

CA Final – Paper 4 (Law) – MCQ

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(Covering ICAI SM, MTPs & RTPs till Nov. 2022 applicable for May/Nov. 2023 Exams)

Chapter - 18: Foreign Contribution Regulation Act, 2010

1	<p>Alexander Philip, a foreign citizen, has made donations in kind to his known resident Indians for their personal use. When shall such donation in kind be excluded from the definition of 'foreign contribution' considering the relevant provisions of Foreign Contribution (Regulation) Act, 2010?</p> <p>(a) A donation in kind by a foreign citizen to a resident Indian shall be excluded from the definition of 'foreign contribution', if the market value, in India, of such article, on the date of such gift, is more than ₹ 1,00,000 but less than ₹ 5,00,000.</p> <p>(b) A donation in kind by a foreign citizen to a resident Indian shall be excluded from the definition of 'foreign contribution', if the market value, in India, of such article, on the date of such gift, is more than ₹ 5,00,000 but less than ₹ 10,00,000.</p> <p>(c) Any donation in kind given by a foreign citizen to a resident Indian for personal use is always excluded.</p> <p>(d) A donation in kind by a foreign citizen to a resident Indian shall be excluded from the definition of 'foreign contribution', if the market value, in India, of such article, on the date of such gift, is not more than ₹ 1,00,000.</p>
2	<p>Surya Ltd., incorporated and registered in New Delhi with a foreign shareholding more than 50% due to liberalisation in Foreign Direct Investment (FDI) policy. State the correct statement as to the status of the Surya Ltd.</p> <p>(a) Surya limited shall not considered as foreign source because of its registration in India.</p> <p>(b) Surya Ltd would be 'foreign source' have foreign shareholding more than 50% of foreign company.</p> <p>(c) Surya Ltd would be 'foreign source' have foreign contribution through various international agencies.</p> <p>(d) Both (b) & (c). [MTP-March 19]</p>
3	<p>An association was holding the certificate of registration making it eligible for acceptance of foreign contribution established for the betterment of poor children. Central Government later cancelled the certificate of the association for violation of the terms and conditions of certificate for being not engaged in chosen activity for the poor children. Such association again applied for the registration. State whether the association is eligible for registration.</p> <p>(a) Yes, it can apply freshly at any time</p> <p>(b) No, permanently becomes disqualified</p> <p>(c) Yes, after 3 years from the date of cancellation of certificate</p> <p>(d) After reasonable opportunity of being heard, and on warning, same registration will be restored. [MTP-Nov. 20]</p>

4	<p>Anna, a foreign citizen has made donations in kind to various individuals of Indian resident for their personal use. When shall such donation in kind will be excluded from the definition of Foreign Contribution considering the provisions of Foreign Contribution (Regulation) Act, 2010?</p> <p>(a) If the market value, in India, of such article, on the date of such gift, is more than ₹ 1,00,000 but less than 5,00,000.</p> <p>(b) If the market value, in India, of such article, on the date of such gift, is more than ₹ 500,000 but less than 10,00,000.</p> <p>(c) Any donation in kind given for personal use is always excluded.</p> <p>(d) If the market value, in India, of such article, on the date of such gift, is not more than ₹ 100,000.</p> <p style="text-align: right;">[RTP-Nov. 20, Nov. 21]</p>
5	<p>X Ltd. Submitted an application on 31st August, 2021 for renewal of certificate to Central Government for acceptance of foreign contribution under FCRA, 2010, shall be renewed latest by:</p> <p>(a) 30th September 2021</p> <p>(b) 29th November 2021</p> <p>(c) 28th February 2022</p> <p>(d) 31st July 2022</p> <p style="text-align: right;">[MTP-April 21]</p>
6	<p>Intimation of receipt of foreign contribution shall be given _____.</p> <p>(a) within 9 months of the closure of the financial year.</p> <p>(b) within 6 months of the closure of the financial year.</p> <p>(c) within 9 months of the date of receipt of the amount.</p> <p>(d) within 6 months of the date of receipt of the amount.</p> <p style="text-align: right;">[MTP-Nov. 21]</p>
7	<p>The Central Government, after making inquiry, finds that the holder of the grant of certificate to accept foreign contribution, has violated the terms and conditions of the certificate. Therefore, by an order, cancelled the certificate. What shall be the cooling period for obtaining of a grant of certificate again?</p> <p>(a) Two years from the date of cancellation of such certificate.</p> <p>(b) Three years from the date of cancellation of such certificate.</p> <p>(c) Five years from the date of cancellation of such certificate</p> <p>(d) Once cancelled cannot be applied again.</p> <p style="text-align: right;">[MTP-March 22]</p>
8	<p>Mr. X receives an antique statue from his best friend(who resides abroad)as a gift on his 50th Birthday of worth ₹ 70,000.State the nature of the gift given to Mr. X in the light of the FCRA:</p> <p>(a) It's not a foreign contribution as it is not in excess of one lakh rupees.</p> <p>(b) It's a foreign contribution being made by other than his relative</p> <p>(c) It's not a foreign contribution, as it is not informed to the Central Government</p> <p>(d) It's a foreign contribution as is within the limit of one lakh rupees.</p> <p style="text-align: right;">[RTP-May 22]</p>
9	<p>Kamlesh has got the admission in a US based University names as 'Illinois Institute of Technology', where he does the MS in Technology. The initial expenses for travelling and other miscellaneous expenses to US were born by the Kamlesh's father. After taking the formal admission in the course, the University provide scholarship to Kamlesh to cover the cost of education and stay. Other expenses are to be meet out by the candidate from his own source. In light of this fact, what shall be the treatment of receiving of the scholarship from the Foreign Source in reference to the Foreign Contribution (Regulation) Act, 2010:</p>

	<p>(a) Receiving of such foreign contribution is prohibited under the FCRA.</p> <p>(b) Receiving of such foreign contribution require prior registration with the Central Government.</p> <p>(c) Receiving of such foreign contribution in the nature of scholarship comes under the exempted category.</p> <p>(d) Receiving of scholarship from foreign university is not permitted activity since no reciprocal arrangement are present in India.</p> <p style="text-align: right;">[MTP-Oct. 22]</p>
10	<p>A certificate of registration was granted to an NGO on the 1st January, 2018. A request for renewal of the certificate was received by the Central Government, by the 30th June, 2022. But the request was not accompanied by the renewal fee. Comment on the validity of the registration certificate issued on 1st January 2018.</p> <p>(a) A certificate of registration granted on the 1st January, 2018 shall be valid till 30th June, 2018.</p> <p>(b) A certificate of registration granted on the 1st January, 2018 shall be valid till 30th June, 2022.</p> <p>(c) A certificate of registration granted on the 1st January, 2018 shall be valid till 30th July, 2022.</p> <p>(d) A certificate of registration granted on the 1st January, 2018 shall be valid till the 31st December, 2022.</p> <p style="text-align: right;">[RTP-Nov. 22]</p>

Answers Key		
Q. No	Answer	
1	(d)	A donation in kind by a foreign citizen to a resident Indian shall be excluded from the definition of 'foreign contribution', if market value, in India, of such article, on the date of such gift, is not more than ₹ 1,00,000.
2	(b)	Surya Ltd would be 'foreign source' have foreign shareholding more than 50% of foreign company.
3	(c)	Yes, after 3 years from the date of cancellation of certificate.
4	(d)	If the market value, in India, of such article, on the date of such gift, is not more than ₹ 100,000.
5	(b)	29 th November 2021
6	(a)	Within 9 months of the closure of the financial year.
7	(b)	Three years from the date of cancellation of such certificate.
8	(b)	It's a foreign contribution being made by other than his relative
9	(c)	Receiving of such foreign contribution in the nature of scholarship comes under the exempted category.
10	(d)	A certificate of registration granted on the 1 st January, 2018 shall be valid till the 31 st December, 2022.