

Paper 3 - Fundamentals of Laws and Ethics

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Full Marks :100

Time allowed: 3 hours

I. Choose the correct answer from the given four alternatives:

[10 ×1 = 10]

1. A contract is a contract
 - (a) from the time it is made
 - (b) from the time its performance is due
 - (c) at the time from its performance
 - (d) none of the above

2. Which of the following statements is false in respect of formal contract?
 - (a) It should be in a particular form
 - (b) It should be in writing and witnessed
 - (c) It should have consideration
 - (d) Consideration is not necessary

3. In an auction sale of goods, the seller makes use of pretended bidding to raise the price, the sale is _____.
 - (a) valid
 - (b) void
 - (c) voidable at the instance of the buyer
 - (d) unenforceable

4. S sells certain goods to B of Bombay. The goods are handed over to the railways for transmission to B. In the mean time B sells the goods to a third party T for consideration without the consent of S. B. becomes insolvent. In this case _____.
 - (a) S has the right of stoppage in transit
 - (b) S has lost his right of stoppage in transit
 - (c) Station Master has the right of stoppage in transit
 - (d) None of the above

5. 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

6. _____ cannot be admitted as a partner in a firm
 - (a) Married
 - (b) Person of unsound mind
 - (c) Widower

- (d) Bachelor
7. For overtime worker is entitled wages _____.
- (a) twice the normal wages
 - (b) normal wages
 - (c) normal wages plus compensatory holiday
 - (d) normal wages plus bonus
8. _____ has power to make rules under the Payment of Wages Act, 1936
- (a) Appropriate Government
 - (b) Central Government
 - (c) State Government
 - (d) Local Administrator
9. 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 three
10. Business ethics calls for avoidance of:
- (a) Competition
 - (b) Publicity
 - (c) Monopoly
 - (d) Self Interest

II. Fill in the blanks:

[10 × 2 = 20]

1. The phrase "Quantum Meruit" literally means _____.
2. Law is _____ of ethics.
3. A cheque is always payable on _____.
4. The Negotiable Instruments Act, 1881 came into force on _____.
5. When a partnership firm is continued even after the expiry of fixed term it is called _____.
6. A Manufacturing Ltd. needs to ensure provisions for cooling drinking water during hot weather, if more than _____ workers are ordinarily employed.
7. The term factory used in the Payment of Wages Act, 1936 has the same meaning as in _____.
8. The Minimum Wages Act, 1948 is applicable to _____.
9. _____ has power to extend the provision of this Act to any other establishment or class of establishment, industrial, commercial, agricultural or otherwise.
10. Occupier means a person the person who has _____ over the affairs of the establishment or workshop.

III. Match the following

[5 × 1 = 5]

	Column 'A'		Column 'B'
1.	Occupier	A	Cheque Truncation.
2.	Safety Officers	B	Honesty
3.	Cheque in electronic form	C	1st July, 1930
4.	Principles	D	Factories Act
5.	Sale of Goods Act, 1930	E	Sec 40(B) of Factories Act

IV. State whether the following statement is True (or) False.

[10 × 1 = 10]

1. All contracts other than formal are called informal contracts.
2. A declaration of intention to make an offer is an offer.
3. Every employer shall be responsible for the payment of all wages required to be paid under Payment of Wages Act to person employed by him.
4. All wages shall be in current coin or currency notes or in both.
5. Every police officer shall be an inspector for his district.
6. Factory" means any premises including the precincts thereof, whereon ten or more workers are working, or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on with the aid of power.
7. The relevance of ethics is in its application.
8. In case the assets of the firm are insufficient to pay the debts in full, the personal property of each partner cannot be attached to pay the creditors of the firm.
9. A contract of sale may be absolute or conditional.
10. When an instrument due to faulty drafting may be interpreted either as bill or note, it is an ambiguous instrument.

V. Write a short note on any Five of the following:

[5 × 3 = 15]

1. A Contract.
2. Capacity of the parties.
3. Important Points regarding Price as per Sale of Goods Act
4. Genuine, accommodation and fictitious bill
5. Essentials of a valid endorsement
6. Cleanliness in every factory.
7. Deductions for absence from duty
8. Business for Profit.

VI. Answer any four of the following questions.

[4 × 10 = 40]

1. Explain the rules relating to contingent contracts, giving illustrations. 10
2. What are the legal rules relating Auction Sales? 10

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3. Explain the differences between Promissory Note, Bill of Exchange and Cheque. 10
4. (a) Explain the provisions relating to first aid appliances according to the Factories Act, 1948. 6
(b) Can wages be paid in kind as per Minimum Wages Act, 1948. 4
5. Explain the social security benefits under Employee's State Insurance Act, 1948. 10
6. Explain about the seven principles of public life. 10