religious feelings; scandalous; shape of goods. **Relative (s.11)**: identity or similarity with an **earlier mark** for similar goods causing confusion; similarity with a **well-known** mark.