

INTERMEDIATE EXAMINATION

June 2018

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.

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) The main feature of e-contract is

- (a) Cost and acceptability
- (b) Purity and clarity
- (c) Speed, accurate and reliable
- (d) Perfection and attractive

(ii) Which of the following *is not* an unpaid seller's right against the goods?

- (a) The right of retention
- (b) The right of stoppage in transit
- (c) The right of seeking claim for damage
- (d) The right of resale

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- (iii) Where the endorser does not want that the endorsee or any other holder to incur any expense on his account is called
- (a) Restrictive endorsement
 - (b) Sans frais endorsement
 - (c) Conditional endorsement
 - (d) Unwanted endorsement
- (iv) The liability of the partners will continue for the acts done before the dissolution, even after the dissolution, until
- (a) Public notice is given of the dissolution
 - (b) Partners are getting the final payment
 - (c) Claim is demanded by the creditors
 - (d) The death of partners
- (v) Every employee shall be entitled to receive bonus from his employer in an accounting year if he has worked for not less than
- (a) Ten working days
 - (b) Twenty working days
 - (c) Thirty working days
 - (d) Forty working days

(vi) Under Employee's State Insurance Act, 1948, the term of the office of the members of Medical Benefit Council shall be

- (a) 2 Years
- (b) 4 Years
- (c) 5 Years
- (d) 10 Years

(vii) Which one cannot be transacted through postal ballot?

- (a) Appointment of auditor
- (b) Election of a Director
- (c) Buy back of shares by a company
- (d) Change in place of registered office outside the local limits of any city, town or village

(viii) The appointment of an independent director shall be approved by the

- (a) Board meeting
- (b) General meeting
- (c) Registrar of Companies
- (d) Central Government

(ix) The sweat equity shares shall be locked in for a period of _____ years from the date of allotment.

- (a) One
- (b) Two
- (c) Three
- (d) Four

(x) The following is the disadvantage of business ethics:

- (a) Through increasing morale and trust business can increase their market share
- (b) Publicity due to well and ethical performance
- (c) Acceptance of products of the company by the public
- (d) Diversity in achievements

(b) Match the statement in column 1 with the most appropriate statement in Column II: 1×5=5

	Column I		Column II
1.	Legal Representative of the contractor	(A)	Welfare measures taken in a factory.
2.	Where the seller makes a false representation and buyer relies on it.	(B)	Certificate of incorporation.
3.	Creches	(C)	Extract of the annual return of a company.
4.	MGT-9	(D)	Exception to the Doctrine of Caveat Emptor.
5.	Form No. INC-11	(E)	He who is not the Principal Employer.

(c) State whether the following statements are True or False (you may write only the Roman numeral and whether True or False without copying the statements into the answer books):

1×5=5

- (i) Gratuitous bailment continues even after the death of either of the bailor or bailee.
- (ii) A holder is not having right to duplicate of lost bill, before it is overdue.

(iii) Fine may be recovered from the employed person by installments

(iv) Share certificate is a negotiable instrument.

(v) The businessmen who do not follow business ethics will have short term success, but they will fail in the long run.

(d) **Fill in the blanks suitably** (you may write only the Roman numeral and the content filling the blanks): 1×5=5

(i) The liability of surety arises only when the principal debtor fails to pay the debt to the _____.

(ii) Goods to be manufactured or produced or acquired by the seller after making of the contract of sale is called _____ good.

(iii) If there is a dispute as to the amount of gratuity payable to the employee, the employer shall deposit the gratuity with the _____.

(iv) The time limit for registration of charge is _____ days from the date of creation of charge.

(v) The ethical operation of a company is directly related to _____ in both short and long term.

SECTION – B

Answer *any five* questions from question numbers 2 to 8

Each question carries 15 marks.

15×5=75

2. (a) Mr. X, a businessman has been fighting a long drawn litigation with Mr. Y, another businessman. To support his legal campaign Mr. X enlists the services of Mr. Z, a legal expert, stating that an amount of ₹ 10 lakhs would be paid, if Mr. Z does not take up the brief of Mr. Y. Mr. Z agrees, but at the end of the litigation Mr. X refuses to pay.

Decide whether Mr. Z can recover the amount promised by Mr. X under the provisions of the Indian Contract Act, 1872.

(b) State the circumstances when an agent is personally liable for the contracts entered into by him on behalf of the principal? 5+10=15

3. (a) M/s. Tea Enterprises agreed to supply 2,200 Kgs. of Tea to M/s. Gopal Enterprises at ₹ 1200/- per Kg. by 30th April, 2018. On 1st March, 2018 M/s. Tea Enterprises informs Gopal Enterprises that they are not willing to supply the Tea as the price of Tea increased to ₹ 1400/- per Kg. **Examine** the right of M/s. Gopal Enterprises.

- (b) Anil draws a bill of exchange payable to himself on Sushil, who accepts the bill without consideration just to accommodate Anil. Anil transfers the bill to Ajay for good consideration.

State the rights of Anil and Ajay. Would your answer be different if Anil transferred the bill to Ajay after maturity? 8+7=15

4. (a) Critically examine the duties of certified surgeon under the Factories Act, 1948.

- (b) Enumerate the Central Record Keeping Agency under Pension Fund Regulatory and Development Act 2013? 8+7=15

5. (a) Discuss the procedure for conversion of private company into One Person Company.

- (b) What are the procedures of sending notice through electronic mode under the Companies Act, 2013? 7+8=15

6. (a) Discuss the provisions of the Companies Act, 2013 regarding disqualifications for appointment of director.

- (b) "Directors are agents of the company." — Discuss. 10+5=15

7. (a) What are the areas in business ethics? Write a note of the same.

- (b) Kelson Limited has two separate units at Delhi and Mumbai in India. Every unit of the said company prepares and maintains separate Balance Sheet and Profit and Loss Account. Delhi unit is incurring continuous losses and hence bonus is not paid to the employees of this unit.

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? 10+5=15

8. Write short notes on *any three* out of the following terms:

- (a) Undue Influence
 - (b) Alteration of Share Capital
 - (c) Consumer movement and Ethics
 - (d) Manufacturing process under the Factories Act, 1948.
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