



Graduate Insolvency Programme Common Entrance Test 2019

Graduate Insolvency Programme Common Entrance 2019 (GIPCET) shall be conducted by an online mode where the paper will have 100 questions from Eight areas - Ethics, Domain Knowledge, Legal Aptitude, Financial Aptitude, General Knowledge & Current Affairs, Elementary Mathematics (Numerical Ability), Logical Reasoning and General English.

Scope and coverage of questions under different subject areas:

1. **Ethics:** Ethics will test the candidates' ethical behaviour. It will test how they address conflict of interest and ethical dilemmas. It shall further assess them on their understanding of personal ethics and organisational ethics.
2. **Domain Knowledge:** While the candidates' will not be tested on the in-depth provisions of insolvency law, they will be asked general questions on insolvency and its ecosystem.
3. **Legal Aptitude:** This section will test candidates' interest towards the study of law, research aptitude and problem-solving ability. The candidates' ability to apply legal mind into real life situations will also be tested. General principles of the Constitution of India, securities, contract, companies, property and other laws will be tested.
4. **Financial Aptitude:** This section will test the candidates' basic understanding of the economy, financial markets, finance, accounting, audit, and taxation.
5. **General Knowledge and Current Affairs:** General knowledge will be tested on general awareness including static general knowledge. This section will test the understanding of candidates' general awareness on national as well as international affairs.
6. **Mathematics:** This section will test the candidates' knowledge on elementary mathematics, i.e. Maths taught up to 10th Class/standard.
7. **Logical Reasoning:** This section will test the candidates' ability to identify patterns, logical links and rectify illogical arguments. It may include a variety of logical reasoning questions such as syllogisms, logical sequences, analogies, series, coding-decoding, directions etc. This does not include testing of visual reasoning.
8. **English including comprehension:** The English section will test the candidates' proficiency in English, based on comprehension passages and grammar. In the comprehension section, candidates will be questioned on their understanding of the passage and its central theme, meanings of words used therein, etc. The grammar section will require correction of incorrect grammatical sentences, filling of blanks in sentences with appropriate words, etc.

Detailed Course Outline

1. Ethics

Personal Ethics; Moral Dilemma; Ethics and Business; and Conflict of Interest.

2. Legal System

Common Law; Civil Law; the Constitution of India; the Making of Law (Legislating by Parliament and State Assemblies); Public & Private Laws; Regulatory and Administrative Systems in India; Indian Legal and Institutional Framework; and Substantial and Procedural laws.

3. Economic System

Economic System: ^{[[[]]]}SEPs; Institutes, Economic theory and History, Economic Systems: Traditional and Modern and Command, Market, and Mixed; Concept of Economic Freedom; Overview of Indian Economy; Law and Economic Theory; Convergence and Divergence of Economic Systems, Market-based Corporate Governance and Corporate Control; India's Transition: Freeing the economy and public finance in Indian economy

4. Basic Statistics

Understanding and interpreting data using tables, graphs, and variables; Organization of the data; Measures of center; Probability Distributions; Measures of variation; Sampling Distributions; and Hypothesis testing,

5. Financial Market

Meaning, Need and Importance of finance; Financial Markets; Long, Medium and Short-term Finance; Concepts of Structured Finance; Financial Management; Financial Risk Management; Business Analysis and Valuation; Regulation of Financial Markets; Money and Debt Market; Equity and Derivatives Markets; Rules and Regulations of the Financial Market; Foreign Exchange & Bond Markets; Financial Market Instruments and Stock Exchanges; and Primary & Secondary Markets.

6. Commercial Laws in India

- i. Companies Act, 2013- Types of Companies; Raising capital for the company; Role of Auditors; Board Structure in Companies; Types of Directors and their roles and responsibilities; and types of charges.
- ii. Contract Act 1872- Essentials for a Valid Contract; Performance of a contract, Breach of Contract.
- iii. Sale of Goods Act, 1930- Definition of Sale; Sale and Agreement to Sell; Rights of a Seller; and Conditions and Warranties.
- iv. Securities Laws.
- v. Transfer of Property Act, 1882- Mortgage and Sale; Types of Mortgage; Registration of Charges; and Fixed and Floating Charge.
- vi. Partnership Act, 1932- Formation and dissolution of Partnership; and the Rights and Liabilities of Partners.

- vii. *The Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002*- Definition of security and secured creditor; and the enforcement of security interest.
- viii. *Securities Contracts (Regulation) Act 1956*- Stock Exchanges; Conditions for Listing, Penalties under the Law.
- ix. *The Recovery of Debts Due to Banks and Financial Institutions Act, 1993*- Jurisdiction of the Tribunal; and Modes of Recovery.
- x. *Negotiable Instruments Act, 1881*- Types of Negotiable Instrument; and the bouncing of Cheques and liabilities therein.

7. Tax Laws

Fundamentals of Tax Laws; Concepts of Income; Profits and Gains of business or profession; Capital Gains; Income from other sources; Computation of net taxable income; Tax Planning and Income-tax Payment; Assessment of taxes; and GST.

8. Global Economy

Nature of International Economic Law;The Three Regulatory Pillars of the World Economic Order: The World Trade Organization (WTO), The International Monetary Fund (IMF) and the World Bank; World Bank Insolvency Regime Ranking Parameters, Regional Economic Law Organizations, International Finance and Foreign Direct Investment .

9. Social Policy and Insolvency

Struggles towards Convergence; The Evolution of Modern Insolvency Systems and Corporate Rescue; Business Rescue under old regimes; Protection of Rights of Stakeholders; Credit Infrastructure in India; Impact of Insolvency Laws on Society: Employment Perspective; and Impact of Insolvency Laws on Society and Business Rescue under the new regime.

10. Valuation

Valuation of Distressed Companies; and the Bases of Valuation.

11. Human Resource Management

Effective Management Strategy; Managing Employees; Relationship with Stakeholder Groups; and Managing Investor and Customer Relation.

12. Global Insolvency Environment

Understanding why businesses fail; Asset Reconstruction Companies; Debt Trading; UNCITRAL Legislative Guide on Insolvency; Principles of the World Bank; Introduction to Global Products; UNCITRAL Model Law on Cross Border Insolvency; Modernization of Insolvency Laws; INSOL Global Principles; and EBDR Principles for IP.

13. IBC and Commercial Court Structure in India

Courts in India; Legal and Regulatory Framework of the IBC. Four Pillars of IBC, viz. Insolvency Professionals/Insolvency Professionals Agencies/ Insolvency Professional Entities, Insolvency and Bankruptcy Board of India, Information Utilities and Adjudicating Authorities(NCLT, NCLAT, DRT, DRAT and the Supreme Court of India).

14. Communication Skills

Introduction and Elements of Communication; Factors Affecting Communication; The Writing Process; Challenges in Written Communication; Improving Communication Effectiveness; Barriers to Effective Communication; Organizational Communication; and Case Studies.

Examination Structure

| Exam Structure | Details |
|---------------------------------|------------------------------|
| Duration of the Test | 2 hours (120 minutes) |
| Total Number of Question | 100 |
| Total Marks | 100 |

Pattern of Examination

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|---------------------------------------|-----|
| Professional Ethics | 20% |
| Domain Knowledge | 20% |
| Legal Aptitude | 10% |
| Financial Aptitude | 10% |
| General Knowledge and Current Affairs | 10% |
| Mathematics | 10% |
| Logical Reasoning | 10% |

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|-----------------------------------|-----|
| English (including comprehension) | 10% |
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