

Paper 6 – Laws and Ethics

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Full Marks: 100

Time allowed: 3 hours

Section – A

1. Answer all questions. [25 marks]

(a) Multiple Choice Questions [10 Marks]

- (i) The breach of contract may be-
- (a) Actual;
 - (b) Anticipatory;
 - (c) None of the above;
 - (d) Either of (a) and (b)
- (ii) Which one of the following is not the feature of 'agreement to sale'?
- (a) It is an executor contract;
 - (b) Sales takes place for existing and specific goods;
 - (c) The seller can sue for damages only in case of breach by the buyer;
 - (d) It gives a right to the buyer against the seller to sue for damages.
- (iii) Which one of the following is not the element of draft?
- (a) It cannot be drawn on private individual;
 - (b) It cannot be countermanded easily;
 - (c) It is open to the person to stop payment;
 - (d) The bank undertakes the liability which it is bound to discharge in whose favor the draft is issued;
- (iv) Who may negotiate?
- (a) Drawer;
 - (b) Payee;
 - (c) All of the joint makers;
 - (d) Any of (a) to (c).
- (v) The Information Memorandum shall be deemed to be a _____.
- (a) Prospectus
 - (b) Articles
 - (c) Memorandum
 - (d) None of the above.
- (vi) The Regional Director shall communicate the confirmation of shifting of registered office within _____ days of receipt of the application.
- (a) 15
 - (b) 30
 - (c) 45
 - (d) 90

- (vii) The private placement shall be made, not more than _____ persons in aggregate in a financial year.
- (a) 50
 - (b) 100
 - (c) 200
 - (d) 400
- (viii) If the shareholders not less than _____ of the issued shares of class did not consent to the variation or vote in favor of the special resolution for the variation, such shareholders may apply to the Tribunal to have the variation cancelled.
- (a) 10%
 - (b) 15%
 - (c) 25%
 - (d) None of the above
- (ix) The company shall not issue sweat equity shares for more than _____ of the existing paid up share capital in a year.
- (a) 10%
 - (b) 15%
 - (c) 25%
 - (d) None of the above
- (x) Meta ethics deal with the nature of _____.
- (a) External influences
 - (b) Moral Judgement
 - (c) Material Facts
 - (d) All of the above

(b) Fill in the Blanks

[5 Marks]

- (i) No company shall issue any debenture carrying any _____.
- (ii) The wage period shall not exceed _____.
- (iii) A warranty is a stipulation _____ to the main purpose of the contract.
- (iv) The maximum age limit of Managing Director is _____ years.
- (v) The gratuity is payable to an employee after he has rendered continuous service for not less than _____ years.

(c) True or False

[5 Marks]

- (i) Cheque is a bill of exchange.
- (ii) LLP is a separate legal entity.
- (iii) Gratuity is a lump sum payable on consideration of the past services rendered by the employee.

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- (iv) A dismissed employee, reinstated with back wages is entitled to bonus.
- (v) Additional director shall hold office upto the date of next AGM.

(d) Match and Pair

[5 Marks]

	Column I		Column II
1	Designated Partner	A	Quorum for meetings
2	Business Ethics	B	Claim for necessities supplied to person incapable of contracting,
3	Negotiation	C	Stop malpractices
4	Section 68 of Contract Act	D	At least two
5	Section 103 of Companies Act, 2013	E	Transfer

Section – B

2. Answer any 5 questions:

[5×15 = 75]

- (A)** (i) What is an offer and what are the points to be taken into account for a valid offer?
(ii) Mr. B (a broker) by the order of Mr. A purchases 10 Drums of oil for A from Mr. C. Afterwards Mr. A refuses to receive oil. Mr. C sues. Mr. B defends but failed. Mr. B has to pay cost, damages and incurs expense. Can B recover any amount from A?
[10+5 = 15]
- (B)** (i) State the circumstances where under an agent is personally liable to a third party for the acts during the course of agency?
(ii) K the owner of a Fiat car wants to sell his car. For this purpose he hands over the car to M, a mercantile agent for sale at a price not less than ₹100, 000. The agent sells the car for ₹75, 000 to B, who buys the car in good faith and without notice of any fraud. M misappropriated the money also. K sues B to recover the car. Decide given reasons whether K would succeed.
[9+6 = 15]
- (C)** (i) Describe the term, 'Manufacturing Process' as per Factories Act, 1948 and also cite an example.
(ii) How is overtime Wages fixed as per Minimum Wages Act, 1948.
[8+7 = 15]
- (C)** (i) State the features of Section 8 Companies.
(ii) Write a note on 'Small Company'.
[9+6 = 15]
- (E)** (i) Discuss the procedure for alteration of Memorandum of Association.
(ii) State the reports that are to be set out in the prospectus.
[12+3 = 15]

- (F)** (i) State the importance of ethics on human life and benefits of following principles of business ethics.
- (ii) Write a note on 'Point of Presence' of Central Record-keeping agency, as per PFRDA Act, 2013. **[10+5 = 15]**

(G) Write a note on: (Any Three)

[5 × 3 = 15]

- (i) Medical Benefit Council
- (ii) Conditions of formation of OPC
- (iii) Crossing
- (iv) Recognition of ethical issues in business