

FOUNDATION COURSE EXAMINATION

December 2016

Fundamentals of Laws and Ethics

P-3(FLE)
Syllabus 2012

Time Allowed: 3 Hours

Full Marks: 100

The figures in the margin on the right side indicate full marks.

This paper contains six questions. All questions are compulsory, subject to instruction provided against each question.

Where necessary, suitable assumptions may be made and disclosed by way of a Note.

Please: (1) Answer all bits of a question at one place.

(2) Open a new page for answer to a new question.

1. In each of the cases given below, one out of four alternatives is correct. Choose the most appropriate one from the stated options and write it down (only indicate (A) or (B) or (C) or (D) as you think correct).

1×10=10

- (i) An agreement to do an act impossible in itself under section 56 of Indian Contract Act, 1872 is
- (A) void
 - (B) valid
 - (C) voidable
 - (D) illegal
- (ii) A agrees to pay B ₹ 500 if a particular ship does not return to the port. The ship was sunk. The contract
- (A) can be enforced by B.
 - (B) cannot be enforced by B.
 - (C) is a wagering contract.
 - (D) is unlawful, illegal and against public policy.
- (iii) Goods that are identified and agreed upon at the time of contract of sale are known as
- (A) Specific goods
 - (B) Future goods
 - (C) Generic goods
 - (D) Existing goods
- (iv) P agrees to discover treasure by magic if Q pays him ₹ 5,000. This agreement is
- (A) void
 - (B) voidable
 - (C) valid
 - (D) unenforceable

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- (v) Under Section 2(7) of the Sale of Goods Act, 1930 the term 'goods' does not include
- (A) Stock and Share
 - (B) Growing crops
 - (C) Grass
 - (D) Neither (A) nor (B) nor (C)
- (vi) An instrument incomplete in some respect is known as
- (A) Inchoate instrument
 - (B) Escrow instrument
 - (C) Ambiguous instrument
 - (D) Foreign instrument
- (vii) ANISH and BINU jointly purchased a tea shop each contributing half of the expenses for purchase of utensils. They then leased out the shop and shared rent equally. This is a case of
- (A) Partnership
 - (B) Leasing business
 - (C) Co-owners
 - (D) Not a co-owners
- (viii) Under the Factories Act, 1948, Day means a period of 24 hours beginning at
- (A) 6, O'clock morning
 - (B) Midnight
 - (C) 12 hours of noon
 - (D) Sunrise
- (ix) As per the Minimum Wages Act, 1948, Child means a person who has not completed the age of
- (A) 15 years
 - (B) 14 years
 - (C) 18 years
 - (D) 20 years
- (x) Business ethics calls for avoidance of
- (A) Competition
 - (B) Publicity
 - (C) Monopoly
 - (D) Self-Interest

2. Fill in the blanks in the following sentences by using appropriate word(s)/phrase(s)/number(s):

2×10=20

- (a) An ancient Arabic Wisdom States, "Live together like brothers and do business like _____".
- (b) The Child Labour (Prohibition and Regulation) Act, 1986 list out the prohibited occupation in _____.
- (c) As per the Minimum Wages Act, 1948, Adolescent means a person who has completed the age of 14 years but not completed age of _____.

- (d) In every factory where _____ workers are ordinary employed, suitable provision for cold and hot water is made.
- (e) In a factory of ANURAG Ltd. to which payment of Wages Act, 1936 is applicable and employing 1500 employees, wages must be paid before the expiry of _____ of the following month.
- (f) An agreement in restraint of marriage is _____.
- (g) Threat to commit suicide is not punishable under the IPC but any consent obtained under this threat amounts to _____.
- (h) There are only _____ parties in a bill of exchange.
- (i) A partner who does not take active part in the management of the business is called _____ partner.
- (j) The sweetmeat sold by M/S MISTI MUKH & Co. contained germs of dyspepsia, this is a breach of _____.

3. Match the following in Column I with the appropriate in Column II:

1×5=5

	Column I		Column II
(1)	Test of partnership	(P)	90% of wages
(2)	A contract with a minor	(Q)	Negotiable by delivery Only
(3)	Rules regarding auction sale	(R)	Void ab initio
(4)	A bearer instrument	(S)	Section 64 of The Sales of Goods Act, 1930
(5)	Permanent disablement benefit	(T)	Cox V Hickman
		(U)	75% of wages

4. State whether the following statements given below are TRUE or FALSE:

1×10=10

- (i) Each partner is a principal as well as an agent of other partners.
- (ii) Every contract is an agreement but every agreement is not a contract.
- (iii) Goods displayed in a shop window with a price level will amount to offer.
- (iv) A gave a piece of suit-length to X a leading tailor to be returned to him on Payment of his charges after making a party dress for him. This is a case of sale.
- (v) Noting is a formal notarial certificate attesting the dishonour of a bill or note.
- (vi) No adult worker shall be required or allowed to work in a factory for more than ten hours in any day.
- (vii) For the purpose of fixation of minimum wages the appropriate government is advised by the Ministry of Social Justice and Welfare.

Please Turn Over

- (viii) "There are two fools in every market: One asks too little, one asks too much, so says an Italian Proverb."
- (ix) Any contribution payable under the ESI Act, 1948 may be recovered as an arrear of land revenue.
- (x) No child shall be required or permitted to work overtime.

5. Define any five of the following:

3×5=15

- (a) Void-Contract
- (b) Goods under the Sales of Goods Act, 1930
- (c) Escrow Instrument
- (d) Factory under the Factories Act, 1948
- (e) Implied Authority of a partner
- (f) Insured Person
- (g) Week under the Child Labour (Prohibition and Regulation) Act, 1986
- (h) Business Ethics

6. Answer any four of the following questions:

10×4=40

- (a) Explain what are the exceptions to general rule "No Consideration, No Contract". 10
- (b) Who is an Unpaid Seller?
Briefly discuss the rights of an unpaid seller. 4+6=10
- (c) (i) Explain what are the provisions relating to drinking water for the workers in the factory under the Factories Act, 1948. 5
- (ii) Who is responsible for payment of wages under the Payment of Wages Act, 1936?— Discuss 5
- (d) (i) Discuss the circumstances under which the court may proceed to order the dissolution of the firm. 7
- (ii) Enumerate the Essentials of a valid Endorsement. (Any three) 3
- (e) (i) State the regulation of conditions of work of children in the Child Labour (Prohibition and Regulation) Act, 1986 regarding Hours and Period of Work. 6
- (ii) Explain what is the punishment for false statement made by the Insured persons under the Employee's State Insurance Act, 1948. 4
- (f) Specify the reasons why a good understanding of Business Ethics is important. 10