

INTERMEDIATE EXAMINATION

December 2019

P-6(LNE)
Syllabus 2016

Laws and Ethics

Time Allowed: 3 Hours

Full Marks: 100

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

This question paper has two sections, A and B.

Both the sections are to be answered subject to instructions given against each.

*Wherever necessary, candidates may make appropriate
assumptions and clearly state them.*

Please: (1) Answer all bits of a question at one place.

(2) Open a new page for Answer to a new question.

SECTION – A

Section A contains Question No. 1. All parts of this question are compulsory.

1. Answer all the following questions:

- (a) Choose the correct answer from the given alternatives (you may write only the Roman numeral and the alphabet chosen for your answer): 1×10=10
- (i) A person is said to be of sound mind for the purposes of making a contract if, at the time when he makes it, he is capable of
- (A) listening it
 - (B) hearing it
 - (C) understanding it
 - (D) interpreting it

- (ii) Ankit agrees to pay Bina ₹1500 if it rains today, otherwise Bina pays Ankit ₹ 2000. This is a
- (A) Gambling
 - (B) Wagering agreement
 - (C) Valid agreement
 - (D) Speculation
- (iii) Writing of a person's name on the face or back of an instrument or on a slip of paper attached to it is known as
- (A) Endorsement
 - (B) Transfer
 - (C) Negotiation
 - (D) Transmission
- (iv) Anusua and Shrita formed a partnership to undertake a construction of a shopping complex in New Delhi. This partnership is called
- (A) Partnership at will
 - (B) Particular partnership
 - (C) Unlimited partnership
 - (D) Partnership with undefined mission
- (v) As per the Minimum Wages Act 1948, Adolescent means a person who has completed the age of 14 years but not completed the age of
- (A) 15
 - (B) 14
 - (C) 21
 - (D) 18

(vi) Every employee shall be entitled to receive bonus from his employer in

- (A) a financial year
- (B) an accounting year
- (C) a calendar year
- (D) a manufacturing year

(vii) The annual return of an OPC shall be signed by

- (A) the company secretary
- (B) the director
- (C) the chief accountant
- (D) the auditor

(viii) The minimum age limit for appointment of managing director and the whole time director is

- (A) 18 years
- (B) 21 years
- (C) 25 years
- (D) 30 years

(ix) A company cannot remove a director appointed

- (A) at the annual general meeting
- (B) at the extra ordinary general meeting
- (C) by the promoter
- (D) by the tribunal

(x) Moral management requires ethical

- (A) producer
- (B) leadership
- (C) market
- (D) customer

(b) Match and Pair:

1×5=5

	Column I		Column II
(1)	Right of lien	(A)	Industrial Establishment
(2)	Certificate of Incorporation	(B)	Minimum rates of wages have been fixed
(3)	Lord Nolan	(C)	Keep the goods in his possession
(4)	Plantation	(D)	Seven principles of public life
(5)	Cost of living index number	(E)	Form No. INC-11

(c) State whether the following statements are True or False:

1×5=5

- (i) A promise in return for promise means Cross promises.
- (ii) Section 65 provides that the Central Government shall appoint one or more Inspectors to investigate the affairs of a LLP.
- (iii) The information Memorandum shall be deemed to be a Red herring prospectus.
- (iv) A holder of depository receipts may become a member of the company.
- (v) Value chain as a strategic framework for analysis of competitive advantage was promoted by Peter Drucker.

(d) Fill in the blanks :

1×5=5

- (i) Section 92 of the Companies Act provides that every company shall prepare an Annual Return in Form No. _____.
- (ii) No fine shall be imposed on any employed person who is under the age of _____.
- (iii) The ESI Act, 1948 is the first major legislation on _____ security for the employees in India.
- (iv) A company whose principal business is the acquisition of shares, debentures or other securities is termed as _____ company.
- (v) _____ is the principles and standards that determine acceptable conduct in business organizations.

SECTION – BAnswer *any five* questions from question numbers 2 to 8.

Each question carries 15 marks.

2. (a) Discuss the different modes of terminating contractual relationship between the parties.

(b) Anita and Sonali are friends, Sonali treats Anita during Anita's illness.

Sonali does not accept payment from Anita for treatment and Anita promises Sonali's daughter Tania to pay her ₹75,000. Anita being in poor circumstances is unable to pay.

Tania sues Anita for the money. Can Tania recover?

Offer your views based on provisions of the Indian Contracts Act, 1872. 10+5=15

3. (a) Discuss the procedure of conversion from private limited company into limited liability partnership.

(b) Mr. S. K drew a cheque in favour of Mr. P. K who was seventeen years old. Mr. P. K settled his rental due by endorsing the cheque in favour of Mrs. R. K the owner of the house in which he stayed. The cheque was dishonoured when Mrs. R. K presented it for payment on the grounds of inadequacy of funds. Advice to Mrs. R. K how she can proceed to collect her dues. $9+6=15$

4. (a) Discuss the welfare measures to be taken in a factory for the workmen employed therein as per the Factories Act, 1948.

(b) Mention any seven purposes for which the ESI fund may be expended. $8+7=15$

5. (a) Sweat equity shares are issued to directors or employees at a discount or for consideration other than cash. Discuss under the provisions of the Companies Act, 2013.

(b) XYZ Ltd. issued Notice for holding of its Annual General Meeting on 30th September 2019. The notice was posted to the members on 7th September 2019. Some members of the company allege that the company had not complied with the provisions of the Companies Act. Referring to the provisions of the Act, decide.

(i) Whether the meeting has been validly called?

(ii) If there is a shortfall, state and explain by how many days does the notice fall short of the statutory requirement?

(iii) Can the delay in giving notice be condoned?

$8+7=15$

6. (a) What are the different duties of a director in a company as per the Companies Act, 2013?
- (b) What are the disqualifications of a person for the appointment as a director under the Companies Act, 2013? 7+8=15
7. (a) What is Value Chain? What are the new themes and challenges that managers face currently?
- (b) Discuss the procedure for recovery of bonus in case the employer has not paid under a settlement. 9+6=15
8. Write short notes on *any three* of the following terms: 5×3=15
- (a) Misrepresentation
- (b) Director Identification Number
- (c) Advantages of Business Ethics
- (d) Dependent
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