

REVISED SYLLABUS 2012

TEST PAPERS

Fundamentals of Laws and Ethics (FLE)

QUESTION PAPERS FOR POSTAL STUDENTS ONLY

(FOR APRIL/JUNE/SEPTEMBER/DECEMBER 2015)



**THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
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Postal Test Papers_P3_Foundation Course_Syllabus 2012

Paper 3 (Fundamentals of Laws and Ethics)

Test Paper 1: [100 marks]

Answer all questions. Each question carries 2 marks.

Choose the correct answer among the alternatives given. Suitable justification needs to be provided.

Q1. Consideration should be something in return of promise which--

- (a) both the law and parties regard, as having some value
- (b) only law regards a having some value
- (c) only the parties regard some value
- (d) only adequate value necessary.

Q2 . Considerations & objects are unlawful where it is--

- (a) forbidden by law or defeat the provision of any law
- (b) which is fraudulent
- (c) which is immoral & against the public policy
- (d) all the above.

Q3.Indian Contract Act,1872 is applicable to---

- (a) Whole of India except the State of Jammu and Kashmir
- (b) Whole of India
- (c) Whole of India except Auranchal Pradesh
- (d) Whole of India except Goa, Delhi, Chandigarh

Q 4.The term contract is defined in -----of the Indian Contract Act,1872

- (a) Sec 2(e)
- (b) Sec2(h)
- (c) Sec 2(d)
- (d) Sec 3(a)

Q5. Consent is free under section 14 if not caused by

- (a) coercion & undue influence
- (b) fraud and misrepresentation
- (c) mistake subject to the provisions of sections 20, 21 and 22
- (d) all the above.

Q6. When the consent to the contract is caused by coercion, the contract under section 19 is--

- (a) valid
- (b) voidable
- (c) void
- (d) illegal.

Q7. Offer as defined under section 2(a) is-----

- (a) communication from one person to another
- (b) suggestion by one person to another
- (c) willingness to do or abstain from doing an act in order to obtain the assent of other thereto
- (d) none of the above.

Q8. If the proposer prescribes the mode & manner of acceptance, the acceptance

- (a) can be in any manner & mode
- (b) should be in the manner & mode prescribed
- (c) can be in any reasonable mode & manner
- (d) all the above.

Q9. A contract which is valid initially however, ceases to be enforceable subsequently, the contract

- (a) remains valid
- (b) becomes voidable when enforceable
- (c) becomes void when it enforceable
- (d) becomes void since inception.

Q10. An agreement by way of wager under section 30 is--

- (a) void
- (b) voidable
- (c) valid
- (d) unenforceable

Q11. In Sale of Goods Act several provisions of the Indian Contract Act have been retained

- (a) to meet the need of the buyers
- (b) to meet the need of the sellers
- (c) to meet the need of both the buyers and sellers
- (d) to meet special conditions existing in India regarding sale of goods.

Q 12. The Sale of Goods Act, 1930 in its operations---

- (a) prospective
- (b) retrospective
- (c) prospective in certain respects and retrospective in certain other respects
- (d) only (c) and not (a) or (b).

Q 13. A enter into a contract with B a celebrated painter who agree to paint a picture for A for an agreed sum on the canvas and material supplied by A. This is a contract---

- (a) sales
- (b) works and labor
- (c) exchange of services and goods
- (d) agreement of sales.

Q 14. The term "goods" in the sale of goods means---

- (a) moveable goods other than money and actionable claims
- (b) all moveable goods only
- (c) tangible consumable goods
- (d) tangible goods

Q15. Contract for sale of standing trees can be subject matter of Sales of Goods Act, 1930, if they are---

- (a) cut before the agreement
- (b) cut immediately
- (c) agreed to be cut within a reasonable time
- (d) priced as if sold after cut according to the requirement of the buyer

Q16. A contract of sales can be made—

- (a) in writing only
- (b) by words of mouth only
- (c) partly in writing and partly by words of mouth or either a or b
- (d) by conduct of parties only

Q 17. The term 'delivery', under the Sale of Goods Act, 1930, has

- (a) been defined under section 2(4)
- (b) been defined under section 2(2)
- (c) been defined under section 2(5)
- (d) not been defined.

Q18. Agreement for sale of things attached to land or forming part of land can be subject matter of Sales of Goods Act, 1930- if—

- (a) they are agreed to be severed under the contract.
- (b) they are sold in cut or severed form.
- (c) severed immediately.
- (d) not at all subject matter of Sale of Goods Act.

Q 19. 'Delivery' within the meaning of section 2(1) of the Sale of Goods Act, 1930, can be----

- (a) actual
- (b) constructive
- (c) symbolic
- (d) either (a) or (b) or (c).

Q.20 The Negotiable Instrument Act, 1881 is applicable to-

- (a) Whole of India.
- (b) Whole of India except J&K .
- (c) Whole of India except Sikkim.
- (d) Whole of India except newly carved out states after 2000.

Q21. The Negotiable Instruments Act, 1881 came into force on

- (a) 9th December, 1881
- (b) 19th December, 1881.
- (c) 1st March, 1882.
- (d) None of the above.

Q 22. The undertaking contained in a promissory note, to pay a certain sum of money is ----

- (a) Conditional.
- (b) Unconditional.
- (c) May be conditional or unconditional depending upon circumstances.
- (d) None of the above.

Q 23. Which of these is not a negotiable instrument as per the Negotiable Instrument Act, 1881

- (a) Bill of Exchange
- (b) Delivery Note.
- (c) Bearer Cheque.
- (d) Share Certificate.

Q 24. A bearer instrument is negotiated by -----

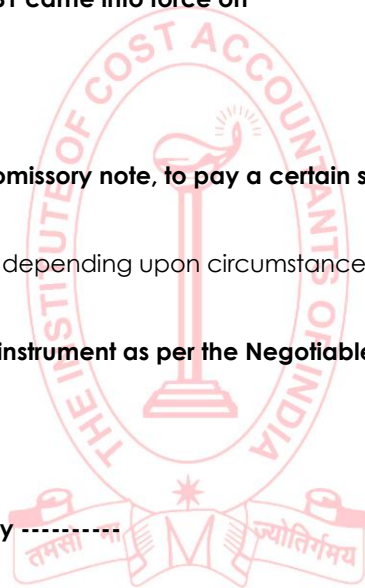
- (a) delivery only.
- (b) delivery and endorsement.
- (c) endorsement only.
- (d) Stamping and attestation.

Q25. A Bill of Exchange must be -----

- (a) in writing
- (b) unconditional
- (c) properly stamped
- (d) all of the above.

Q 26. ----- parties are involved in a Promissory Note.

- (a) 2
- (b) 3
- (c) 4
- (d) 1



Q 27. A cheque is always payable on –

- (a) the date mentioned therein.
- (b) on demand
- (c) 3 days after presentation.
- (d) within 24 hours of presentation.

Q 28. A Promissory Note does not require-

- (a) crossing
- (b) acceptance
- (c) both
- (d) either a or b.

Q29. The Partnership Act, 1932 came into force with effect from-----

- (a) 1st October 1933
- (b) 1st October 1932
- (c) 1st November 1935
- (d) 1st April 1934

Q30. Prior to enactment of Indian Partnership Act, 1932, the laws relating to Partnership were embodied in---

- (a) English Partnership Act, 1890
- (b) Section 239 to 266 of Indian Contract Act, 1872
- (c) Companies Act
- (d) Hindu law

Q31. Indian Partnership Act, 1932 is administered by---

- (a) Central Government
- (b) State Governments
- (c) Local Governments
- (d) All of these

Q. 32. A partnership firm can be formed with a maximum number of----- partners.

- (a) 10
- (b) 20
- (c) 30
- (d) no such limit prescribed.

Q33. -----formed either to carry out a particular venture or for a fixed period.

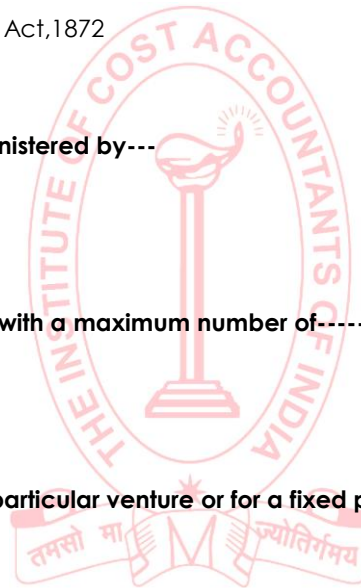
- (a) Limited Partnership
- (b) Partnership at will
- (c) Particular partnership
- (d) Joint venture

Q34. The term persons for the purpose of partnership agreement does not include---

- (a) firm
- (b) Senior citizen
- (c) Pardanashin women
- (d) Non-Aadhar card holders

Q35. The word "....." cannot be used as a part of firms name---

- (a) Modern
- (b) Excellent
- (c) Popular
- (d) Royal



Q 36. XYZ Ltd has a factory where manufacturing process is being carried out with the aid of power, Factories Act, 1948 will be applicable if –

- (a) Twenty or more workers are or were working on any day of the preceding twelve months
- (b) Ten or more workers are or were working on any day of the preceding twelve months
- (c) Hundred or more workers are or were working on any day of the preceding twelve months
- (d) Ten or more workers are or were working on any day of the preceding ten months

Q 37. According to Sec 2(n) "Occupier" of a factory means –

- (a) The person who has established the factory
- (b) The person who has highest profit share in the factory
- (c) The person who has ultimate control over the affairs of the factory
- (d) The person who has ultimate control over the employees of the factory

Q 38. The state government may appoint qualified _____ to be "Certifying Surgeons" for the purpose of the Factories Act, 1948

- (a) Medical assistants
- (b) Medical patients
- (c) Medical practitioners
- (d) Medical surgeons

Q39. The Payment of Wages Act 1936, is based on the recommendation of---

- (a) Sacchar Committee
- (b) The Royal Committee on Labor
- (c) Ministry of Women & Child Development
- (d) International Labor Organisation

Q40. Wages as per the Payment of Wages Act, 1936 can not be paid in—

- (a) Currency notes
- (b) Coins
- (c) Kinds
- (d) Cheques

Q41. -----has power to make rules under the Payment of Wages Act, 1936

- (a) Appropriate Government
- (b) Central Government
- (c) State Government
- (d) Local Administrator

Q42. As per the Minimum Wages Act, 1948 'Child' means a person who has not completed the age of-

- (a) 15
- (b) 14
- (c) 18
- (d) 21

Q43. The responsibility for fixing minimum rates of wages lies with---

- (a) Appropriate Government
- (b) Central Government
- (c) Union parliament
- (d) Labor commissioner

Q44. -----appoints Inspector for the purpose of administration of the Minimum Wages Act, 1948

- (a) Central Government
- (b) Appropriate Government
- (c) State Government
- (d) Local Government

Q45. The ESI Act, 1948 provides certain benefits to the employees in case of--

- (a) sickness,
- (b) maternity
- (c) employment injury
- (d) all of the above.

Q46. Before extending the provision of this Act to any other establishment the Appropriate Government is required to consult---

- (a) Attorney General of India
- (b) ESI Corporation
- (c) Central Labor/Trade Unions
- (d) Ministry of social justice and employment

Q47. The Child Labour (Prohibition And Regulation) Act, 1986 lists out the prohibited occupations in---

- (a) Part A of Schedule 1
- (b) Part 1 of the schedule 2
- (c) Part B of schedule 2
- (d) Part 2 of schedule 1

Q48-----months/days notice is required to add any occupation or process to the schedule to The Child Labour (Prohibition And Regulation) Act, 1986

- (a) 30 days
- (b) just 90 days
- (c) at least three months
- (d) one month.

Q49. The word ethics is derived from:

- a) Latin word 'ethike'
- b) Greek word 'ethik'
- c) Greek word 'ethike'
- d) Latin word 'ethik'

Q50. Ethics has evolved with evolution of:

- a) Culture
- b) Value
- c) Moral
- d) Society



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Paper 3 (Fundamentals of Laws and Ethics)

Test Paper 2: [100 marks]

Answer all questions. Each question carries 2 marks.

Choose the correct answer among the alternatives given. Suitable justification needs to be provided.

Q1. Indian Contract Act,1872 came into force with effect from—

- (a) 1st September 1892
- (b) 1st September 1874
- (c) 1st September,1872
- (d) 1st April 1872

Q2 An agreement enforceable at law is a----

- (a) enforceable acceptance
- (b) accepted offer
- (c) approved promise
- (d) contract

Q3. Void agreement means-----

- (a) agreement illegal in nature
- (b) agreement not enforceable by law
- (c) agreement violating legal procedure
- (d) agreement against public policy.

Q4. Which of these is/are essentials of a valid acceptance

- (a) be absolute
- (b) be unqualified
- (c) both be absolute & unqualified
- (d) be conditional.

Q5. Goods displayed in a shop with a price tag is an-----

- (a) offer
- (b) invitation to offer
- (c) counter offer
- (d) none of the above.

Q6 .Lack of free consent renders the contract----

- (a) perfect valid
- (b) unenforceable
- (c) voidable at the option of the party whose consent was not free-
- (d) void.

Q7 .Communication of acceptance is complete as against the proposer

- (a) when it comes to the knowledge of the proposer
- (b) when it is put in the course of transmission to him so as to be out of power of the acceptor
- (c) when the acceptance is communicated to the proposer
- (d) all the above.

Q8. Parties are not competent to contract if any of them is---

- (a) minor
- (b) insane
- (c) declared unqualified
- (d) all the above.



Q9. A person is deemed to be in a position to dominate the will of another by undue influence if the mental capacity is affected temporarily or permanently by--

- (a) reason of age
- (b) reason of illness
- (c) mental or bodily distress
- (d) all the above.

Q10. . ----is/are characteristic of Contingent contract.

- (a)uncertainty of event
- (b)future event
- (c)lack of control over the event
- (d)All the above.

Q 11. Which of these transaction is not covered under the Sales of Goods Act,1930

- (a) X agree to give his car to Y provided Y give a stage performance on his son's wedding anniversary
- (b) X agree to give his horse to the dealer to purchase new bike in exchange for it.
- (c) X agree to give his old car to Y free of cost
- (d) all the above.

Q12. ----- is an instance of constructive delivery of goods

- (a) the transfer of bill of lading
- (b) attornment by a person in possession of the goods
- (c) handing over the key of warehouse to the buyer
- (d) actual delivery of the goods to the buyer.

Q13. In an agreement to sell if seller become insolvent which of these rights are available to the buyer-----

- (a) to claim a rateable dividend for the price.
- (b) to recover goods from the seller.
- (c) to claim refund of price
- (d)all the above.

Q14. Which of the following documents is a document of title to 'goods' within the meaning of section 2(4) of the Sale of Goods Act, 1930

- (a) Warehouse keeper's certificate
- (b) Wharfinger's certificate
- (c) both (a) and (b)
- (d)VPP.

Q15.The term Price has been defined in section ---of the Sales of Goods Act.

- (a)2(12)
- (b) 2(7)
- (c) 2(10)
- (d) 2(13).

Q16. "Mercantile agent" means the person

- (a) who sell goods, or consigns for the purpose of sell, or buy goods or raise money on security of goods
- (b) who only sell or purchase
- (c) who only consign goods
- (d) who only transfer goods.

Q17. Specific goods become ascertained goods-----formation of a contract of Sales.

- (a) prior to
- (b) subsequent to
- (c) concurrent with
- (d) all the above.

Q18. In an auction sale there is an implied warranty that---

- (a) the auctioneer has authority to auction the goods.
- (b) the bid price finally agreed is the best bargain.
- (c) the intrinsic value of the goods is much more than the bid price
- (d) all the above.

Q19. Under section-----of the Sale of Goods Act, 1930, it is the duty of the seller to deliver the goods and of the buyer to accept and pay for them.

- (a)30
- (b)31
- (c)33
- (d)32

Q20 . An instrument incomplete in one way or other is called---

- (a) Inchoate Instrument
- (b) Ambiguous instrument
- (c) Foreign instrument.
- (d) Dishonoured instrument.

Q21. A bill of exchange contains a/an--

- (a) unconditional undertaking
- (b) unconditional order
- (c) conditional undertaking
- (d) conditional order

Q22. A Corporation can be party to a Negotiable Instrument if---

- (a) authorized by its Articles of Association
- (b) if special permission of Board of Directors taken
- (c) if special resolution by Share holders is passed
- (d) absolutely without any restrictions.

**Q23. The grace period for payment of a negotiable instrument other than payable on demand is--
---- days/months**

- (a) 7days
- (b)3 days
- (c)1 month
- (d) 15 days

Q24. The term "a cheque in the electronic form" is defined in the Negotiable Instruments Act, 1881 – under

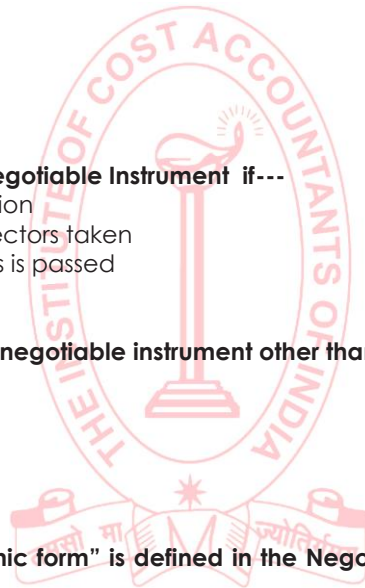
- (a) Section 6(a)
- (b) Section 6(1)(a)
- (c) Explanation 1(a) of Section 6
- (d)Section 6A.

Q25. The Negotiable Instrument Act, 1881 is subject to provision of sections-----of RBI Act,

- (a) 36-37
- (b) 40-45
- (c) 30-34
- (d)31-32

Q26. When a bill of exchange has been noted or protested for non-acceptance or for better security, and any person accepts it supra protest for honor of the drawer or of any one of the endorser, such person is called an---

- (a) acceptor for request
- (b) acceptor for demand
- (c) "acceptor for honour"
- (d) acceptor in need.



Q27. A promissory note, bill of exchange or cheque drawn or made in India and made payable in, or drawn upon any person resident in, India is treated as a/an –

- (a) Inland instrument
- (b) Local instrument
- (c) Foreign instrument
- (d) Indigenous instrument

Q28. Darshani hundi are payable on---

- (a) after 3 days
- (b) at sight
- (c) date specified therein
- (d) next day of presentation

Q29. The Indian Partnership Act, 1932 received assent of Governor General on---

- (a) 1st January 1932
- (b) 8th April 1932
- (c) 15th August 1933
- (d) 1st October, 1932

Q30. As per section 11 of the Companies Act, a partnership firm consisting of more than 20 persons (10 in case of a banking company) unless registered as a company or formed in pursuance of some other law becomes----

- (a) Illegal Association
- (b) Defunct firm
- (c) Banned firm
- (d) Offender firm

Q31. To hold a person a partner by holding out under section 28 of the Partnership Act----

- (a) The person must have by his conduct or words represented him or knowingly permitted him to be represented as a partner.
- (b) Credit must have been given to the firm on the faith of representation made by the person
- (c) Both a and b
- (d) None.

Q32. Which of these pair of relations can not make a valid partnership.

- (a) Husband and wife
- (b) Father in law and Son in law.
- (c) Father and his minor son.
- (d) Grand father and major grandson.

Q33. ---- cannot be admitted as a partner in a firm

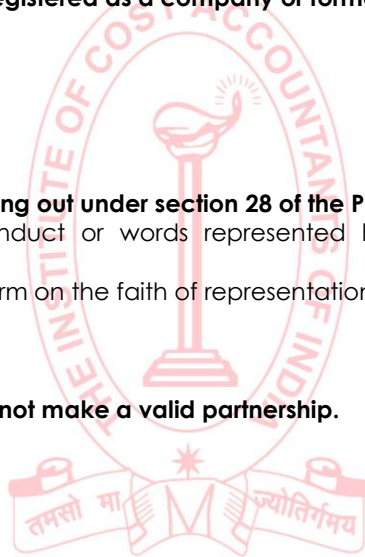
- (a) Minor
- (b) Person of unsound mind
- (c) Widower
- (d) Bachelor

Q34. Which of these is found in a partnership firm but not in a company.

- (a) Partners
- (b) Share capital
- (c) Business
- (d) Profit/Loss

Q35. ----- is available to a partner under the Partnership Act

- (a) Salary for taking part in business
- (b) Interest on Capital
- (c) Right to share profits
- (d) Drawing



Q36. ABC Ltd has a factory where manufacturing process is being carried out without the aid of power, the Factories Act, 1948 will be applicable if –

- (a) Twenty or more workers are or were working on any day of the preceding twelve months
- (b) Ten or more workers are or were working on any day of the preceding twelve months
- (c) Hundred or more workers are or were working on any day of the preceding twelve months
- (d) Twenty or more workers are or were working on any day of the preceding ten months

Q37. According to Sec 4, the state government may, on its own or on an application made in this behalf by an occupier, direct that –

- (a) Different departments of a factory shall be treated as separate factories
- (b) Two or more factories shall be treated as a single factory
- (c) Different branches of a factory shall be treated as separate factories
- (d) All of the above.

Q38. PQR Manufacturing Ltd needs to ensure provisions for cooling drinking water during hot weather, if more than _____ workers are ordinarily employed –

- (a) Two hundred and fifty
- (b) Ten
- (c) One hundred and fifty
- (d) Twenty

Q39. XYZ Ltd to which the payment of wages Act,1936 is applicable, fixes the wages period of 36 days. You as a Cost Accountant of the Company, how would advise the company.

- (a) There is no problem in the above act of the Company
- (b) As per section 4(2) of the Act, no wage period can exceed 30 days. So the company would be advised accordingly
- (c) The wages period can be more than 30 days subject to approval of appropriate Government.
- (d) The company should take permission of Inspector of the factory

Q 40. ----has power to appoint Inspector for the purpose of the Payment of Wages Act, 1936

- (a) Central Government
- (b) State Government
- (c) Local Government
- (d) Appropriate Government

Q 41. Penalties for various offences under the Payment of Wages Act,1936 are provided in section—of the Act.

- (a) 10
- (b) 23
- (c) 17
- (d) 20

Q 42. The Minimum Wages Act,1948 is applicable to---

- (a) Whole of India
- (b) Whole of India except Jammu and Kashmir State
- (c) Whole of India except the State of JK and Goa, Delhi
- (d) Whole of India except Punjab, Haryana

Q 43. There are ---schedule to the Minimum Wages Act,1948

- (a) 3
- (b) 1
- (c) 2
- (d) 4

Q 44. The Employees State Insurance Act,1948 is applicable to—

- (a) Whole of India except the state of JK
- (b) The whole of India .
- (c) The whole of India except JK, Goa and Chandigarh
- (d) The whole of India except the states carved out after 2002.

Q 45. The ESI Act,1948 in first instance is applicable to—

- (a), to all factories (including factories belonging to the Government] other than seasonal factories
- (b) to all factories specified in schedule 1 of the Factories Act, 1948
- (c)to all shops, establishment, factories to which Industrial dispute is applicable
- (d)all factories having at least 20 employees on any day in the financial year

Q46. In order to extend the provision of the ESI Act,1948 to any other establishments,----months/days notice is required to be given by notification in official Gazette.

- (a)60days
- (b)3months
- (c)1 month
- (d)45 days

Q47. Q14 -----is constituted to advise the Central Government for the purpose of addition of occupation and processes to the schedule.

- (a)Labor Welfare officer
- (b)Chief Labor Inspector
- (c)Child Labor Technical Advisory Committee
- (d) Child Specialist

Q 48 .The period of work of a child labor can not spread over---

- (a)more than 7 hours
- (b)more than 5 hours
- (c)more than six hours
- (d)four hours

Q 49. The study of Ethics is divided into -----operational areas.

- a)Six
- b)Four
- c)Five
- d)Nine

Q50. The relevance of ethics is in its:

- a)Context
- b)Principles
- c)Application
- d)Understanding



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Paper 3 (Fundamentals of Laws and Ethics)

Test Paper 3: [100 marks]

Answer all questions. Each question carries 2 marks.

Choose the correct answer among the alternatives given. Suitable justification needs to be provided.

Q1. Which one is correct?

- (a) proposal + acceptance = promise
- (b) promise + consideration = agreement
- (c) agreement + enforceability at law = contract
- (d) all the above.

Q 2. In an Executed contract, the obligation of ---

- (a) both the parties have been fulfilled
- (b) both the parties are outstanding
- (c) obligation of one party is outstanding
- (d) none of these.

Q 3. Promises which form the consideration or part of the consideration for each other are called-----

- (a) reciprocal promises
- (b) cross offers
- (c) conditional offer
- (d) conditional promises.

Q4. General offer can be accepted---

- (a) person to whom it is addressed
- (b) general public at large
- (c) anybody fulfilling the conditions attached to the offer
- (d) only senior citizen having PAN number.

Q 5. X threaten to kidnap Y's son if he does not sell his flat worth Rs50 lakhs to him for Rs 5 lakhs. This contract is void due to—

- (a) inadequacy of consideration
- (b) absence of free consent
- (c) incompetence of parties
- (d) all the above.

Q 6. Contract without consideration made in writing & registered and made on account of natural love and affection is

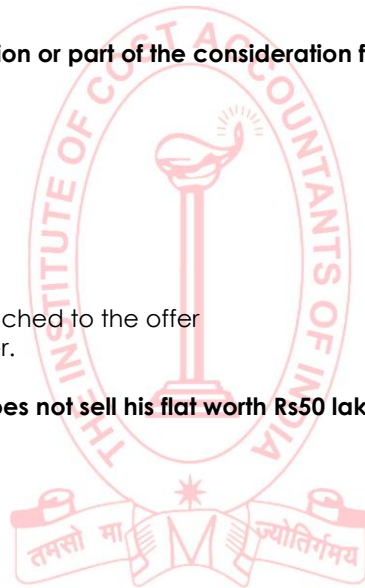
- (a) void
- (b) voidable
- (c) valid
- (d) illegal

Q 7. Where one of the parties is under a mistake as to matter of fact the contract is--

- (a) valid
- (b) void
- (c) voidable
- (d) illegal.

Q 8. An agreement to remain unmarried is--

- (a) valid
- (b) voidable
- (c) void
- (d) unenforceable.



Q 9. Past consideration is valid in--

- (a) England only
- (b) India only
- (c) both in England & India
- (d) neither in England nor in India.

Q 10. What is a reasonable time for performance of a contract--

- (a) is a question of fact
- (b) is a question of law
- (c) is a mixed question of fact & law
- (d) is a question of prudence.

Q11. The act relating to Factories is the Factories Act, ____?

- (a) 1956
- (b) 1857
- (c) 1948
- (d) 1936

Q 12. R is joining a factory in Gurgaon having one hundred and fifty workers ordinarily employed before his employment, as a worker, please advise as a cost accountant of the factory whether shelters or rest rooms have to be provided--

- (a) After R has joined the factory
- (b) Before R has joined the factory
- (c) With the establishment of the factory
- (d) After more than one hundred workers are employed

Q13. Workers will be entitled to overtime wages if they have worked for more than --

- (a) Forty-eight hours in any four week
- (b) Forty-eight hours in any three week
- (c) Forty-eight hours in any two week
- (d) Forty-eight hours in any week

Q 14. The Payment of Wages Act, 1936 is applicable to---

- (a) Whole of India
- (b) Whole of India except Jammu & Kashmir
- (c) Whole of India excluding JK, NEFA and Goa
- (d) Only of Northern India

Q15. The term factory used in the Payment of Wages Act, 1936 has the same meaning as in--

- (a) The Industrial Dispute Act, 1947
- (b) The Companies Act, 1956
- (c) The Equal Remuneration Act, 1976
- (d) section 2(m) of the Factories Act, 1948.

Q16. Appropriate Government in case of a Mines as per the Payment of Wages Act, 1936 is---

- (a) Central Government
- (b) State Government
- (c) Local municipal corporation
- (d) any of the above three

Q 17. Who has power to add to Schedule 1 to the Minimum wages Act, 1948

- (a) State Government
- (b) Central Government
- (c) Appropriate Government
- (d) Labor Commissioner.

Q 18. "Temporary disablement" means a condition resulting from an employment injury which requires medical treatment and renders an employee, as a result of such injury temporarily incapable of -

- (a) doing all the work he was capable of doing at the time of injury
- (b) doing the work which he was doing prior to or at the time of the injury
- (c) all the work he will be capable of doing at the time of injury
- (d) all the work he was capable of doing during his life time.

Q19. The ESI Corporation is established by---

- (a) the Central Government
- (b) the State Government
- (c) Ministry of social justice and welfare
- (d) Local Government.

Q20. The responsibility for maintenance of register of a child worker under the Child Labouries upon--

- (a) Executive officer
- (b) The occupier
- (c) Manager
- (d) Controlling officer

Q21. The Child Labour ((Prohibition and Regulation)Act, 1986 repealed ----- Act.

- a) The Child Protection Act
- b) Equal Remuneration Act
- c) The Employment of Children Act, 1938
- d) The Child Labour Abolition Act.

Q22. Which of these dates is associated with enforcement of The Sale of Goods Act, 1930

- (a) 1st July 1930
- (b) 1st May 1939
- (c) 1st December, 1936
- (d) 31st January, 1931.

Q 23. To be treated as a valid delivery under the sales of goods Act ,it means---

- (a) gratuitous transfer of possession from one person to another
- (b) involuntary transfer of possession from one person to another
- (c) voluntary transfer of possession from one person to another
- (d) gaining possession by any means.

Q 24. In order to invoke protection of implied warranty of sale by description which of these is essential----

- (a) there should be sale by description
- (b) goods do not correspond with the description
- (c) both a and b
- (d) none of these.

Q 25. 'The documents of title to goods' in the Sale of Goods Act, 1930 have been described, under---

- (a) section 2(3)
- (b) section 2(4)
- (c) section 2(1)
- (d) section (2).

Q 26. In a CIF contract how the buyer recover the loss if the goods are lost or damaged in transit.

- (a) from the seller
- (b) from the transporter
- (c) from Insurance company
- (d) none of these.

Q 27. The term Actionable claim is defined in---

- (a) The Transfer of Property Act, 1882
- (b) The Sale of Goods Act, 1930
- (c) The Indian Contract Act, 1872
- (d) all of the above.

Q 28. Under section 2(14) of the Sale of the Goods Act, 1930, 'specific goods' means

- (a) goods which are capable of identification
- (b) generic goods
- (c) goods identified and agreed upon
- (d) either (a) or (c).

Q29. Seller means a person----

- (a) who sells or agrees to sell goods
- (b) who bear authority to sell
- (c) who only agrees to sell goods
- (d) who is desirous of selling.

Q30. In case of foodstuff and eatables----- is implied.

- (a) condition as to wholesomeness
- (b) condition as to fit for particular use
- (c) condition as to merchantability
- (d) free from encumbrance.

Q31. The Indian Partnership Act, 1932 is not applicable to ----

- (a) Jammu & Kashmir
- (b) Jharkhand
- (c) Uttarakhand
- (d) Punjab

Q32. Partnership is defined as a relationship between persons who have agreed to share the profits of a business carried on by-----or any one of them acting for----

- (a) all, all
- (b) senior most, all
- (c) Managing partner, all
- (d) All, Managing partner

Q33. A partnership firm can be formed with a minimum share capital of Rs.—

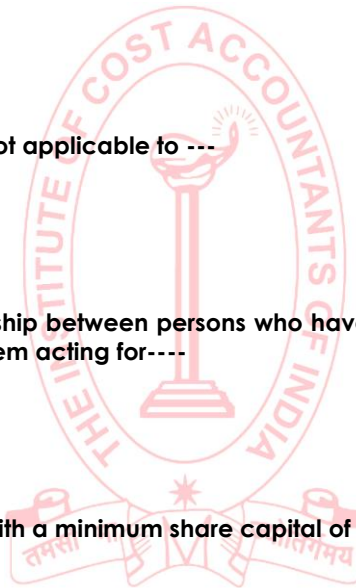
- (a) Rs. 50,000
- (b) Rs. 5,00,000
- (c) Rs. 1,00,000
- (d) Not fixed

Q 34. The document containing agreement between the partners is called---

- (a) Partnership deed
- (b) Partnership folder
- (c) Statutory documents
- (d) Mandatory documents.

Q35. Which of this statement is true about Registration of a firm.

- (a) Registration of firm is Mandatory
- (b) Non-registration of a firm is a criminal offence
- (c) Registration is not mandatory but non registered firms are subject to some disadvantages.
- (d) Registration of firm ease availability of funds.



Q36. Right to manage the affairs of a firm vest with----

- (a) Senior most partner
- (b) Managing partner
- (c) Every partner
- (d) Partner having BBA/MBA degree.

Q37. In the absence of specific provision in the partnership deed at what rate interest on advances given by the partners would be allowed

- (a) @8%
- (b) @10%
- (c) @6%
- (d) Nil

Q38.-----is not conferred upon a partner under the Partnership Act

- (a) Right to take part in the business
- (b) Right to be consulted
- (c) Right to indemnity
- (d) Right to take remuneration

Q39. ----- does not cause reconstitution of the firm

- (a) Admission of a partner
- (b) Death
- (c) Retirement of partner
- (d) Illness of a partner

Q40. If a minor draws, indorses, deliver or negotiates an instrument, such instrument binds-

- (a) All parties to the instrument including the minor
- (b) Only the minor and not other parties to the instrument
- (c) All parties to the instrument except the minor
- (d) None of the above.

Q41. When the bill or in any endorsement thereon the name of any person is given in addition to the drawee to be resorted to in case of need such person is called a "----

- (a) Drawee in time
- (b) Drawee in case of need
- (c) Drawee by default
- (d) Drawee by chance

Q 42. Hundi's are Indigenous instrument written in-----language

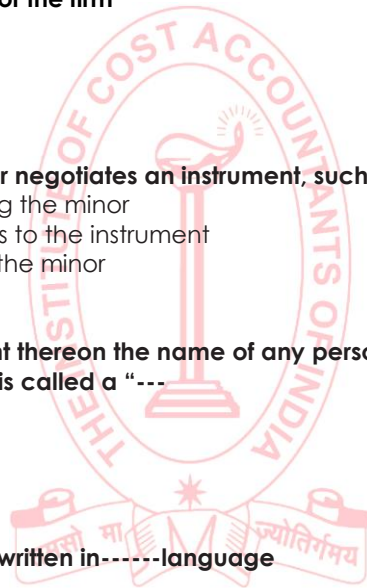
- (a) Vernacular
- (b) Hindi
- (c) English
- (d) Sanskrit.

Q43. A Banker must dishonor the customer's cheque' when—

- (a) the customer is insane
- (b) the customer has become insolvent
- (c) the customer countermand payment
- (d) in all the above cases

Q44. Crossing of a cheque effects the--

- (a) negotiability of the cheque
- (b) mode of payment on the cheque
- (c) both (a) and (b)
- (d) none of the above.



Q45. The maturity of a promissory note or bill of exchange is the date –

- (a) at which it falls due.
- (b) of its presentation
- (c) of its acceptance
- (d) none of these.

Q46. Writing of a person's name on the face or back of an instrument or on a slip of paper attached to it is known as---

- (a) Endorsement
- (b) Transfer
- (c) Negotiation
- (d) Transmission

Q47.----- days of grace are allowed in case of cheque.

- (a) 0
- (b) 3
- (c) 2
- (d) 7

Q48. 'It is difficult but not impossible to conduct strictly honest business' is famous quote by:

- a) Mahatma Gandhi
- b) Adam Smith
- c) George Bernard Shaw
- d) Peter Drucker

Q49. Law is -----of ethics.

- a) No connection
- b) Decodification
- c) Codification
- d) Visualisation

Q50. The four types of social responsibility include:

- a) legal, discretionary, economic, and ethical
- b) ethical, moral, social, and economic
- c) philanthropic, justice, economic, and ethical
- d) legal, moral, ethical, and economic



Postal Test Papers_P3_Foundation Course_Syllabus 2012

Fundamentals of Laws and Ethics

Test Paper 4: [100 marks]

Answer all questions. Each question carries 2 marks.

Choose the correct answer among the alternatives given. Suitable justification needs to be provided.

Q1. Under section 2(b) if the person to whom the proposal is made signifies his assent the proposal is said to have been-----

- (a) accepted
- (b) agreed
- (c) provisionally agreed
- (d) tentatively accepted.

Q2. In an Executory contract, the obligation of both the parties—

- (a) are outstanding
- (b) fulfilled
- (c) partly fulfilled
- (d) not satisfactory

Q3. Communication of a proposal is complete----

- (a) when it is put in the course of transmission
- (b) when it comes to the knowledge of the person to whom it is made
- (c) when the proposal is communicated to the person to whom it is made
- (d) all the above.

Q4. A contract with or by a minor is a----

- (a) valid contract
- (b) void contract
- (c) voidable contract
- (d) voidable at the option of either party.

Q5. Consent under section 13 means---

- (a) agreeing on the same thing in the same sense
- (b) agreeing on the same thing at the same time
- (c) agreeing on the same thing at different time
- (d) agreeing on different things at different times.

Q6. The term consensus ad-idem means--

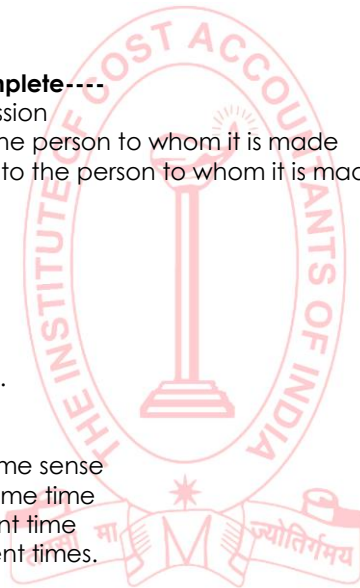
- (a) general consensus
- (b) reaching an agreement
- (c) meeting of minds upon the same thing in the same sense.
- (d) all the above.

Q7. The term consideration means—

- (a) Something in return
- (b) Something of value
- (c) Something of essence
- (d) Something in gratification

Q8. Agreement without consideration is valid--

- (a) when made out of love & affection due to near relationship
- (b) when made to compensate a person who has already done something voluntarily
- (c) when made to pay a time barred debt
- (d) all the above.



Q9. An agreement not to pursue any legal remedy to enforce the rights is-----

- (a) valid
- (b) voidable
- (c) void
- (d) unenforceable.

Q10. Appropriation of payment means-----

- (a) accounting of payment
- (b) acknowledgement of payment
- (c) discharge of payment
- (d) application of payment.

Q 11. The Sales of Goods Act, 1930 is not applicable---

- (a) Jammu & Kashmir
- (b) Dadra and Nagar Haveli
- (c) Uttar pradesh
- (d) Himanchal Pradesh.

Q12. 'Good the acquisition of which is contingent upon some events happening or non happening will be treated---

- (a) Future goods
- (b) Unascertained goods
- (c) Contingent goods
- (d) Forward commodities.

Q13. The definition of 'goods' under section 2(7) of the Sale of Goods Act, 1930 is---

- (a) descriptive
- (b) exhaustive
- (c) exhaustive and descriptive
- (d) declaratory.

Q14. A sold his old car to B for Rs11,000. How the purchase consideration can be discharged by B---

- (a) through cash/bank draft/cheque only
- (b) equivalent value in kind
- (c) Bank draft only
- (d) cash/bank draft/cheque or partly in cash/bank draft/cheque and partly in kind .

Q15. In a contract of sale of goods, under section 4 of the Sale of Goods Act, 1930, there

- (a) must be transfer of absolute or general property in the goods
- (b) must be a transfer of special property in the goods
- (c) must be transfer of either absolute or special property in the goods
- (d) neither (a) nor (b).

Q16. -----is/are not goods under the Sale of Goods Act, 1930.

- (a) Rare coins/currency notes.
- (b) Railway Bridge
- (c) Patent right
- (d) Electricity.

Q17. Unpaid seller can sell the goods on which lien is exercised without notice to the buyer-----

- (a) when buyer refuses to tender the payment despite fresh request.
- (b) when goods are of perishable nature.
- (c) when the bank draft is dishonoured.
- (d) when the price of the goods sold is increasing.

Q18. In case of a sale if the seller is declared insolvent, the buyer is entitled to recover the goods from---

- (a) buyer
- (b) Transporter
- (c) Insurance company
- (d) Official receiver or Assignee

Q19. Which of these section define the term 'Specific goods'

- (a) section 2(12)
- (b) section 2(15)
- (c) section 2(13)
- (d) section 2(14).

Q20. Condition as to wholesomeness means-----

- (a) goods of best quality
- (b) fit for human consumption
- (c) goods with balanced nutrient contents
- (d) all of the above.

Q21. The term Negotiable instrument is defined in section---of the Negotiable Instrument Act, 1881

- (a) 2
- (b) 13
- (c) 12
- (d) 10

Q 22. If an instrument may be construed either as a promissory note or bill of exchange, it is---

- (a) a valid instrument
- (b) an ambiguous instrument
- (c) a returnable instrument
- (d) none of the above.

Q 23. When a promissory note, bill of exchange or cheque is transferred to any person, so as to continue the person the holder thereof, the instrument is said -

- (a) to be valid
- (b) to be honored
- (c) to be transferred
- (d) to be negotiated.

Q24. When the day on which a promissory note or bill of exchange is at maturity is a public holiday, the instrument shall be deemed to be due on the—

- (a) preceding day
- (b) next preceding business day
- (c) same day of next week
- (d) 3rd day following the date holiday.

Q25. If the words "not negotiable" are used with special crossing in a cheque, the cheque is---

- (a) not transferable
- (b) transferable
- (c) negotiable under certain circumstances
- (d) none of the above.

Q 26. -----parties are involved in a Bill of Exchange.

- (a) 2
- (b) 3
- (c) 4
- (d) 1

Q 27. When an Instrument is drawn conditionally or for a special purpose as a collateral security and not for the purpose of transferring property therein it is called a—

- (a) Escrow Instrument
- (b) Inchoate Instrument
- (c) Ambiguous Instrument
- (d) None of the above.

Q28. As per section 11 of the Companies Act, a partnership firm consisting of more than 20 persons(10 in case of a banking company) unless registered as a company or formed in pursuance of some other law becomes----

- (a)Illegal Association
- (b)Defunct firm
- (c)Banned firm
- (d)Offender firm

Q29. Particular partnership is defined in- section ----of the Partnership Act,1932

- (a)7
- (b)8
- (c)11
- (d)13

Q 30. A company can be a partner in firm if----

- (a) authorized by its Memorandum of Association
- (b) authorized by Articles of Association.
- (c) authorized by Central Government
- (d) None of the cases.

Q 31. Which of these is necessary for a partnership deed.

- (a)Registration
- (b)to be stamped as per Indian Stamp Act,1889
- (c) is required to be notarized.
- (d)must be duly authenticated by First Class Magistrate

Q32. Which of these rights are affected if a firm is not registered?

- (a)Suit against third parties, other partners and firms
- (b)Right of third party against the firm
- (c)Rights of the partners to sue for the dissolution of the firm
- (d)Powers of the official receiver to bring suit or action on behalf of the insolvent.

Q33. ---- is not the property of a partnership firm.

- (a)Stock in trade
- (b)Ancestral property of a partner
- (c)Plant & Machinery
- (d)All rights, liabilities originally brought into the stock of the firm.

Q34. Which of these rights is available to a retiring partner?

- (a)To carry on any business
- (b)To use firm's name
- (c)Represent him as carrying on business of the firm
- (d)To solicit the customer from the persons who were dealing with the firm before his retirement.

Q35. For the purposes of income-tax, a partnership firm

- (a) can be assessed as an entity distinct and separate from its partners
- (b) cannot be assessed as an entity separate and distinct from its partners
- (c) can be assessed as an entity distinct and separate from its partners only with the permission of the court
- (d) can be assessed as an entity distinct and separate from its partners only if all the partners agree for the same.

Q36. For every district, ____ shall be an Inspector for the Factories Act, 1948.

- (a) District Judge
- (b) District Magistrate
- (c) District Collector
- (d) District Inspector General

Q37. A Industries Ltd has more than five hundred workers ordinarily employed, one of the employee got injured while performing his duties, there should be provided by the management under the Factories Act, 1948.

- (a) An ambulance room
- (b) A first-aid box
- (c) A doctor
- (d) An ambulance van

Q38. J & K Manufacturing Ltd is manufacturing apricot products in Jammu & Kashmir, what provisions of factories act, 1948 are not applicable to them –

- (a) Sec 67
- (b) Sec 42 to Sec 50
- (c) All the provisions
- (d) Sec 102

Q39. The Payment of Wages Act, 1936 came into effect with effect from—

- (a) 1st April 1936
- (b) 1st March 1937
- (c) 28th March 1937
- (d) 1st May 1937

Q40. The term Employed person includes---

- (a) Legal representative of the deceased employees
- (b) Next best friend of the employed person
- (c) Wife and minor child of the employed person
- (d) None of these

Q41. XYZ is factory to which payment of Wages Act is applicable and employing 1500 employees, the factory has the practice paying wages only after 15th of following month. As a Cost Accountant of the factory, do you have any advice to the factory

- (a) No the factory can pay any time
- (b) As per section 5(1) wages must be paid before the expiry of 10th day of the following month.
- (c) Wages must be paid before the close of month.
- (d) As per section 5(1)(a) the wages must be paid before the expiry of 7th day of the following month.

Q 42. As per the Minimum Wages Act, 1948, Adult means a person who has completed the age of---

- (a) 15
- (b) 14
- (c) 18
- (d) 21

Q43. For the purpose of fixation of Minimum Wages the Appropriate Government is advised by---

- (a) Central Advisory Board
- (b) Labor Commissioner
- (c) Ministry of social justice and welfare
- (d) All the above.

Q44. The term wages under the Minimum wages Act, 1948 excludes—

- (a) Basic wages
- (b) House Rent Allowance
- (c) Dearness Allowance
- (d) None of the above.

Q45. For the purpose of defining "manufacturing process" under the ESI Act, 1948, reference is made to-

- (a) The Factories Act, 1948
- (b) The Industrial Dispute Act, 1947
- (c) The Employees Compensation Act
- (d) Equal Remuneration Act, 1976.

Q46. The Employee's share of contribution to the ESI fund is----

- (a) 1.75% of wages
- (b) 4.75% of wages
- (c) 10% of wages
- (d) 11% of wages

Q47. Rules for Safety and Health of child labor are prescribed by—

- (a) Central Government
- (b) State Government
- (c) Metropolitan Magistrate
- (d) Appropriate Government

Q48. No child is required or permitted to work between---

- (a) 7 PM to 8 AM
- (b) 8 AM to 7 PM
- (c) 6 PM to 10 AM
- (d) 5 PM to 8 AM

Q49. This is not one of the 7 principles of Public Life

- a) Integrity
- b) Honesty
- c) Content
- d) Accountability

Q50. Business mal practice does not include:

- a) Black marketing
- b) Adulteration
- c) Advertising
- d) Duplication.

