

Paper 6- Laws, Ethics and Governance

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Full Marks:100

Time allowed: 3 hours

Section A

1. Answer the following questions

[20 × 1 = 20]

(a) Multiple choice questions:

- (i) K owns a residential flat in Chennai. He is entitled to quiet possession and enjoyment of his property. This is called –
 - (a) Rights in Personam
 - (b) Rights in Rem
 - (c) Constitutional Right
 - (d) There is no right at all
- (ii) X sells the goodwill of his retail store to Y for ₹ 5 lacs and promises not to carry on the same business for ever and anywhere in India. This agreement is:
 - (a) Valid
 - (b) Void
 - (c) Voidable
 - (d) Illegal
- (iii) In a Contract of Guarantee there is/are:
 - (a) One contract
 - (b) Two contracts
 - (c) Three contracts
 - (d) Four contracts
- (iv) Right of Stoppage in transit can be exercised by the Unpaid Seller, where the Buyer:
 - (a) is solvent
 - (b) becomes insolvent
 - (c) acts fraudulently
 - (d) acts smartly
- (v) "Nemo dat quad non habet", means:
 - (a) no one is greater than god
 - (b) none can give who does not himself possess
 - (c) everyone can give everything he has
 - (d) everyone is bound by is habit
- (vi) 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
- (vii) A factory employs 250 workers. All the workers including workers above 60 years of age and below 15 years of age went on strike. The employer
 - (a) can deduct fine from all the workers
 - (b) cannot deduct fine from workers who are under the age of 15
 - (c) no fine can be imposed from workers who are 60 years and above
 - (d) cannot deduct any fine from any worker.
- (viii) Permanent disablement benefit is paid at the rate of _____ of wages.
 - (a) 120%
 - (b) 100%
 - (c) 79%
 - (d) 90%

- (ix) 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
- (x) Appropriate Government reviews the rates of minimum wages within:
(a) 2 years
(b) 4 years
(c) 5 years
(d) 6 years
- (xi) The Payment of Bonus Act 1965 extends to:
(a) The whole of India
(b) The whole of India except Jammu & Kashmir
(c) The whole of India except Kerala
(d) The whole of India except Jammu & Kashmir and Kerala
- (xii) The minimum ceiling on gratuity as per the Payment of Gratuity Act, 1972 is:
(a) ₹ 5 lakhs
(b) ₹ 10 lakhs
(c) ₹ 15 lakhs
(d) ₹ 20 lakhs
- (xiii) The ESI Act, 1948 provides certain benefits to the employees in case of _____
(a) Case of sickness
(b) Maternity
(c) Employment injury
(d) All the three
- (xiv) A monthly return of contribution in the prescribed form 6 is required to be filed with the Commissioner within days of the close of the month as per Employees' Provident Funds and Miscellaneous Provisions Act, 1952.
(a) 15
(b) 20
(c) 25
(d) 30
- (xv) As per The Child Labour (Prohibition and Regulation) Act, 1986, no child shall be permitted or required to work between:
(a) 7 p.m. and 8 a.m.
(b) 6 p.m. and 8 a.m.
(c) 7 p.m. and 9 a.m.
(d) 6 p.m. and 9 a.m.
- (xvi) _____ is not a negotiable instrument as per customs and usage
(a) Delivery note
(b) Railway Receipt
(c) Cheque
(d) Government promissory note
- (xvii) The society for Business Ethics was started in
(a) 1950
(b) 1960
(c) 1970
(d) 1980
- (xviii) As per Rule 10 of the Prevention of Money Laundering Act, 2002, the record of identity of client is required to be maintained for a time period of:
(a) 5 years
(b) 7 years
(c) 10 years
(d) 12 years
- (xix) The minimum paid-up capital for a Public company is:
(a) ₹ 3lakhs
(b) ₹ 4lakhs

MTP_Intermediate_Syllabus 2012_June2016_Set 1

- (c) ₹ 5lakhs
 (d) None of the above
 (xx) Business ethics is based on well accepted
- (a) Moral and social values
 (b) Social values only
 (c) Moral values only
 (d) None of the above

(b) Match the following:

[5 x 1 = 5]

	Column 'A'		Column 'B'
1.	True test of Partnership	A	Sale Goods Act, 1930
2.	Agreement in restraint of trade	B	Factories Act, 1948
3.	Doctrine of Caveat Emptor	C	Cox V Hickman
4.	Spitfoons	D	Seven Principles of Public Life
5.	Integrity	E	Void

2. Answer any Three questions:

[3 × 15 = 45]

- (a) (i) "No Consideration – No Contract" State the exceptions to it. [8]
 (ii) Explain the differences between Sale and Agreement to Sell [7]
- (b) (i) State how contributions are made under Employees State Insurance Act, 1948. [8]
 (ii) Under what circumstances pension under E.P.F can be applied for by an employee? [7]
- (c) (i) Discuss the general duties of an "occupier" under the Factories Act, 1948. [7]
 (ii) Explain the rules for Payment of Wages under Payment of Wages Act, 1936. [8]
- (d) (i) What is material alteration under Negotiable Instruments Act, 1881? What are the effects of Material Alteration? [10]
 (ii) Where there are two debts one for ₹ 1,000 and another for ₹ 1,200 falling due on the same day and if the debtor pays ₹ 800, whether the appropriation can be made pro-rata for the two debts? [5]
- (e) (i) X picked up a diamond from the floor of Y's shop and handed it over to Y to keep it till owner is founded, Y did his best to find out the owner but true owner could not be found. After sometime, X offered Y the lawful charges incurred by Y for finding out the true owner and asked him to return the diamond to him. Y refused to do so. Discuss the legal position. [5]
 (ii) RK sells 200 bales of clothes to SK and sends 100 bales by lorry and 100 bales by Railway. SK receives delivery of 100 bales sent by lorry, but before he receives the delivery of the bales sent by railway, he becomes bankrupt. RK being still unpaid, stops the goods in transit. The official receiver, on SK's insolvency claims the goods. Decide the case with reference to the provisions of the Sale of Goods Act, 1930. [5]
 (iii) A Bill of exchange dated 1st February, 2014 payable two months after date was presented to the maker for payment 10 days after maturity. What is the date of maturity? Explain with reference to the relevant provisions of the Negotiable Instruments Act, 1881 whether the endorser and the maker will be discharged by reasons of such delay. [5]

3. Answer any one question:

[1 x 15 = 15]

- (a) (i) What are the disqualifications for appointment of Director of a Company. [8]
 (ii) State the procedure for alteration of object clause of the Memorandum of Association. [7]

- (b) (i) Explain the objectives of Right to Information Act, 2005. [7]
(ii) Explain briefly the need for Corporate Governance in India. [8]

4. Answer any one question: [1 x 15 = 15]

- (a) (i) Outline the need for Ethics in business. [7]
(ii) List out the Importance of Business Ethics? [8]
- (b) (i) Write down the seven principles of public life. [8]
(ii) What are the reason and consequences of Unethical Behavior? [7]