

FOUNDATION COURSE EXAMINATION

June 2017

*P-3(FLE)
Syllabus 2012*

Fundamentals of Laws and Ethics

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) When one person signifies to another his willingness to do or to abstain from doing anything with a view to obtaining the assent of that other person to such act or abstinence he is said to make a
- (A) Promise
 - (B) Proposal or Offer
 - (C) Both (A) and (B)
 - (D) Consideration
- (ii) A Contract is
- (A) Agreement + Offer
 - (B) Agreement + Consideration
 - (C) Agreement + Legal enforceability
 - (D) None of the above
- (iii) A negotiable instrument means a promissory note, bill of exchange or cheque, payable to _____.
- (A) bearer
 - (B) order
 - (C) either to bearer or to order
 - (D) neither bearer nor order

Please Turn Over

- (iv) Implied conditions as to quality or fitness does not apply if
- (A) buyer discloses to the seller his exact purpose of purchase.
 - (B) buyer indicates to the seller that he relies on the seller's skill.
 - (C) seller is a dealer for such items which the buyer intends to buy.
 - (D) buyer reserves the right to examine the goods and check its quality.
- (v) As per The Indian Partnership Act, 1932 the relation between partners arise
- (A) from status
 - (B) from an agreement
 - (C) from legal provisions
 - (D) from mutual understanding
- (vi) The Sale of Goods Act, 1930 is applicable to
- (A) all movable and immovable goods including actionable claims and money.
 - (B) both movable and immovable goods other than actionable claims and money.
 - (C) every kind of movable property other than actionable claims and money and includes stock and shares, growing crops, grass and things attached to or forming part of the land, which are agreed to be severed before sale or under the contract of sale.
 - (D) movable goods including actionable claims and money.
- (vii) As per The Factories Act, 1948 in every factory where in _____ or more workers are ordinarily employed, the occupier shall employ such number of Welfare Officer as may be prescribed.
- (A) 100
 - (A) 200
 - (C) 500
 - (D) 20

- (viii) Under The Minimum Wages Act, 1948 if an employee works on any day on which he was employed for a period less than the requisite number of hours constituting a normal working day, where his failure to work was not caused by his unwillingness to work, he shall be entitled to receive wages
- (A) for a full normal working day.
 - (B) for the hours he had worked.
 - (C) for a half working day.
 - (D) None of the above.
- (ix) The periods of work of adult workers in a factory each day shall be so fixed that no worker shall work for more than _____ hours before he has an interval for rest of at least half an hour.
- (A) 5
 - (B) 6
 - (C) 4
 - (D) 7
- (x) Mr. B, an employee of a company, has been asked by his employer to carry out an assignment that he believes is wrong. This situation can be classified as
- (A) a violation of the law
 - (B) unethical
 - (C) an ethical issue
 - (D) a dilemma

2. Fill in the blanks in the following sentences by using appropriate words/phrases/numbers:

2×10=20

- (i) The law regulating the relations between banker and customer are governed by the Negotiable Instrument Act, 1881 and _____.
- (ii) Partnership firm is not a separate _____ entity like a company, it is a group of individual partners who are collectively called "a firm" and the name under which their business is carried on is called the "firm-name".

- (iii) An essential characteristic of a negotiable instrument is that it is freely transferable. The transfer may take place through (i) negotiation and (ii) _____.
- (iv) In an agreement to sale, the goods were in the storehouse of the buyer. If such goods are destroyed by fire, the _____ will borne the loss.
- (v) No exemption from the provisions of section 54 (restriction on adult workers working more than 9 hours) may be granted in respect of any women and they shall not be required or allowed to work in any factory except between the hours of _____A.M. and _____P.M.
- (vi) For a partnership firm registration is not compulsory. It is guided by _____ Act and The Indian Partnership Act, 1932.
- (vii) At an auction sale, A is the highest bidder. The auctioneer accepts the offer by striking the hammer three times on the table. This is an example of _____ acceptance.
- (viii) As per provisions of Section 26 of the Sale of Goods Act, 1930 Risk *prima facie* passes with _____.
- (ix) In a _____ agreement the event are uncertain, not within the control of either party, or the parties have no other interest other than winning or losing.
- (x) As per the Child Labour (Prohibition & Regulation) Act, 1986, Every Inspector appointed by the Central Government is treated as _____.

3. Match Column A with Column B:

1×5=5

Serial No	Column A	Serial No	Column B
1.	Consumer Satisfaction	(A)	Laws of Contract
2.	Knockout Agreement	(B)	Business Ethics
3.	Qualified Acceptance	(C)	Minimum Wages Act
4.	Mistake of fact	(D)	Negotiable Instrument Act
5.	Schedule employment	(E)	Sale of Goods Act

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

1×10=10

- (i) A young person who is between 15 to 18 years of age should be never allowed or required to work on any dangerous machine.
- (ii) As per Payment of Wages Act, 1936 “employed person” includes the legal representative of a deceased employed person.
- (iii) Where the partnership is at will, the firm cannot be dissolved by any partner’s written notice to all the other partners, of his intention to dissolve the firm.
- (iv) As per Factories Act, 1948 in every factory wherein more than one hundred workers are ordinarily employed, adequate and suitable shelters or rest rooms and a suitable lunch room, with provision for drinking water shall be provided.
- (v) As per the Employees’ State Insurance Act, 1948, an amount of ₹ 7,000 is payable to the dependents or to the person as funeral expenses who performs last rites from day one of entering insurable employment.
- (vi) As per Minimum Wages Act, 1948, “Wages” includes the value of any house accommodation, supply of light, water, and /or medical attendance.
- (vii) A patient in a lunatic asylum, who is at intervals of sound mind, cannot enter into a contract even during those intervals.
- (viii) A minor cannot be held liable on an agreement, even it is later found that he misrepresented himself as a major during the time of making the agreement.
- (ix) A, an employee under the Mines Act, 1952 wants to get insured and claim benefit under Employees’ State Insurance Act, 1948. State whether there is any truth in his claim.
- (x) As per Minimum Wages Act, 1948 where it has been the custom, the Appropriate Government may by notification in the Official Gazette authorize the payment of minimum wages either wholly or partly in kind.

5. Answer any five of the following:

3×5=15

- (i) Define business ethics. Why is the study of business ethics important? 2+1=3
- (ii) What are the rights of a Finder of Lost Goods? 3
- (iii) What is Ambiguous instrument? Mention few cases when an instrument is treated as ambiguous. 2+1=3
- (iv) Zarine rent out his house situated at Mumbai to Wasabi for a rent of ₹ 10,000 per month. A sum of ₹ 5 lac, the house tax payable by Zarine to the Municipal Corporation being in arrears, his house is advertised for sale by the corporation. Wasabi pays the corporation, the sum due from Zarine to avoid legal consequences. Referring to the provisions of the Indian Contract Act, 1872 decide whether Wasabi is entitled to get the reimbursement of the said amount from Zarine. 3
- (v) Mention penalties for violating of any Provision of the Child Labour (Prohibition and Regulation) Act, 1986. 3
- (vi) What is Temporary Disablement as per the Employees' State Insurance Act, 1948? 3
- (vii) Define the following concepts as per the provision of Factories Act, 1948:
(a) Day; and (b) Week 3
- (viii) Who is a 'Nominal Partner' in a Partnership firm? 3

6. Answer any four of the following questions:

10×4=40

- (a) (i) Offer must be distinguished from an invitation to offer. Explain with example. 4
- (ii) Enumerate the power to set aside contract induced by undue influence. 6
- (b) With reference to the provision of Sale of Goods Act, 1930, state briefly
- (i) What are the important points regarding price and
- (ii) duties of a seller. 5+5=10

- (c) (i) Describe the capacity of a minor to become a party to a Negotiable Instrument. 5
(ii) Who is a 'Principal Employer' as per Employees' State Insurance Act, 1948? 5
- (d) (i) State the circumstances under which a partnership firm may be dissolved. 6
(ii) State briefly the provisions for pressure plant under the Factories Act, 1948. 4
- (e) (i) Explain the provisions for fines under the Payment of Wages Act, 1936. 7
(ii) List out the characteristics of 'utmost good faith' under the Indian Partnership Act, 1932. 3
- (f) Explain the differences between Ethics and Morals. 10
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