

# INTERMEDIATE EXAMINATION

December 2015

P-6(LEG)

Syllabus 2012

## Laws, Ethics and Governance

Time Allowed: 3 Hours

Full Marks: 100

*The figures in the margin on the right side indicate full marks.*

*This paper contains four questions.*

*All questions are compulsory, subject to instruction provided against each questions.*

*All workings must form a part of your answer.*

*Assumptions, if any, must be clearly indicated.*

1. Answer *all* questions (Choose the correct answer from the given four alternatives.): 1×20=20
- (i) Anchal purchased a motor car from Kamal who had no title to it. Anchal used the motor car for several months. True owner spotted the motor car and demanded it from Anchal. In such case
- Anchal is bound to hand-over the motor car to true owner.
  - Anchal is not bound to return the motor car to true owner as he has paid in full settlement to Kamal.
  - Anchal shall advise true owner to approach Kamal.
  - True owner has no right to claim either from Anchal or from Kamal.
- (ii) Which of the following agreement is wagering agreement under the Indian Contract Act, 1872?
- Crossword competition involving application of skill and knowledge.
  - Contract of Insurance.
  - A promise to pay B ₹ 1,000 if it rains on Monday.
  - A agrees to pay B ₹ 1,000 if two straight lines should enclose a space.
- (iii) Under Sale of Goods Act, which of the delivery of goods is called as delivery by attornment?
- Actual
  - Symbolic
  - Constructive
  - Physical
- (iv) Where the price of the goods under a contract of sale is to be fixed by the valuation of a third party who fails to fix the valuation, but goods are supplied to the buyer, under section 10 of the Sale of Goods Act, 1930, the buyer is
- liable to pay the reasonable price of the goods.
  - liable to pay the minimum price of the goods.
  - not liable to pay any price until fixed by the valuer.
  - liable to pay the maximum retail price.
- (v) Under Factories Act, 1948, where work of the same kind is carried out by two or more sets of workers during different period of the day, each of such period is called a
- Relay
  - Shift
  - Recess
  - Overtime

Please Turn Over

- (vi) Under Payment of Wages Act, 1936, deduction on account of payment to cooperative societies shall not be more than
- (a) 50% of wages
  - (b) 75% of wages
  - (c) 90% of wages
  - (d) 60% of wages
- (vii) Under Employee's State Insurance Act, in order to qualify for sickness benefit, the insured worker is required to contribute for
- (a) 70 days in a contribution period of 6 months.
  - (b) 78 days in a contribution period of 3 months.
  - (c) 91 days in a contribution period of 3 months.
  - (d) 78 days in a contribution period of 6 months.
- (viii) Ankit purchased goods worth ₹ 20,000 from Anuj. In lieu of cash payment, Ankit accept a bill of exchange of ₹ 20,000 to be payable after three months. This is an example of
- (a) Accomodation Bill
  - (b) Fictitious Bill
  - (c) Genuine Bill
  - (d) Documentary Bill
- (ix) Under the Negotiable Instruments Act, 1881, whether acceptance of a bill of exchange in the following situation shall be treated as 'qualified' acceptance where the acceptor
- (a) undertakes to pay only ₹ 10,000 for a bill drawn for ₹ 15,000.
  - (b) declares the payment to be independent of any other event.
  - (c) writes, 'Accepted, payable at ABC Bank'.
  - (d) writes, 'Accepted, payable at Delhi'.
- (x) When a partnership firm is continued even after the expiry of fixed term is called
- (a) Perpetual partnership
  - (b) Fixed partnership
  - (c) Contract partnership
  - (d) Partnership at will
- (xi) A person who is not a partner of a Partnership Firm, but he may liable for firm's debt as if he was a Partner. Such a person is called
- (a) Nominal Partner
  - (b) Sleeping Partner
  - (c) Partner by estoppels
  - (d) Partner for profit only
- (xii) Any person aggrieved by an order made by the Adjudicating Authority under PMLA 2002, may prefer an appeal to
- (a) Civil Court
  - (b) Appellate Tribunal
  - (c) Special Court
  - (d) High Court

- (xiii) Under Companies (Registration Offices and Fees) Rules, 2014, every foreign company shall file with the Registrar of Companies along with the financial statement in form \_\_\_\_\_ which belong to the list of all the places of business established by the foreign company in India.
- (a) FC 4
  - (b) FC 2
  - (c) FC 1
  - (d) FC 3
- (xiv) The supervisory board under the German Model is known as
- (a) Aufsichtsrat
  - (b) Kiertsu
  - (c) Vorstand
  - (d) Kyosei
- (xv) An audit committee has four fold relationship and therefore has to interact with management, internal auditor, public and
- (a) Cost auditor
  - (b) Statutory auditor
  - (c) Tax auditor
  - (d) Management auditor
- (xvi) Which one of the following categories of person have the right to information under section 3 of Right to Information Act, 2005?
- (a) Only aggrieved persons
  - (b) All the Indian Resident and Foreign National staying in India
  - (c) All the citizens of India
  - (d) Non Resident Indians
- (xvii) Business ethics are needed to create a faith about the quality, quantity, price etc. of products. The customers have more trust and faith in the businessmen who follow ethical rules. They feel that such businessmen would not cheat them. Which one of the following is appropriate for it?
- (a) Sefeguarding consumers' right
  - (b) Improve customers' confidence
  - (c) Survival of business
  - (d) Consumer movement
- (xviii) Holders of public office should not place themselves under any financial or other obligation to outside individuals or organizations that might influence them in the performance or their official duties. This principle of public life is called
- (a) Selflessness
  - (b) Honesty
  - (c) Objectivity
  - (d) Integrity

- (xix) There are many types of ethical conflicts in the
- (a) Business place
  - (b) Office place
  - (c) Work place
  - (d) Public place
- (xx) Which one of the following is said to be “unethical behavior”?
- (a) Encouraging communication
  - (b) Economic cycles
  - (c) Employees awareness
  - (d) Objectivity

2. Answer any four questions:

12×4=48

- (a) (i) Kavita falsely representing herself as the wife of a millionaire, takes a necklace from a jeweller's shop for the approval of her husband. She pledges it with a pawn broker who in good faith and without notice of the fraud pays her ₹ 1,00,000. Can the jeweller recover the necklace from the pawn broker? 3
- (ii) For the purpose of making uniform for the employees, Amit bought dark blue coloured cloth from Bhagat, but did not disclose to the seller the purpose of said purchase. When uniforms were prepared and used by the employees, the cloth was found unfit. However, there was evidence that the cloth was fit for caps, boots and carriage lining. Advise Amit whether he is entitled to have any remedy under the Sale of Goods Act, 1930? 3
- (iii) Akash, Ashish and Anil were partners in a firm. By his willful neglect and misconduct Anil caused serious loss to the business of the firm. After several warnings to Anil, Akash and Ashish passed a resolution expelling Anil from the firm. By another resolution they admitted Abhishek as a partner in place of Anil. Anil objects to his expulsion as also to the admission of Abhishek. Is he justified in his objections? 3
- (iv) “A cheque is a specie of a bill of exchange with two additional qualifications.” Explain. 3
- (b) (i) Bimal at Durgapur under instruction from Amal of Kolkata contracts with Kamal to deliver electric oven to him. Amal does not send the oven to Bimal and Kamal sues Bimal for breach of contract. Bimal informs Amal of the suit and as per Amal's advise Bimal defend the suit. Bimal compelled to pay damages, costs and incurs expenses Amal refuse. Advise Bimal. 3
- (ii) Mahendra made a hire-purchase agreement with Narendra for a car of which Narendra was described as the owner. Mahendra paid four of the twelve monthly instalments and then learnt that Jitendra claimed to be the owner of the car. He nevertheless paid the balance of instalment and exercised his option to purchase. Jitendra then demanded the car and Mahendra gave it up to him. Mahendra then sued Narendra to recover the full price and Narendra counter claimed for a reasonable sum as hiring charges for the car during the period it was with Mahendra. Decide. 3
- (iii) ABC Ltd. carrying manufacturing activities with aid of power and with eight workers for last two years ending on 31.03.2014. Three more workers were appointed on 01.04.2014, two workmen left the company on 30.04.2014. Thereafter no workman was employed nor any workmen left. Mr. Basant, one of the workman demanded that Factories Act, 1948 shall be applicable to this company but the management denied. Give your opinion. 3
- (iv) Explain the powers of director to impose fine under section 13 of PMLA. 3

