

Paper 6- Laws, Ethics and Governance

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Full Marks:100

Time allowed: 3 hours

1. Answer the following questions

[20 ×1 = 20]

(a) Multiple choice questions:

- (i) If the agreement is made by obtaining consent by doing an act forbidden by the Indian Penal Code, the agreement would be caused by:
 - (a) Coercion
 - (b) Fraud
 - (c) Misrepresentation
 - (d) Undue influence
- (ii) Cash is withdrawn by a customer of a bank from the automatic teller machine is an example of
 - (a) Express Contract
 - (b) Void Contract
 - (c) Tacit Contract
 - (d) Illegal Contract
- (iii) "If you contract to sell peas, you cannot oblige a party to have beans" - This statement applies to:
 - (a) a implied condition as to be description of goods
 - (b) the implied condition as to fitness of goods for a particular purpose
 - (c) implied condition as to sample
 - (d) implied condition as to title
- (iv) Who is an Adolescent as per Factories Act, 1948?
 - (a) Who has completed 17 years of age
 - (b) Who is less than 18 years
 - (c) Who has completed 15 years but less than 18 years
 - (d) None of these
- (v) Under Industrial Disputes Act, Appropriate Government may require to constitute a workman committee on any day in the preceding 12 months, where an industrial establishment employees
 - (a) 250 or more workers
 - (b) 100 or more workers
 - (c) 500 or more workers
 - (d) 200 or more workers
- (vi) Under Payment of wages Act, 1963, in any factory, in which 1200 persons are employed, wages must be paid
 - (a) any time
 - (b) before the expiry of 10th day of the following month
 - (c) before the close of the month
 - (d) before the expiry of 7th day of the following month
- (vii) The employer's and employee's share of contribution of ESI fund is
 - (a) 1.75% and 4.75% of wages respectively
 - (b) 4.75% and 1.75% of wages respectively
 - (c) 10% and 3.75% of wages respectively
 - (d) 11 % and 3.75% of wages respectively

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- (viii) The Employees Provident Funds Act, 1952 is applicable to every establishment mentioned in schedule 1 and employed
- (a) 10 persons or more
 - (b) 100 or more persons
 - (c) 20 or more persons
 - (d) 50 or more persons
- (ix) Which of the following statement is correct under the Child Labour (Prohibition and Regulation) Act, 1968?
- (a) No child shall be permitted to work between 8 P.M. and 7 A.M.
 - (b) No child shall be permitted to work between 6 P.M. and 8 A.M.
 - (c) No child shall be permitted to work in any establishment on any day which he has already been working in another establishment.
 - (d) No child shall work for more than three and half hour before he has had an interval for rest for at least one hour.
- (x) Hundi's are Indigenous instrument written in _____ language
- (a) Vernacular
 - (b) Hindi
 - (c) English
 - (d) Sanskrit
- (xi) 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
- (xii) Public Notice under the Indian Partnership Act, 1932 is given in the following manner:
- (a) Serving a copy of the Notice to the Registrar of firms
 - (b) Publishing the Notice in the Official Gazette
 - (c) Publishing the Notice in one vernacular newspaper circulating in the district where the firm's principal place of business is situated
 - (d) All of the above
- (xiii) A LLP shall file an annual return duly authenticated with the Registrar within _____ of closure of a financial year under Limited Liability Partnership Act, 2008.
- (a) 30 days
 - (b) 45 days
 - (c) 60 days
 - (d) 90 days
- (xiv) The Prevention of Money Laundering Act, 2002(PMLA) come into enforce on
- (a) 1st July 2002
 - (b) 1st July 2003
 - (c) 1st July 2004
 - (d) 1st July 2005
- (xv) A prospectus which does not have complete particulars on the price of securities offered and the quantum of securities offered by the company is known as
- (a) Statement in lieu of prospectus
 - (b) Red-herring prospectus
 - (c) Deemed prospectus
 - (d) Shelf prospectus
- (xvi) Where the information sought for concerns the life and death or liberty of a person, information under RTI Act, 2005 is to be supplied within
- (a) 15 days from the date of receipt of request
 - (b) 72 hours from the date of receipt of request
 - (c) 48 hours from the date of receipt of request
 - (d) 30 hours from the date of receipt of request
- (xvii) As per clause 49 of corporate governance, independent director means a non executive director of the company who
- (a) is not less than 21 years of age

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- (b) has been an executive of the company in the immediately preceding three financial years
 (c) is related to promoters or persons occupying management positions
 (d) is a substantial shareholder of the company
- (xviii) Board of German Corporate Governance system is based on
 (a) one-tier concept
 (b) two-tier concept
 (c) three-tier concept
 (d) four-tier concept
- (xix) Ethics is a set of _____ of human conduct that govern the behavior of individuals or organizations.
 (a) Principles
 (b) Standards
 (c) Principles or standards
 (d) None of the above
- (xx) The three C's of business ethics are
 (a) Commitment, Contribution and Consequences
 (b) Compliance, Contribution and Consequences
 (c) Compliance, Customs and Contribution
 (d) Codes, Compliance and Contributions

(b) Match the following:

[5 x 1 = 5]

	Column 'A'		Column 'B'
1.	Tacit Contract	A	Three months
2.	Maternity Benefit	B	Corporate Ethics
3.	Ostensible Partner	C	Director Identification Number
4.	Business Ethics	D	Withdrawal of cash from ATM
5.	DIN	E	Who is engaged in the conduct of the business.

Section A

2. Answer any Three questions:

[3 × 15 = 45]

- (a) (i) Explain the difference between Contract of Indemnity and Contract of Guarantee. [7]
 (ii) Who is an unpaid seller? What are the rights of an unpaid seller? [8]
- (b) (i) State the eligibility and disqualification for bonus under the Payment of Bonus Act, 1965. [8]
 (ii) When is an employer liable and not liable to pay compensation to a workman for personal injury under Employees Compensation Act, 1923? [7]
- (c) (i) Explain the differences between Negotiation and Assignment [6]
 (ii) What is meant by endorsement and explain the types of endorsement? [9]
- (d) (i) What benefits are available to the insured person under ESI Act, 1948 [10]
 (ii) A on Board an English Ship on high seas, causes 'B' to enter into an agreement by an act amounting to criminal intimidation under the Indian Penal Code. 'B' subsequently refused to execute the said agreement. 'A' afterwards sues 'B' for breach of contract at Kolkata. Whether 'A' can succeed. [5]
- (e) (i) Ramesh, aged 16 years, was studying in an engineering college. On 1st March, 2012 he took a loan of Rs. 1 lakh from Suresh for the payment of his college fee and agreed to pay by 30th May, 2014. Ramesh possesses assets worth Rs. 10 lakhs. On due date, Ramesh fails to pay back the loan to Suresh. Suresh now wants to recover the loan from Ramesh out of his assets. Whether Suresh would succeed? Decide, referring to the provisions of the Indian Contract Act, 1872. [5]

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- (ii) M/s. XYZ Ltd. supplied milk to Mr. Jacob who consumed the milk was infected and died. Laboratory test report indicated that the milk contained typhoid germs. State the liability of M/s. XYZ Ltd on the basis of sale of Goods Act, 1930. [5]
- (iii) P draws a cheque of `15000 in favour of Q in lieu of payment of debt. P after issuing the cheque to Q instructed the bank for stop payment in respect of the cheque issued. Is this an offence under the Negotiable Instruments Act, 1881? [5]

Section B

3. Answer any one question: [1 x 15 = 15]
- (a) (i) Write a short note on Related Party Transactions under Companies Act, 2013. [7]
(ii) Explain the powers of Board of Directors under Companies Act, 2013. [8]
- (b) (i) How is Central Information Commission constituted under the RTI Act, 2005? [7]
(ii) Explain briefly the need for Corporate Governance in Germany. [8]

Section C

4. Answer any one question: [1 x 15 = 15]
- (a) (i) How to create an Ethical Accounting Environment? [8]
(ii) State the fundamental principles of Ethical Behaviour. [7]
- (b) (i) Discuss the different types of Ethical Issues. [8]
(ii) Explain the interface between Ethics and Laws. [7]