

Mock Test Paper with Model Answers for June 2022 Online Examination – Inter/P06-LNE/S1

INTERMEDIATE EXAMINATION Syllabus 2016

Paper 6: LAWS & ETHICS (LNE)

Time Allowed: 3 Hours

Full Marks: 100

There are Sections A, B, C and D to be answered subject to instructions given against each.

Section A				20 X 1 = 20 Marks
You are required to answer all the questions. Each question carries 1 mark. Instructions: Each question is followed by 4 Answer choices and only one is correct. You are required to select the choice which according to you represents the correct answer.				
1.	a.	The Latin Maxim "Nemo Dat Quod Non Habet" means _____.		
		(i)	No consideration – No contract	
		(ii)	No man can pass a better title than he has	A
		(iii)	Ignorance of law is no excuse	
		(iv)	Holder in due course	
	b.	X and Y formed a partnership to undertake a school building repair work at Noida. This partnership is called _____.		
		(i)	Particular partnership	A
		(ii)	Limited Partnership	
		(iii)	Partnership at will	
		(iv)	Limited Liability Partnership	
	c.	The first endorsement of a Negotiable Instrument can be made by the _____.		
		(i)	Agent	
		(ii)	Banker	
		(iii)	Payee	A
		(iv)	Holder in due course	
	d.	Section 196(3)(a) of the Companies Act, 2013 provides that, the age of Managing Director / Whole Time Director / Manager should not be _____.		
		(i)	Below 25 years	
		(ii)	65 years or more	
		(iii)	Below 18 years	
		(iv)	70 years or more	A
	e.	Which one of the following amounts to safety measure as per Factories Act, 1948?		
		(i)	Artificial humidification	
		(ii)	Ventilation	
		(iii)	Fencing of Machinery	A
		(iv)	First aid appliances	
	f.	As per the Minimum Wages Act 1948, Adolescent means a person who has completed the age of _____ but not completed the age of 18 years.		

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	(i)	13 years		
	(ii)	14 years	A	
	(iii)	15 years		
	(iv)	16 years		
g.	As per Payment of Bonus Act, 1965 every employer shall be liable to pay bonus to his/her employee in _____.			
	(i)	an accounting year	A	
	(ii)	a financial year		
	(iii)	a calendar year		
	(iv)	the first year only		
h.	As per Companies Act, 2013 a director may be elected by small shareholders upon a notice by _____.			
	(i)	not less than 1000 small shareholders		
	(ii)	one tenth of the total number of shareholders		
	(iii)	not less than 1000 small shareholders or one tenth of such shareholders, whichever is lower	A	
	(iv)	one tenth of 1000 small shareholders		
i.	According to the Payment of Gratuity Act, 1972, the maximum amount of gratuity that can be paid to an employee is _____.			
	(i)	Rs. 10 lakh		
	(ii)	Rs. 20 lakh	A	
	(iii)	Rs. 30 lakh		
	(iv)	Rs. 50 lakh		
j.	The annual return of One Person Company shall be signed by _____ as per Companies Act, 2013.			
	(i)	the Company Secretary	A	
	(ii)	the Chief Financial Officer		
	(iii)	the Auditor		
	(iv)	the Director		
k.	The term 'family' as defined in Employees State Insurance Act, 1948 does not include _____.			
	(i)	a spouse		
	(ii)	a minor adopted child		
	(iii)	a dependent unmarried daughter		
	(iv)	an independent married sister	A	
l.	Every company shall prepare Annual Return in Form _____.			
	(i)	INC - 14		
	(ii)	MGT - 8		
	(iii)	MGT - 12		
	(iv)	MGT - 7	A	
m.	The unpaid seller has following rights against the goods, except _____.			
	(i)	The right of seeking claim for damage	A	

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	(ii)	The right of lien		
	(iii)	The right of stoppage in transit		
	(iv)	The right of retention		
n.	Under the Companies Act, 2013, Section 8 Companies intend to prohibit the payment of any _____ to its members.			
	(i)	Gratuity		
	(ii)	Bonus		
	(iii)	Dividends	A	
	(iv)	Employment		
o.	As per the Companies Act, 2013, the private placement shall be made, to not more than _____ persons in aggregate in a financial year.			
	(i)	200	A	
	(ii)	50		
	(iii)	400		
	(iv)	100		
p.	Which one among the following is not a principle out of the 7 principles of public life?			
	(i)	Selflessness		
	(ii)	Leadership		
	(iii)	Objectivity		
	(iv)	Harmony	A	
q.	According to the Companies Act, 2013, which one of the following business cannot be transacted through postal ballot?			
	(i)	Appointment of auditor	A	
	(ii)	Alteration of the objects clause of the memorandum		
	(iii)	Buy back of shares by a company		
	(iv)	Election of a director by Small Shareholders		
r.	Mr. A sells the goodwill of his retail store to Mr. B for Rs.25 lakhs and promises not to carry on the same business for 2 years at the same locality. Such an agreement is _____.			
	(i)	Valid	A	
	(ii)	Void		
	(iii)	Voidable		
	(iv)	Illegal		
s.	Ethics are the set of moral principles that guide a person's _____.			
	(i)	Philosophy		
	(ii)	Behavior	A	
	(iii)	Religion		
	(iv)	Profession		
t.	State the Schedule, provisions of which determines the mutual rights and duties of partners of a Limited Liability Partnership?			
	(i)	First Schedule	A	
	(ii)	Second Schedule		

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		(iii)	Fourth Schedule		
		(iv)	Eighth Schedule		
<div>Section B</div> <div>You are required to answer all the questions. Each question carries 2 marks.</div> <div>Instructions: Each question is followed by a space where you are required to type your answer.</div>					10 X 2 = 20 Marks
2.	a.	Within how many days from the date of incorporation of a company under the Companies Act, 2013 should its registered office be opened?			
		Type your answer here 15 days			
	b.	What does Meta Ethics deal with?			
		Type your answer here Meta Ethics deals with the nature of moral judgment.			
	c.	What are the allowed working hours for female child in any factory as per Section 71 (5) of the Factories Act, 1948?			
		Type your answer here Between 8 A.M. to 7 P.M.			
	d.	What shall the employer do in case there is a dispute as to the amount of gratuity payable to the employee?			
		Type your answer here If there is any dispute as to the amount of gratuity payable to the employee, then the employer can deposit the gratuity to the Controlling Authority.			
	e.	State briefly the procedure of shifting the registered office within the same state but under jurisdiction of another Registrar?			
		Type your answer here An application in form No. INC-23 is to be filed with Regional Director for seeking confirmation for shifting the registered office within the same State from the jurisdiction of Registrar of Companies to the jurisdiction of another Registrar of Companies.			
	f.	What do you mean by Implied Authority?			
		Type your answer here Section 22 provides that in order to bind a firm, an act or instrument, done or executed by a partner or other person on behalf of the firm, shall be done or executed in the firm name, or in any other manner expressing or implying an intention to bind the firm.			
	g.	What are the two types of Negotiation of Negotiable Instruments? .			
		Type your answer here Negotiation by mere delivery and Negotiation by indorsement and then delivery.			
	h.	What is a Condition under The Sale of Goods Act?			
		Type your answer here A condition is a stipulation essential to the main purpose of the contract, the breach of which gives rise to a right to treat the contract as repudiated			
	i.	Within how many days shall the particulars of designated partner shall be filed in?			
		Type your answer here The particulars of designated partner shall be filed within 30 days of his appointment with the Registrar.			
	j.	What is the ethical operation of a company related to?			
		Type your answer here The ethical operation of a company is directly related to Profitability in			

		both short and long term.																
<div>Section C</div> <div>You are required to answer any 4 out of 6 questions in this section.</div> <div>Instructions: Each question is followed by a space where you are required to type your answer.</div>			12 X 4 = 48 Marks															
3.	a.	Describe the procedure to revoke an offer.	6															
		<div>Type your answer here</div> <div>Procedure for revocation of offer:</div> <div><div>1. Section 5 provides that a proposal may be revoked at any time before the communication of acceptance is complete as against the proposer but not afterwards.</div><div>2. Section 4 provides that the communication of a revocation is complete-<div><div>(a). as against the person who makes it, when it is put into a course of transmission to the person to whom it is made, so as to be out of the power of the person who makes it;</div><div>(b). as against the person to whom it is made, when it comes to his knowledge.</div></div></div><div>3. As per Section 6, a proposal is revoked—<div><div>(a). by the communication of notice of revocation by the proposer to the other party;</div><div>(b). by the lapse of the time prescribed in such proposal for its acceptance, or, if no time is so prescribed, by the lapse of a reasonable time, without communication of the acceptance;</div><div>(c). by the failure of the acceptor to fulfil a condition precedent to acceptance; or</div><div>(d). by the death or insanity of the proposer, if the fact of his death or insanity comes to the knowledge of the acceptor before acceptance.</div></div></div><div>4. A proposal also stands revoked if –<div><div>(a). It is not accepted in the prescribed mode and if no mode is prescribed, in some usual and reasonable manner or</div><div>(b). The offered makes a counter offer.</div></div></div></div>																
	b.	Differentiate between contract of indemnity and contract of guarantee.	6															
		<div>Type your answer here</div> <div>Distinction between Indemnity and Guarantee</div> <table><tr><th>Sl. No.</th><th>Contract of Indemnity</th><th>Contract of guarantee</th></tr><tr><td>1</td><td>In this contract there are two parties – the indemnifies and the indemnified</td><td>In this contract three parties are involved – principal debtors, surety and creditor</td></tr><tr><td>2</td><td>The primary liability is on the indemnifier</td><td>The principal liability is on the principal debtors. Secondary liability is on the surety.</td></tr><tr><td>3</td><td>The indemnifier is not acting at the request of the debtor.</td><td>The surety gives contract at the request of the principal debtor.</td></tr><tr><td>4</td><td>The possibility of any loss happening is the only contingency against which the indemnifier undertakes to indemnify.</td><td>There is an existing debt for which the surety gives guarantee to the creditor on behalf of the principal debtor.</td></tr></table>	Sl. No.	Contract of Indemnity	Contract of guarantee	1	In this contract there are two parties – the indemnifies and the indemnified	In this contract three parties are involved – principal debtors, surety and creditor	2	The primary liability is on the indemnifier	The principal liability is on the principal debtors. Secondary liability is on the surety.	3	The indemnifier is not acting at the request of the debtor.	The surety gives contract at the request of the principal debtor.	4	The possibility of any loss happening is the only contingency against which the indemnifier undertakes to indemnify.	There is an existing debt for which the surety gives guarantee to the creditor on behalf of the principal debtor.	
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		<div>5</div> <div>The indemnifier cannot sue the third party in his own, unless there is an assignment.</div>	<div>The surety is entitled to proceed against the principal debtor when he is obliged to perform the guarantee</div>	
		<div>6</div> <div>The contract is between the indemnifier and indemnified.</div>	<div>The contract is between the principal debtor-creditor; surety – creditor; principal debtor- surety.</div>	
4.	a.	What are rights and liabilities of a minor in partnership ?		4
		Type your answer here A minor in a partnership has a right to such share of the property and of the profits of the firm as may be agreed upon. He is having power to have access to and inspect and to get copy, any of the accounts of the firm. The share of a minor in a partnership firm is liable for the acts of the firm. But he is not personally liable for any such act. When a minor severs his connection with the firm he may not sue the partners for an account or payment of his share of the property or profits of the firm. The account of his share shall be determined by a valuation made, as far as possible. All the partners of a firm together or any partner entitled to dissolve the firm, upon notice to other partners, may elect to dissolve the firm. The Court shall proceed with the suit as one for dissolution and for settling accounts between the partners, and the amount of the share of the minor shall be determined along with the shares of the partners.		
	b.	Discuss the procedure of alteration of Articles of Association as per the Companies Act, 2013.		8
		Type your answer here Section 14 provides for the alteration of articles. The section provides that subject to the provisions of the Act and the conditions contained in the memorandum, if any, a company may by a special resolution, alter its articles including alterations having the effect of conversion of a private company into a public company or a public company into a private company. The application for the said purposes is to be filed in Form No. INC-27. Where a company being a private company alters its articles in such a manner that they no longer include the restrictions and limitations which are required to be included in the articles of a private company under this Act, the company shall, as from the date of such alteration, cease to be a private company. Any alteration having the effect of conversion of a public company into a private company shall not take effect except with the approval of the Tribunal which shall make such order as it may deem fit. A copy of the order of the Tribunal approving the alteration shall be filed with the Registrar, in Form No. INC-27 together with a printed copy of the altered articles, within 15 days from the date of the receipt of the order from the Tribunal. The Registrar shall register the same. Any such alteration shall be valid as if it were originally in the articles.		
5.	a.	Mention the establishments on which The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 is not applicable.		6
		Type your answer here Non applicability of the Act Section 16(1) of The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 provides that this Act is not applicable to the following- <ul style="list-style-type: none"> To any establishment registered under the Co-operative Societies Act, 1912 or under any other law for time being in force in any State relating to co-operative Societies, employing less than 50 persons and working without the aid of the power; or 		

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		<ul style="list-style-type: none"> To any other establishment belong to or under the control of the Central Government or a State Government and whose employees are entitled to the benefit of contributory provident fund or old age pension in accordance with any scheme or rule framed by the Central Government or the State Government governing such benefits; or To any other establishment set up under the Central, Provincial or State Act and whose employees are entitled to the benefits of contributory provident fund or old age pension in accordance with any scheme or rule framed under that Act governing such benefits. 	
	b.	Discuss the powers of an Inspector as per the provisions of the Factories Act.	6
		<p>Type your answer here</p> <p>Section 9 prescribes the powers of the Inspector as detailed below-</p> <ul style="list-style-type: none"> to enter into any place which is used, or which he has reason to believe is used as a factory; make examination of the premises, plant, machinery, article or substance; inquire into any accident or dangerous occurrence, whether resulting in bodily injury, disability or not and take on the spot statements of any person which he may consider necessary for such inquiry; require the production of any document relating to factory; • seize or take copies of any register, record or other documents of any portion thereof as he may consider necessary to take possession of any article or substance or part thereof and detain it for so long as is necessary for such examination; to exercise such other powers as may be prescribed. 	
6.	a.	Discuss the provisions of Companies Act, 2013 in relation to Women Director.	5
		<p>Type your answer here</p> <p>Second proviso to Section 149(1) read with Rule 3 of Companies (Appointment and Qualification of Directors) Rules, 2014 provides that the following classes of companies shall appoint at least one woman director-</p> <ul style="list-style-type: none"> every listed company; every other public company having- <ul style="list-style-type: none"> paid up share capital Rs.100 crores or more; or turnover of Rs.300 crores or more. <p>For this purpose, the paid capital or turnover as on the last date of latest audited financial statements shall be taken into account. A company incorporated under the Companies Act, 2013 and covered under provisions of second proviso to Section 149(1) shall comply with such appointment of woman director within a period of six months from the date of its incorporation. Any intermittent vacancy of a woman director shall be filled up by the Board at the earliest but not later than immediate next Board meeting or three months from the date of such vacancy whichever is later.</p>	
	b.	Discuss the procedure of Resignation of a director.	7
		<p>Type your answer here</p> <p>Section 168 provides the procedure for the resignation of a director as detailed below:</p> <ul style="list-style-type: none"> A director may resign from his office by giving a notice in writing to the company; He shall within 30 days from the date of resignation, forward to the Registrar a copy of his resignation along with the reasons for the resignation, in Form No. DIR – 11 along with the fee; A foreign director may authorize in writing a practicing Chartered Accountant or Cost Accountant in practice or Company Secretary in practice or any other resident director of the 	

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		<p>company to sign the Form No. DIR – 11 and file the same on his behalf intimating the reasons for the resignation;</p> <ul style="list-style-type: none"> • The Board shall on receipt of such notice take notice of the same; • The company shall intimate the Registrar in Form No. DIR-12 within one month from the date of receipt of such notice; • The said information is to be posted on the website of the company; • The fact of the resignation shall be included in the report of directors laid in immediately following general meeting by the company; • The resignation of a director shall take effect from the date on which the notice is received by the company or the date, if any, specified by the director in the notice, whichever is later; • The director who has resigned shall be liable even after his resignation for the offences which occurred during his tenure; 	
7	a.	<p>K Limited has two separate units at Ghaziabad and Surat in India. Every unit of the said company prepares and maintains separate financial statements. Ghaziabad unit is incurring continuous losses and hence bonus is not paid to the employees of this unit.</p> <p>Decide, under the Payment of Bonus Act, 1965 whether the employees of the said unit can claim bonus on the ground that the unit incurring loss is a part of one single establishment?</p>	4
		<p>Type your answer here</p> <p>All the two units shall be treated as two separate establishments since all the two units maintain separate financial statement.</p> <p>Employees of the unit which is incurring losses:</p> <p>are not entitled to claim bonus on the ground that the unit incurring loss is a part of one single establishment;</p> <p>are entitled to minimum bonus as per the provisions of Sec. 10,12,13 and 14 of the Payment of Bonus Act,1965, since minimum bonus is payable whether or not there is any allocable surplus (and whether the establishment has made a profit or incurred a loss).</p> <p>However, for the purpose of computation of bonus, the amount of allocable surplus shall be taken for that particular unit only, and not of all the two units taken together.</p>	
	b.	<p>What are the advantages and disadvantages of the principles of Business Ethics?</p>	8
		<p>Type your answer here</p> <p>Advantages of the principles of business ethics:</p> <ol style="list-style-type: none"> 1. It offers a company a competitive advantage; 2. Goodwill of the firm hikes depending on its responds towards its ethical issues; 3. Productivity through rigid, firm and sincere workers as well as other business chain members; 4. Through increasing morale and trust business can increase their market share; 5. Publicity due to well and ethical performance; 6. Acceptance of products of the company by the public; 7. Overall growth of the society; 8. Makes change management easy; 9. Value integration with quality, strategy and pende; <p>Disadvantage of the principles of business ethics:</p> <ol style="list-style-type: none"> 1. It negatives the object of the business concerns in maximizing the profits; 2. Diversity in achievements; 3. The company has to incur extra expenditure. 	
8.	<p style="text-align: center;">You are required to write any Short Note on any 4 out of 5.</p>		4 X 3 = 12 Marks
	a.	Nominee Director	3

		<p>Type your answer here</p> <p>As per Section 161(3) of Companies Act, 2013 Subject to the articles of a company, the Board may appoint any person as director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement or by the Central Government or the State Government by virtue of its shareholding in a Government Company.</p> <p>For the purposes of section 149 of Companies Act, 2013, a nominee director means a director nominated by any financial institution.</p>	
	b.	Shelf Prospectus	3
		<p>Type your answer here</p> <p>The explanation to section 31 defines the term 'shelf prospectuses, as a prospectus in respect of which the securities or class of securities included therein are issued for subscription in one or more issues over a certain period without the issue of a further prospectus.</p> <p>Any class or classes of companies as the SEBI may provide by regulations in this behalf, may file a shelf prospectus with the Registrar at the first time offer of securities included therein which shall indicate a period not exceeding one year as the period of validity of such prospectus which shall commence from the date of opening of the first offer of securities under that prospectus and in respect of a second or subsequent offer of such securities during the period of validity of that prospectus, no further prospectus is required.</p>	
	c.	Mistake of fact	3
		<p>Type your answer here</p> <p>Mistake of fact may be:</p> <p>(I) Bilateral mistake, or</p> <p>(II) Unilateral mistake</p> <p>Bilateral mistake:</p> <p>Where both the parties to an agreement are under a mistake as to a matter of fact essential to the agreement, the agreement is void.</p> <p>Unilateral Mistake as to fact:</p> <p>As per section 22, a contract is not voidable merely because it was caused by one of the parties to it being under a mistake as to a matter of fact. A unilateral mistake is not allowed as a defence in avoiding a contract unless brought about by another party's fraud or misrepresentation.</p>	
	d.	'Overtime' under the Minimum Wages Act, 1948	3
		<p>Type your answer here</p> <p>Section 14(1) provides that where an employee whose minimum rate of wages is fixed under this Act by the hour, by the day or by such a longer wage-period as may be prescribed, works on any day in excess of the number of hours constituting a normal working day, the employer shall pay him for every hour or for part of an hour so worked in excess at the overtime rate fixed under this Act or under any law of the appropriate government for the time being in force whichever is higher.</p> <p>Rule 25 provides that when a worker works more than 9 hours on any day or more than 48 hours in a week, he shall be entitled to overtime wages. In case of employment in agriculture – one and a half times the ordinary rate of wages; in case of any other scheduled employment – double the ordinary rate of wages. A register in this regard shall be maintained. If no overtime wage is paid for a particular month a NIL entry in register should be made.</p> <p>Section 14(2) provides that this Act shall not prejudice the operation of the provisions of Section 59 of the Factories Act in any case where those provisions are applicable.</p>	

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	e.	Distinguish between holder and holder-in-due course.	3										
		Type your answer here <table><tr><th>Holder</th><th>Holder in due course</th></tr><tr><td>1. Holder is entitled in his own name to possess the instrument and the amount thereon from parties involved.</td><td>1. Holder in due course possesses the instrument for consideration before maturity and in good faith.</td></tr><tr><td>2. Title of the holder is subject to title of the transferor.</td><td>2. Holder in due course gets a better title than transferor.</td></tr><tr><td>3. Holder may receive the instrument without consideration.</td><td>3. Holder in due course always receives the instrument for consideration.</td></tr><tr><td>4. Holder does not get certain privileges available to the holder in due course.</td><td>4. Holder in due course always gets privileges not available to holder</td></tr></table>	Holder	Holder in due course	1. Holder is entitled in his own name to possess the instrument and the amount thereon from parties involved.	1. Holder in due course possesses the instrument for consideration before maturity and in good faith.	2. Title of the holder is subject to title of the transferor.	2. Holder in due course gets a better title than transferor.	3. Holder may receive the instrument without consideration.	3. Holder in due course always receives the instrument for consideration.	4. Holder does not get certain privileges available to the holder in due course.	4. Holder in due course always gets privileges not available to holder	
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Section D You are required to answer all the questions in this section. Instructions: Each question is followed by a space where you are required to type your answer.			12 Marks										
9.		<p>X, Y and Z are college friends. Y's father has a business of manufacturing of fruit drinks at an Industrial Area. Y spends some time at his father's business. One day while sitting at his classroom an idea related to manufacturing of new variants of fruit drinks struck in his mind. He wants to start his own venture where the drinks with new flavours will be supplied in new stylish packaging. The government of India has also announced different incentive schemes for the promotion of new startups in food and beverage industry.</p> <p>Y shared his idea with his friends X and Z. They too convinced with the idea and showed their willingness to implement the idea. They jointly pooled some money for incorporation and other formation expenses. It was to be a private limited company.</p> <p>They developed a detailed business plan consisting a detailed – services plan, marketing plan, finance plan, human resources plan and so on and also created a pool by contributing Rs 2,50,000 each.</p> <p>They engaged a consultant only to find various other difficulties and compliances they never through of. The consultant went through their plans – finance, purchases, operations, marketing, human resources, etc. The consultant found that the initial financial plan was an introduction of Rs 7,50,000 in the form of equity.</p> <p>All three friends have different expertise in different business areas. They want to take advantage of it and want to start three different units under one company.</p> <p>The consultant threw light into the choice available to them regarding starting three different entities – all being owners themselves – can manage their own businesses – the choice offered to them after describing different pros and cons were different type of companies i.e. One Person Company, Private Ltd. Company and Public Ltd. Company.</p>											
	a.	What according to you, would the consultant have said to his clients on the conditions stipulated in the Companies Act, 2013 regarding formation of One Person Company (OPC)?	3										
		Type your answer here No person shall be eligible to incorporate more than a OPC or become nominee in more than such company; Where a natural person, being a member of OPC in accordance with this rule becomes a member in another such company by virtue of his being a nominee in that OPC, such person shall meet the eligibility criteria within a period of 182 days;											

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		No minor shall become member or nominee of OPC or can hold share with beneficial interest; Such company cannot be incorporated or converted into Section 8 company; Such company cannot carry out Non Banking Financial investment activities including investment activities in securities of anybody corporate;	
	b.	X asked the consultant whether there are any restrictions on a Private Company in comparison of a Public Company. What answer would the consultant offer?	3
		Type your answer here Section 2(68) defines 'private company' as a company having a minimum paid up share capital as may be prescribed and company which by its articles- (i) restricts the right to transfer its shares; (ii) except in case of One Person Company, limits the number of its members to 200; (iii) prohibits any invitation to the public to subscribe for any securities of the company.	
	c.	Z is confused about the concept of 'Small Company'. As a consultant, help him in knowing the meaning of Small Company.	3
		Type your answer here Section 2(85) defines 'small company' as a company, other than a public company- (i) paid up share capital of which does not exceed Rs.50 lakh rupees or such higher amount as may be prescribed which shall not be more than Rs.10 crore; and (ii) turnover of which is as per its profit and loss account for the immediately preceeding Financial Year does not exceed Rs.2 crores or such higher amount as may be prescribed which shall not be more than Rs.100 crores. This definition shall not apply to- • a holding company or a subsidiary company; • a company registered under Section 8; or • a company or body corporate governed by any special Act.	
	d.	A consultant explained the need of making a Memorandum of Association (MOA) consisting different clauses. X, Y and Z are very curious to know the names of various clauses of MOA. As a consultant help them.	3
		Type your answer here Memorandum of Association (MOA) includes six different clauses as mentioned below: 1. Name Clause. 2. Domicile Clause. 3. Objects Clause. 4. Liability Clause. 5. Capital Clause. 6. Situation Clause.	

END