

**INTERMEDIATE EXAMINATION**

December 2016

**P-6(LEG)  
Syllabus 2012**

**Laws, Ethics and Governance**

Time Allowed: 3 Hours

Full Marks: 100

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

*This paper contains four questions.*

*All questions are compulsory, subject to instruction provided against each questions.*

*All workings must form a part of your answer.*

*Assumptions, if any, must be clearly indicated.*

**SECTION – A**

**1. Answer all questions:**

(a) Multiple choice questions:

1×10=10

(i) A contract creates

- (a) jus in personam.
- (b) jus in rem.
- (c) only rights and no obligations.
- (d) only obligations and no rights.

(ii) Provisions of EPF & misc Prov Act 1952 are applicable to Cinema/Theatre employing

- (a) 10 or more persons.
- (b) 20 or more persons.
- (c) 5 or more persons.
- (d) 15 or more persons.

(iii) In the absence of Partnership agreement, the Partner has

- (a) right to avail interest on advances paid to partnership firm.
- (b) right to avail interest on advances paid to partnership firm provided there is profit.
- (c) has no right to avail interest on advances.
- (d) has right to avail interest on advances even after dissolution of the firm.

(iv) A person who is employed by the seller to raise the price by fictitious bids. Such person is known as

- (a) Puffer
- (b) By bidder
- (c) Decoy Ducks
- (d) All of the above

(v) In case of banker's refusal to honour the cheque inspite of sufficient funds in customer's account, the banker is

- (a) liable to compensate the drawer.
- (b) not liable to compensate the drawer .
- (c) criminally liable under section 138.
- (d) liable to be delisted.

**Please Turn Over**



- (vi) Dependents benefit is paid at the rate of
- (a) 60% of wages in the form of monthly payment.
  - (b) 75% of wages in the form of monthly payment.
  - (c) 80% of wages in the form of monthly payment.
  - (d) 90% of wages in the form of monthly payment.
- (vii) Board of Directors of every listed Company shall constitute an Audit Committee which shall consists of a minimum of
- (a) 2 Directors
  - (b) 3 Directors
  - (c) 4 Directors
  - (d) 5 Directors
- (viii) The maximum limit of bonus payable to an employee is fixed by way of percentage of salary or wages earned by the employee during the accounting year, the percentage is:
- (a) 10%
  - (b) 15%
  - (c) 20%
  - (d) 25%
- (ix) Who is the head of Central Information Commission?
- (a) The State Information Commissioner
  - (b) The Chief Information Commissioner
  - (c) The Chief Information Officer
  - (d) The Chairman of Information Commission
- (x) Business Ethics also called as Corporate Ethics is a form of
- (a) Positive Ethics
  - (b) Applied Ethics
  - (c) Physical Ethics
  - (d) Practical Ethics
- (b) Fill in the blanks: 1×5=5
- (i) All wages payable under Payment of Wages Act, 1936 is required to be paid in current coins or in \_\_\_\_\_ or both.
  - (ii) No adult worker can be allowed to work more than \_\_\_\_\_ hours in a day.
  - (iii) A Meeting of Board of Directors must be held at least once in every \_\_\_\_\_ months.
  - (iv) Only designated partners are liable to obtain unique identification number called as \_\_\_\_\_.
  - (v) Where the paid up share capital of an One Person Company exceeds \_\_\_\_\_ or its average annual turnover during the relevant period exceeds \_\_\_\_\_, it shall cease to be entitled to continue as a One Person Company.



- (c) State whether the following statements are True (or) False: 1×5=5
- (i) Broader definitions of Corporate Governance stress a broader level of accountability to shareholders and other stakeholders.
  - (ii) According to the Payment of Wages Act, 1936 other deduction cannot be more than 50% of wages.
  - (iii) Limited liability Partnership should have a minimum paid up capital of INR 1,00,000.
  - (iv) Two thirds of total directors can be given permanent appointment in the company.
  - (v) There is a prescribed Performa for RTI application.
- (d) Match the following (*any five*): 1×5=5

	Column 'A'		Column 'B'
1.	Allocable Surplus	(A)	Indian Contract Act
2.	Cost Audit Methodology	(B)	Payment of Bonus Act
3.	Doctrine of Implied authority	(C)	Sale of Goods Act
4.	Doctrine of Frustration	(D)	Business Ethics
5.	Damping	(E)	Corporate Governance
6.	Consumer Movement	(F)	Indian Partnership Act

## SECTION – B

2. Answer any three questions: 15×3=45
- (a) (i) What are the rights of a finder of goods under the Indian Contract Act, 1872? 4
  - (ii) Which are the essential elements of a valid acceptance of a Bill of Exchange? An acceptor accepts a 'Bill of Exchange' but write on it 'Accepted but payment will be made when goods delivered to me is sold.' Decide the validity. 7
  - (iii) What are the consequences of 'destruction of goods' under the Sale of Goods Act, 1930, where the goods have been destroyed after the agreement to sell but before the sale is affected. 4
  - (b) (i) Explain the 'time limit for payment of bonus' to the employees in different circumstances under the provisions of the Payment of Bonus Act, 1965. 5
  - (ii) Explain the manner in which the gratuity payable to employees in a seasonal establishments is calculated under the Payment of Gratuity Act, 1972. State also the maximum amount of gratuity payable under the Act. 5
  - (iii) Explain the meaning of the term 'Money Laundering'. Z, a known smuggler was caught in transfer of funds illegally exporting narcotic drugs from India to some countries in Africa. State the maximum punishment that can be awarded to him under Prevention of Money Laundering Act, 2002. 5
  - (c) (i) A, aged 16 years, was studying in an engineering college. On 1 June, 2015 he took a loan of ₹ 2 Lakhs from B for the payment of his college fee and agreed to pay by 31st July 2016. A possesses assets worth ₹ 20 Lakhs. On due date, A fails to pay back the loan to B. B now wants to recover the loan from A out of his assets. Whether B would succeed? Decide, referring to the provisions of the Indian Contract Act, 1872. 5

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