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1. Write **short** answers in not more than **two** sentences :-

- (a) When and for what purpose the court may appoint interim receiver of the property of the debtor?
- (b) State any two grounds on which court can dismiss the petition presented by the creditor.
- (c) What penalty the creditor may have to suffer for presentation of frivolous or vexatious petition ?
- (d) State any two effects of the order of adjudication under Provincial Insolvency Act, 1920.
- (e) Define the expression "property" under the Provincial Insolvency Act, 1920.
- (f) State in brief any two conditions of creditor's petition.
- (g) Which two voluntary transfer of property by the debtor are not avoidable by the *Receiver* though they may *have* taken place within two years prior to date of presentation of insolvency petition on which he is adjudged insolvent ?
- (h) What orders can be made by the court against the receiver if the receiver causes loss to the property by his wilful default or gross negligence?
- (i) State any two disqualifications of the insolvent.
- (j) What is the court before which and the period of limitation within which the appeal can be preferred against the order of the District Court?

[TURN OVER]

2. Write short notes on any four of the following

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(a) Doctrine of relation back

(b) After-acquired property

(c) Doctrine of reputed ownership

(d) Offences by debtor

(e) Conditions of debtor's petition

(f) Creditor's schedule.

3. Solve any two of the following three problems :-

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- (a) A, B, C and O are carrying on business in Mumbai in partnership with one another in the firm, name and style of *M/s. Kalpani Brothers*. Out of them "O" is a minor and admitted only to the benefits of partnership.

*M/s Kalpani brothers* incurred heavy debts and was unable to repay the same. The creditors of *M/s Kalpani Brothers* filed insolvency petition seeking the adjudication of *M/s Kalpani Brothers* as insolvent.

(i) Who are the partners against whom the order of adjudication operates if passed against the firm?

(ii) What is the effect of such order on the property and profits of the firm including the minor's share therein?

- (b) A debtor, with the mala fide intention of duping the claims of his creditors destroyed the documents relation to purchase by him of gold and silver coins and ornaments. The debtors also handed over the custody of the said gold and silver coins and ornaments to his friend with the intention of concealing the same in the home of his friend.

(i) Do the aforesaid acts of the debtor amount to an act of insolvency? Why

(ii) What is the nature of the acts committed by the debtor?

- (c) A debtor ordinarily residing in Pune, carried on his trade of selling readymade garments for children in Mumbai. The debtor incurred heavy

losses in his trade and was unable to pay his debts. The debtor filed an insolvency petition before the District Court at Pune to procure his own adjudication as insolvent. Subsequently, some of the creditors of the debtor residing in Mumbai filed insolvency petition against the debtor in the High Court in Mumbai.

(i) Can both the courts entertain the petition for adjudication of debtor as insolvent? Why?

(ii) What will be the position if both the courts adjudge the debtor as insolvent?

4. Write answers in detail to any four of the following questions :-

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(a) What is the procedure prescribed under the Provincial Insolvency Act, 1920 for admission and hearing of insolvency petition?

(b) What properties of the insolvent are divisible and what are not divisible?

(c) Which courts can exercise the insolvency jurisdiction under the provisions of Provincial Insolvency Act, 1920? What are the powers of the court?

- (d) What are the grounds on which the court can reject an application for permission to sue as an indigent person?
- (e) What are the provisions relating to calculation and distribution of dividend among the creditors under the Provincial *Insolvency Act*, 1920 ?
- (f) What is the procedure prescribed under the Provincial Insolvency Act, 1920 for composition of debts and schemes of arrangement?