

**PRACTICE SET**  
**End Semester Examination, Spring- 2026**

**Program: LLB**  
**Semester: VI**  
**Subject: Bankruptcy & Insolvency Laws**  
**Subject Code: 24D.375**

**Course Outcome:**

On the completion of the Course, the students will be able to:

<b>Course Outcomes</b>	<b>Description</b>
CO1	Illustrate the provisions, and principles mechanisms of the Insolvency and Bankruptcy Code, 2016, and apply them to analyse legal scenarios involving corporate and individual insolvency resolution.
CO2	Identify and interpret the roles of regulatory bodies and insolvency professionals in administering insolvency cases, using legal procedures and precedents.
CO3	Demonstrate the ability to critically analyse various stages of insolvency proceedings and evaluate judicial trends and policy debates in insolvency jurisprudence
CO4	Articulate the economic and social impact of insolvency law and suggest inclusive and reform-oriented legal approaches, promoting access to justice and economic stability.

**UNIT I**

**Section A (10 marks)**

1. Explain the concept of insolvency and bankruptcy as legal mechanisms addressing financial distress.  
In this context, discuss in detail:  
(a) the concept of insolvency, and
2. (b) the distinction between insolvency and bankruptcy, with reference to their legal implications.  
(CO1) (Remember) (LOT)

3. Define insolvency and examine its nature as both a legal and financial condition. Further, analyze its impact on individuals and corporate entities, particularly in relation to their financial stability and legal obligations. (CO1) (Understand) (LOT)
4. Discuss the key objectives of insolvency and bankruptcy laws, particularly in relation to debt resolution, asset maximization, and protection of stakeholders. (CO1) (Remember) (LOT)
5. Explain in detail the concept of winding-up of a company, including its meaning, objectives, types, and legal consequences under company law. (CO1) (Understand) (LOT)
6. Explain comprehensively the concept of liquidation of a company, elaborating on its meaning, objectives, and legal significance. Further, discuss in detail the procedure involved in liquidation, including the appointment and powers of the liquidator, and examine its role in the orderly realization of assets and their fair distribution among creditors and contributories. (CO1) (Understand) (LOT)
7. “A company is unable to pay its debts as they fall due, its liabilities exceed its assets.” Apply the relevant provisions of Insolvency and Bankruptcy Code, 2016 and steps to save the company from insolvency. (CO1) (Apply) (HOT)
8. “Insolvency laws aim not only at recovery but also at revival of distressed entities.” Critically evaluate this statement with reference to the objectives of insolvency law. (CO1) (Evaluate) (HOT)
9. Critically analyze the concept of winding-up and liquidation. Compare the two concepts highlighting of their procedures and legal consequences. (CO1) (Analyze) (HOT)

### **Section B (20 marks)**

10. ‘A company facing severe financial distress defaults on its obligations to creditors.’ Apply the legal framework governing insolvency and explain how different insolvency is determined. (CO1) (Apply) (HOT)
11. “The primary objective of insolvency law is to strike a balance between the interests of creditors and debtors.” Critically analyze this statement by examining how far insolvency frameworks succeed in maintaining this balance, and evaluate their effectiveness in ensuring fair debt resolution, protection of stakeholders, and maximization of asset value. (CO1) (Evaluate) (HOT)

12. Analyze in depth the conceptual and legal distinctions between winding-up, liquidation, and dissolution of a company. Further, examine their respective roles and significance in the process of corporate closure, with particular emphasis on how they facilitate the realization and distribution of the company's assets among stakeholders. (CO1) (Analyze) (HOT)

## **UNIT II**

### **Section A (10 marks)**

13. Define Corporate Insolvency Resolution Process (CIRP) and explain its nature and objectives under insolvency law. Also, discuss the key definitions associated with corporate insolvency. (CO2) (Remember) (LOT)
14. Define the concept of Corporate Insolvency Resolution and explain in detail the procedure for initiation of CIRP, including application and declaration of moratorium. (CO2) (Understand) (LOT)
15. Discuss the role and functions of Resolution Professionals in the Corporate Insolvency Resolution Process. Highlight their powers and responsibilities. (CO2) (Remember) (LOT)
16. Examine the role of the Adjudicating Authority in CIRP. Evaluate its effectiveness in ensuring timely resolution of insolvency cases. (CO2) (Evaluate) (HOT)
17. Explain the concept and stages of the Corporate Insolvency Resolution Process. Discuss the significance of time-bound resolution under insolvency law. (CO2) (Understand) (LOT)
18. Analyze the nature and scope of Fast Track CIRP and Pre-packaged Insolvency Resolution Process. Examine their advantages in resolving insolvency efficiently. (CO2) (Analyze) (HOT)
19. Analyze the implications of moratorium during CIRP with reference to its impact on creditors and corporate debtors. (CO2) (Analyze) (HOT)
20. Evaluate the effectiveness of the Corporate Insolvency Resolution Process in balancing the interests of creditors and corporate debtors. (CO2) (Evaluate) (HOT)

### **Section B (20 marks)**

21. A financial creditor files an application for initiation of CIRP against a defaulting company. Analyze the procedure for admission of such application and explain the role of the Adjudicating Authority in the process. Also, examine the consequences of declaration of moratorium. (CO2) (Analyze) (HOT)
22. "Resolution Professionals play a pivotal role in the success of the insolvency resolution process." Critically examine this statement by evaluating the powers and duties of Resolution Professionals, and analyze the practical challenges they encounter during the Corporate

Insolvency Resolution Process (CIRP), with reference to their impact on the effectiveness of the resolution mechanism. (CO2) (Evaluate) (HOT)

### **UNIT III**

#### **Section A (10 marks)**

23. Define liquidation and explain in detail the circumstances and legal conditions under which a company transitions from the resolution stage to liquidation under insolvency law. (CO3) (Remember) (LOT)
24. Define the concept of liquidation and explain its nature as a legal process for winding up the affairs of a company. Also, Discuss its significance in the insolvency framework. (CO3) (Understand) (LOT)
25. Explain the scope of liquidation in insolvency law. Also, Discuss its role in realization of assets and distribution among creditors. (CO3) (Remember) (LOT)
26. Explain the appointment, powers, and duties of a liquidator. Discuss their importance in ensuring a fair and transparent liquidation process. (CO3) (Remember) (LOT)
27. Analyze the concept of liquidation estate and distribution of assets. Examine how this process ensures equitable treatment of creditors. (CO3) (Analyze) (HOT)
28. Apply the provisions relating to vulnerable or avoidable transactions to explain how certain transactions may be set aside during liquidation. (CO3) (Apply) (HOT)
29. Analyze the significance of voluntary liquidation in insolvency law. Outline its effectiveness as an alternative to compulsory liquidation. (CO3) (Analyze) (HOT)

#### **Section B (20 marks)**

30. Evaluate the process of liquidation under insolvency law, outlining its key stages and legal framework. Critically assess whether the liquidation mechanism effectively balances the competing interests of creditors and other stakeholders, with reference to its outcomes and practical challenges. (CO3) (Evaluate) (HOT)
31. Critically examine the role, powers, and duties of the liquidator within the liquidation process. Further, analyze the practical and legal challenges faced by the liquidator in managing, preserving, and distributing the liquidation estate among stakeholders. (CO3) (Analyze) (HOT)
32. A supplier of goods files an application for initiation of CIRP against a company for non-payment of dues. The company disputes the claim on the ground of defective goods.

Analyze the legal position of an Operational Creditor in such cases and examine the impact of “existence of dispute” on initiation of CIRP. (CO3) (Analyze) (HOT)

**UNIT IV**  
**Section A (10 marks)**

33. Explain the concept of Individual Insolvency under the Insolvency and Bankruptcy Code, 2016, and discuss its purpose and objectives in resolving personal financial distress. (CO4) (Remember) (LOT)
34. Critically analyze the objectives and key provisions relating to initiation of insolvency resolution for individuals under the IBC, 2016. Examine how these provisions facilitate timely and effective debt resolution. (CO4) (Analyze) (HOT)
35. Explain in detail the meaning, nature, and scope of the Fresh Start Process under the IBC, 2016. Further, discuss the eligibility criteria and conditions that must be satisfied for an individual to avail of this benefit, with reference to its practical application. (CO4) (Apply) (HOT)
36. Analyze in detail the procedure for the insolvency resolution process for individuals under the applicable legal framework. Further, examine how this process seeks to balance the competing interests of debtors and creditors, ensuring fairness, transparency, and effective debt resolution. (CO4) (Analyze) (HOT)
37. Evaluate the concept of a bankruptcy order and its consequences on the debtor’s property, rights, and liabilities. To what extent does it provide relief to the debtor while protecting creditor interests? (CO4) (Evaluate) (HOT)
38. “A bankruptcy order significantly alters the legal and financial status of an individual debtor.” Critically analyze this statement with reference to its consequences. (CO4) (Analyze) (HOT)
39. A creditor initiates insolvency proceedings against an individual who disputes the claim. Evaluate the legal framework governing such disputes and the role of the Adjudicating Authority. (CO4) (Evaluate) (HOT)
40. Discuss the role of the Adjudicating Authority in individual insolvency cases under the IBC, 2016. How does it contribute to the effective implementation of insolvency resolution? (CO4) (Understand) (LOT)

41. Trace the evolution and significance of the provisions relating to individual insolvency under the Insolvency and Bankruptcy Code, 2016, and compare them with the earlier legal frameworks, highlighting key improvements and their impact. (CO4) (Understand) (LOT)

**Section B (20 marks)**

42. Evaluate the effectiveness of the individual insolvency framework under the IBC, 2016 in addressing personal financial distress. Critically examine whether these provisions provide equitable treatment to both debtors and creditors, with reference to their practical outcomes and limitations.(CO4) (Evaluate) (HOT)
43. An individual debtor seeks to apply for the Fresh Start Process under the IBC, 2016 and must satisfy the prescribed eligibility criteria. Analyze the relevant legal provisions governing the Fresh Start Process, and suggest the available alternatives under the Code in case the debtor does not qualify, with reference to the applicable sections. (CO4) (Analyze) (HOT)

**Summary Sheet**

**CO Wise**

<b>CO</b>	<b>Q. No</b>	<b>Marks</b>
CO1	1,2,3,4,5,6,7,8,9,10,11	100
CO2	12,13,14,15,16,17,18,19,20,21	160
CO3	22,23,24,25,26,27,28,29,30,31	140
CO4	32,33,34,35,36,37,38,39,40	100
<b>Total</b>		<b>500</b>

**Unit Wise**

<b>Unit</b>	<b>Q. No</b>	<b>Marks</b>
Unit 1	1,2,3,4,5,6,7,8,9,10,11	140
Unit 2	12,13,14,15,16,17,18,19,20,21	120
Unit 3	22,23,24,25,26,27,28,29,30,31	130
Unit 4	32,33,34,35,36,37,38,39,40	110
<b>Total</b>		<b>500</b>

### Blooms Taxonomy Level (BTL) Wise

<b>BTL</b>	<b>Q. No</b>	<b>Marks</b>
LOT	1,2,3,4,5,12, 13,14,16,22,23,24,25,26,32,34,37,38	180
HOT	6,7,8,9,10,11,15,17,18,19,20,21,27,28,29,30,31,33,35, 36,39,40	320
<b>Total</b>		<b>500</b>

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**Disclaimer:** -This is a Practice set. The Question in End term examination will differ from the Practice set. This Practice set is meant for practice only.