

Paper 6- Laws and Ethics

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Full Marks:100

Time allowed: 3 hours

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

This paper contains five 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.

Section A

1. Answer the following questions [20 × 1 = 20]

(a) Multiple choice questions:

- (i) K owns a residential flat in Chennai. He is entitled to quiet possession and enjoyment of his property. This is called –
- (a) Rights in Personam
 - (b) Rights in Rem
 - (c) Constitutional Right
 - (d) There is no right at all
- (ii) X sells the goodwill of his retail store to Y for ₹ 5 lacs and promises not to carry on the same business forever and anywhere in India. This agreement is:
- (a) Valid
 - (b) Void
 - (c) Voidable
 - (d) Illegal
- (iii) In a Contract of Guarantee there is/are:
- (a) One contract
 - (b) Two contracts
 - (c) Three contracts
 - (d) Four contracts
- (iv) Right of Stoppage in transit can be exercised by the Unpaid Seller, where the Buyer:
- (a) is solvent
 - (b) becomes insolvent
 - (c) acts fraudulently
 - (d) acts smartly
- (v) "Nemo dat quad non habet", means:
- (a) no one is greater than god

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- (b) none can give who does not himself possess
(c) everyone can give everything he has
(d) everyone is bound by his habit
- (vi) According to Sec 2(n) "Occupier" of a factory means _____
(a) The person who has established the factory
(b) The person who has highest profit share in the factory
(c) The person who has ultimate control over the affairs of the factory
(d) The person who has ultimate control over the employees of the factory
- (vii) A factory employs 250 workers. All the workers including workers above 60 years of age and below 15 years of age went on strike. The employer
(a) can deduct fine from all the workers
(b) cannot deduct fine from workers who are under the age of 15
(c) no fine can be imposed from workers who are 60 years and above
(d) cannot deduct any fine from any worker.
- (viii) Permanent disablement benefit is paid at the rate of _____ of wages.
(a) 120%
(b) 100%
(c) 79%
(d) 90%
- (ix) Workers will be entitled to overtime wages if they have worked for more than____
(a) Forty-eight hours in any four week
(b) Forty-eight hours in any three week
(c) Forty-eight hours in any two week
(d) Forty-eight hours in any week
- (x) Appropriate Government reviews the rates of minimum wages within:
(a) 2 years
(b) 4 years
(c) 5 years
(d) 6 years
- (xi) The Payment of Bonus Act 1965 extends to:
(a) The whole of India
(b) The whole of India except Jammu & Kashmir
(c) The whole of India except Kerala
(d) The whole of India except Jammu & Kashmir and Kerala
- (xii) The maximum ceiling on gratuity as per the Payment of Gratuity Act, 1972 is:
(a) ₹ 5 lakhs
(b) ₹ 10 lakhs
(c) ₹ 15 lakhs

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- (d) ₹ 20 lakhs
- (xiii) The ESI Act, 1948 provides certain benefits to the employees in case of _____
- (a) Case of sickness
 - (b) Maternity
 - (c) Employment injury
 - (d) All the three
- (xiv) Section 85 provides that every company shall keep at its _____ a register of charges.
- (a) Branch office
 - (b) Corporate office
 - (c) Registered office
 - (d) Head office
- (xv) A/an _____ is a person employed to do any act for another or to represent another in dealing with the third person.
- (a) agent
 - (b) pawnee
 - (c) bailor
 - (d) bailee
- (xvi) _____ is not a negotiable instrument as per customs and usage
- (a) Delivery note
 - (b) Railway Receipt
 - (c) Cheque
 - (d) Government promissory note
- (xvii) Section 12(4) provides that the notice of every change of the situation of the registered office, after the date of incorporation, shall be given to the Registrar within _____ days of the change.
- (a) 21
 - (b) 10
 - (c) 7
 - (d) 15
- (xviii) Where goods are delivered to the buyer and he refuses to accept them, the buyer is _____ to return them to the seller
- (a) liable
 - (b) bound
 - (c) Not bound
 - (d) None of the above
- (xix) The minimum paid-up capital for a Public company is:
- (a) ₹ 3 lakhs

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- (b) ₹ 4 lakhs
- (c) ₹ 5 lakhs
- (d) None of the above

(xx) Section _____ of the Companies Act, 2013 deals with the Articles of the Company.

- (a) 5
- (b) 11
- (c) 2
- (d) 148

(b) Match the following:

[5 x 1 = 5]

	Column 'A'		Column 'B'
1.	True test of Partnership	A	Gives the individual entrepreneurs all the benefits of a company
2.	ultra vires	B	A company whose principal business is the acquisition of shares, debentures or other securities
3.	One Person Company	C	Cox V Hickman
4.	Investment company	D	has any of its securities listed on any stock exchange.
5.	Listed company	E	beyond (their) powers

Section B

2. Answer any Three questions:

[3 × 7 = 21]

- (a) "No Consideration – No Contract" State the exceptions to it. [7]
- (b) Explain the differences between Sale and Agreement to Sell. [7]
- (c) What is material alteration under Negotiable Instruments Act, 1881? What are the effects of Material Alteration? [7]
- (d) Where there are two debts one for ₹ 1,000 and another for ₹ 1,200 falling due on the same day and if the debtor pays ₹ 800, whether the appropriation can be made pro-rata for the two debts? [7]

Section C

3. Answer any Three questions:

[3 × 6 = 18]

- (a) Under what circumstances pension under E.P.F can be applied for by an employee? [6]

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- (b) Discuss the general duties of an “occupier” under the Factories Act, 1948. [6]
- (c) Explain the rules for Payment of Wages under Payment of Wages Act, 1936. [6]
- (d) For any contravention of provisions of the LLP Act or LLP agreement, all the partners of LLP are liable for all penalties. Offer your views based on Limited Liability Partnership Act, 2008. [6]

Section D

4. Answer any two questions: [2 x 13 = 26]
- (a) Who is a director? What are the disqualifications for appointment of Director of a Company? [1+12 = 13]
- (b) (i) Define a Government Company.
(ii) State the procedure for alteration of object clause of the Memorandum of Association. [3+10 = 13]
- (c) State what you understand by “Member”. Also discuss about the rules regarding signing of Memorandum and Articles. [3+10 = 13]

Section E

5. Answer any one question: [1 x 10 = 10]
- (a) Outline the need for Ethics in business. [10]
- (b) What are the reason and consequences of Unethical Behavior? [10]