Skillshort

Self-Study Preparation Pack

CS EXECUTIVE

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

Chapter-wise Practice Questions with Answers

Quick-check MCQs for all 17 lessons (a self-test only – the CS Executive paper is fully descriptive) and exam-style descriptive questions with model answers · Laws as amended up to 31 May 2026

34 quick-check MCQs | 12 descriptive questions | Sections, limits and time periods

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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.

How to use this set

EXAM TIP **Do the MCQs first as a recall check. Then write each descriptive answer in 5 minutes for 3 marks and 9 minutes for 5 marks: section → limit or time period → application to facts → conclusion with authority and remedy.**

1. FEMA

1. The LRS limit for a resident individual per financial year is:

(a) USD 1,00,000
(b) USD 2,50,000
(c) USD 5,00,000
(d) USD 1 million

2. Contravention of FEMA is:

(a) a criminal offence punishable with imprisonment
(b) a civil wrong punishable with penalty
(c) non-compoundable
(d) tried by a Sessions Court

2. FDI

3. FDI from an entity whose beneficial owner is in a country sharing a land border with India requires:

(a) automatic route
(b) government route
(c) only RBI reporting
(d) SEBI approval

4. FDI in defence under the automatic route is allowed up to:

(a) 49%
(b) 51%
(c) 74%
(d) 100%

3. ODI

5. The financial commitment of an Indian entity for ODI is limited to:

(a) 100% of net worth
(b) 200% of net worth
(c) 400% of net worth
(d) no limit

6. Which ODI is prohibited?

(a) IT services company abroad
(b) Real-estate business abroad
(c) Manufacturing unit abroad
(d) Hotel construction abroad

4. Foreign Trade Policy

7. The export obligation under EPCG is:

(a) 6 times duty saved in 6 years
(b) 8 times duty saved in 8 years
(c) 4 times in 4 years
(d) equal to duty saved

8. Status holders under FTP 2023 are recognised as:

(a) Export Houses One Star to Five Star
(b) Trading Houses only
(c) EOUs
(d) SEZ units

5. SEZ

9. An SEZ is notified by:

(a) the State Government
(b) the Central Government
(c) the Development Commissioner
(d) the Board of Approval

10. A unit in an SEZ is approved by:

(a) the Board of Approval
(b) the Development Commissioner / Approval Committee
(c) RBI
(d) DGFT

6. FCRA

11. Administrative expenses out of foreign contribution may not exceed:

(a) 10%
(b) 20%
(c) 30%
(d) 50%

12. FCRA registration is valid for:

(a) 3 years
(b) 5 years
(c) 10 years
(d) permanent

7. PMLA

13. Provisional attachment under s.5 lasts up to:

(a) 90 days
(b) 120 days
(c) 180 days
(d) 1 year

14. Suspicious transaction reports go to:

(a) RBI
(b) Enforcement Directorate
(c) FIU-IND
(d) SEBI

8. Competition Law

15. The deal-value threshold for combinations is:

(a) ₹500 crore
(b) ₹1,000 crore
(c) ₹2,000 crore
(d) ₹5,000 crore

16. Which is presumed to have an appreciable adverse effect?

(a) Vertical exclusive supply
(b) Price fixing among competitors
(c) Resale price maintenance
(d) Refusal to deal

9. Consumer Protection

17. The State Commission's pecuniary jurisdiction is:

(a) up to ₹50 lakh
(b) above ₹50 lakh up to ₹2 crore
(c) above ₹2 crore
(d) up to ₹10 crore

18. Limitation period for a consumer complaint is:

(a) 1 year
(b) 2 years
(c) 3 years
(d) 6 months

10. Legal Metrology

19. Before manufacturing a weight or measure, one must obtain:

(a) a trade licence
(b) approval of model
(c) BIS mark only
(d) GST registration

20. "OIML" relates to:

(a) international legal metrology standards
(b) intellectual property
(c) foreign trade
(d) money laundering

11. RERA

21. A project need not be registered if the land is:

(a) up to 1,000 sq m
(b) up to 500 sq m or up to 8 apartments
(c) up to 12 apartments
(d) in a rural area

22. Promoter must deposit in a separate account:

(a) 50%
(b) 60%
(c) 70%
(d) 100%

12. IPR basics

23. TRIPS is administered by:

(a) WIPO
(b) WTO
(c) UNCTAD
(d) World Bank

24. The National IPR Policy was adopted in:

(a) 2010
(b) 2014
(c) 2016
(d) 2020

13. Patents

25. Term of a patent is:

(a) 10 years
(b) 15 years
(c) 20 years from filing
(d) 20 years from grant

26. Compulsory licence can be sought after:

(a) 1 year from grant
(b) 3 years from grant
(c) 5 years from filing
(d) any time

14. Trade Marks

27. A trade mark registration is valid for:

(a) 5 years
(b) 7 years
(c) 10 years, renewable
(d) 20 years

28. A mark may be removed for non-use if not used for:

(a) 3 years
(b) 5 years and 3 months
(c) 7 years
(d) 10 years

15. Copyright

29. Copyright in a literary work lasts for:

(a) life + 50 years
(b) life + 60 years
(c) 60 years from creation
(d) life + 70 years

30. If duration of assignment is not stated, it is:

(a) 1 year
(b) 3 years
(c) 5 years
(d) perpetual

16. Geographical Indications

31. A registered GI is:

(a) assignable
(b) not assignable
(c) assignable with goodwill
(d) assignable with consent of Registrar

32. Term of GI registration is:

(a) 5 years
(b) 10 years, renewable
(c) 20 years
(d) perpetual without renewal

17. Designs

33. Maximum term of a design registration is:

(a) 10 years
(b) 15 years
(c) 20 years
(d) 25 years

34. Penalty for piracy of a design per contravention is up to:

(a) ₹10,000
(b) ₹25,000
(c) ₹50,000
(d) ₹1 lakh

Descriptive Questions

QUESTION D1 (5 marks) – FEMA

Distinguish a current account transaction from a capital account transaction. Classify: (i) payment for a foreign holiday; (ii) buying shares of a US company; (iii) a loan from a foreign relative.

SOLUTION D1

Capital account transaction (s.2(e)) alters the **assets or liabilities**, including contingent liabilities, outside India of residents, or in India of non-residents. A **current account transaction** (s.2(j)) is any other – trade, services, short-term credit, interest, family maintenance, travel.

(i) Foreign holiday – **current account**, allowed under LRS. (ii) US shares – **capital account**, allowed under LRS (portfolio investment). (iii) Loan from a foreign relative – **capital account**; an NRI relative may lend in rupees on non-repatriation basis within limits VERIFY.

QUESTION D2 (5 marks) – FDI

Explain the entry routes for FDI and give two sectors where FDI is prohibited.

SOLUTION D2

Automatic route: no prior approval; only post-investment reporting (FC-GPR within 30 days). **Government route**: prior approval of the **administrative ministry** through the **Foreign Investment Facilitation Portal**; decided within 10–12 weeks. **Prohibited**: **lottery**, **gambling and betting**, chit funds, Nidhi companies, trading in TDRs, **real-estate business** (except construction development), manufacture of tobacco cigars and cigarettes, atomic energy and railway operations.

QUESTION D3 (5 marks) – FCRA

A trust wants to receive foreign contribution but is not registered. What are its options?

SOLUTION D3

It may apply for **registration** (if it has a definite programme and has worked for **3 years** and spent at least ₹15 lakh VERIFY on its core activities) or for **prior permission** for a specific amount from a specific donor for a specific purpose. FC must be received only in the **FCRA account at SBI, New Delhi Main Branch**; Aadhaar of office-bearers is required; no transfer to other persons; administrative expenses ≤ 20%.

QUESTION D4 (5 marks) – PMLA

Define "proceeds of crime" and state the punishment for money laundering.

SOLUTION D4

Proceeds of crime (s.2(1)(u)): property derived or obtained, directly or indirectly, by any person from criminal activity relating to a **scheduled offence**, or its value; includes property held abroad. **Punishment (s.4)**: rigorous imprisonment **3 to 7 years** and fine; **up to 10 years** where the scheduled offence is under the NDPS Act. The burden of proof lies on the accused (s.24).

QUESTION D5 (5 marks) – Competition

What factors does the CCI consider to decide whether an enterprise is dominant?

SOLUTION D5

Under **s.19(4)**: **market share**; size and resources; size and importance of competitors; **economic power** including commercial advantages; **vertical integration**; dependence of consumers; monopoly by statute or government company; **entry barriers** (regulatory, financial, technical); countervailing buying power; market structure; social obligations and costs; any other factor. Dominance is not illegal – **abuse** is.

QUESTION D6 (5 marks) – Consumer Protection

Explain e-commerce liability under the Consumer Protection (E-Commerce) Rules, 2020.

SOLUTION D6

E-commerce entities must: appoint a **grievance officer** and acknowledge complaints in **48 hours** and redress in **one month**; display seller details, return and refund policy, country of origin; not manipulate prices or post fake reviews; marketplaces must ensure sellers' description is accurate; flash sales that are fraudulent are banned VERIFY. The CCPA can act against unfair trade practices.

QUESTION D7 (5 marks) – RERA

State the functions of a RERA Authority.

SOLUTION D7

Register projects and agents; maintain a **website** with project details; **ensure compliance** by promoters, allottees and agents; recommend policy; fix **standard fees**; ensure grading of projects VERIFY; decide complaints; **impose penalties**; issue directions; promote an efficient real-estate sector.

QUESTION D8 (5 marks) – Patents

What are not inventions under s.3? Give eight examples.

SOLUTION D8

Frivolous inventions contrary to natural laws; inventions contrary to **public order or morality**; mere **discovery** of a scientific principle; **new form of a known substance** without enhanced efficacy (s.3(d)); mere admixture; **method of agriculture**; **method of treatment** of humans or animals; plants and animals (except micro-organisms); mathematical or business methods, **computer programme per se**, algorithms; literary or artistic works; presentation of information; topography of integrated circuits; **traditional knowledge**.

QUESTION D9 (5 marks) – Trade marks

"PureLeaf" tea was registered in 2018 but has not been used since. A rival wants to use it. Advise.

SOLUTION D9

Under **s.47**, any aggrieved person may apply to remove a registered mark that has **not been used for a continuous period of 5 years** up to **3 months** before the application, or registered without bona fide intention to use. If "PureLeaf" has been unused for 5 years and 3 months, the rival may apply for **rectification/removal**. The proprietor may defend by showing **special circumstances** of non-use.

QUESTION D10 (5 marks) – Copyright

A publisher reprinted a novelist's book after the licence expired. What remedies are available?

SOLUTION D10

It is **infringement (s.51)**. **Civil (s.55)**: injunction, damages, accounts, delivery-up. **Criminal (s.63)**: imprisonment **6 months to 3 years** and fine **₹50,000 to ₹2 lakh**. **Police** may seize infringing copies (s.64). Suit may be filed where the novelist resides or works (s.62).

QUESTION D11 (5 marks) – GI

What are the benefits of registering a GI? Give two Indian examples.

SOLUTION D11

Legal protection against **unauthorised use**; prevents misuse by others; boosts **exports** and the rural economy; better prices; consumers get genuine products. The registered proprietor and authorised users can sue for infringement. Examples: **Darjeeling Tea** (first Indian GI), **Kancheepuram silk**, Basmati, Mysore silk.

QUESTION D12 (5 marks) – Designs

A registered chair design (registered on 1 January 2015) was not extended in 2025. Can a rival copy it now?

SOLUTION D12

The design was valid for **10 years** to **1 January 2025**, extendable by **5 years** to **1 January 2030** on application before expiry. If it lapsed, **restoration** may be sought within **1 year** of lapse (s.12). If not restored, the design enters the **public domain** and the rival may copy it; copyright in the drawing also ends once the article is produced more than 50 times by an industrial process (s.15 Copyright Act).

Answer key with explanations

Q	Ans	Explanation / working
1	(b)	All permitted current and capital account remittances together.
2	(b)	s.13 penalty up to 3 times the sum; imprisonment only for non-payment.
3	(b)	Press Note 3 (2020).
4	(c)	Beyond 74% through the government route.
5	(c)	OI Rules 2022.
6	(b)	Real-estate business, gambling and rupee-linked products are prohibited.
7	(a)	Reduced for domestic sourcing.
8	(a)	Based on export performance in USD.
9	(b)	s.4 after the Board of Approval's approval.
10	(b)	s.15.
11	(b)	2020 amendment (earlier 50%).
12	(b)	Renewal before expiry.
13	(c)	Must be confirmed by the Adjudicating Authority.
14	(c)	Within 7 days of forming suspicion.
15	(c)	With substantial business operations in India.
16	(b)	s.3(3) horizontal agreement.
17	(b)	2021 Rules, based on consideration paid.
18	(b)	s.69, extendable on sufficient cause.
19	(b)	s.22.
20	(a)	OIML certificates support model approval.
21	(b)	s.3(2).

Q	Ans	Explanation / working
22	(c)	For construction and land cost of that project.
23	(b)	Annex 1C of the WTO Agreement.
24	(c)	"Creative India; Innovative India".
25	(c)	Subject to renewal fees.
26	(b)	s.84.
27	(c)	From the date of application.
28	(b)	s.47.
29	(b)	s.22.
30	(c)	s.19(5).
31	(b)	s.24.
32	(b)	s.18.
33	(b)	10 + 5 years.
34	(b)	Total not exceeding ₹50,000.