

Paper 6- Laws and Ethics

Paper 6- Laws and Ethics

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) If the agreement is made by obtaining consent by doing an act forbidden by the Indian Penal Code, the agreement would be caused by:
 - (a) Coercion
 - (b) Fraud
 - (c) Misrepresentation
 - (d) Undue influence

- (ii) Cash is withdrawn by a customer of a bank from the automatic teller machine is an example of
 - (a) Express Contract
 - (b) Void Contract
 - (c) Tacit Contract
 - (d) Illegal Contract

- (iii) "If you contract to sell peas, you cannot oblige a party to have beans" - This statement applies to:
 - (a) a implied condition as to be description of goods
 - (b) the implied condition as to fitness of goods for a particular purpose
 - (c) implied condition as to sample
 - (d) implied condition as to title

- (iv) Who is an Adolescent as per Factories Act, 1948?
 - (a) Who has completed 17 years of age
 - (b) Who is less than 18 years
 - (c) Who has completed 15 years but less than 18 years
 - (d) None of these

- (v) The primary purpose of employee safety programme is to preserve the employees':
 - (a) Mental health
 - (b) Physical health

Postal Test Paper_P6_Intermediate_Syllabus 2016_Set 2

- (c) Emotional health
(d) All of the above
- (vi) Under Payment of wages Act, 1963, in any factory, in which 1200 persons are employed, wages must be paid
(a) any time
(b) before the expiry of 10th day of the following month
(c) before the close of the month
(d) before the expiry of 7th day of the following month
- (vii) The employer's and employee's share of contribution of ESI fund is
(a) 1.75% and 4.75% of wages respectively
(b) 4.75% and 1.75% of wages respectively
(c) 10% and 3.75% of wages respectively
(d) 11 % and 3.75% of wages respectively
- (viii) The Employees Provident Funds Act, 1952 is applicable to every establishment mentioned in schedule 1 and employed _____
(a) 10 persons or more
(b) 100 or more persons
(c) 20 or more persons
(d) 50 or more persons
- (ix) In case of a _____, having a share capital, the memorandum must state the name of the person who, in the event of the death of the subscriber, shall become the member of the company.
(a) Limited company
(b) Unlimited company
(c) One person company
(d) Company limited by guarantee
- (x) Hundi's are Indigenous instrument written in _____ language:
(a) Vernacular
(b) Hindi
(c) English
(d) Sanskrit
- (xi) Which of these is not a negotiable instrument as per the Negotiable Instrument Act, 1881:
(a) Bill of exchange
(b) Delivery note
(c) Bearer Cheque
(d) Share Certificate
- (xii) Public Notice under the Indian Partnership Act, 1932 is given in the following manner:
(a) Serving a copy of the Notice to the Registrar of firms
(b) Publishing the Notice in the Official Gazette

Postal Test Paper_P6_Intermediate_Syllabus 2016_Set 2

- (c) Publishing the Notice in one vernacular newspaper circulating in the district where the firm's principal place of business is situated
- (d) All of the above
- (xiii) The A LLP shall file an annual return duly authenticated with the Registrar within _____ of closure of a financial year under Limited Liability Partnership Act, 2008.
- (a) 30 days
- (b) 45 days
- (c) 60 days
- (d) 90 days
- (xiv) Section _____ of the Act provides for the formation of a company.
- (a) 6
- (b) 5
- (c) 4
- (d) 3
- (xv) A prospectus which does not have complete particulars on the price of securities offered and the quantum of securities offered by the company is known as _____.
- (a) Statement in lieu of prospectus
- (b) Red-herring prospectus
- (c) Deemed prospectus
- (d) Shelf prospectus
- (xvi) Which of the following are welfare measures according to Factories Act, 1948.
- (a) washing facilities
- (b) facilities for storing and drying clothing
- (c) facilities for sitting
- (d) All of the above
- (xvii) The minimum age limit for appointment of Managing Director and the Whole time director is _____ years.
- (a) 21
- (b) 18
- (c) 30
- (d) 40
- (xviii) Companies set up by special _____ or State Legislatures are called statutory companies.
- (a) Central legislatures
- (b) Acts of Parliament
- (c) Directives of the President of India
- (d) Company Law Board

Postal Test Paper_P6_Intermediate_Syllabus 2016_Set 2

- (xix) Where a company has changed its name or names during the last _____ years, it shall paint or affix or print along with the name, the former name or names so changed.
- (a) Five
(b) Three
(c) Two
(d) None of the above
- (xx) The shifting of registered office shall not be allowed if any _____ has been initiated against the company or any prosecution is pending against the company under the Act
- (a) Inquiry
(b) Inspection
(c) Investigation
(d) Any one of the above

(b) Match the following:

[5 x 1 = 5]

	Column 'A'		Column 'B'
1.	Implied Contract	A	Three months
2.	Maternity Benefit	B	Section 2(85)
3.	Ostensible Partner	C	Director Identification Number
4.	Small Company	D	Person entering metro station
5.	DIN	E	Who is engaged in the conduct of the business.

Section B

2. Answer any Three questions:

[3 × 7 = 21]

- (a) Explain the difference between Contract of Indemnity and Contract of Guarantee. [7]
- (b) Who is an unpaid seller? Discuss about the rights of an unpaid seller against goods? [7]
- (c) Explain the types of endorsement of Negotiable Instruments? [7]
- (d) Ramesh, aged 16 years, was studying in an engineering college. On 1st March, 2012 he took a loan of ₹ 1 lakh from Suresh for the payment of his college fee and agreed to pay by 30th May, 2014. Ramesh possesses assets worth ₹ 10 lakhs. On due date, Ramesh fails to pay back the loan to Suresh. Suresh now wants to recover the loan from Ramesh out of his assets. Whether Suresh would succeed? Decide, referring to the provisions of the Indian Contract Act, 1872. [7]

Section C

3. Answer any Three questions:

[3 × 6 = 18]

- (a) State the eligibility and disqualification for bonus under the Payment of Bonus Act. [6]

Postal Test Paper_P6_Intermediate_Syllabus 2016_Set 2

- (b) What benefits are available to the insured person under ESI Act, 1948. [6]
- (c) How would wages be fixed for a worker who works for less than normal working day, as per Minimum Wages Act, 1948. [6]
- (d) H retired from services on attaining the age of superannuation. After his retirement, it was noticed that he had misappropriated amount from travelling allowance drawn by him. The employer wants to deduct the misappropriated amount from gratuity payable to him. Is the action of the employer legally tenable? [6]

Section D

4. Answer any two questions: [2 x 13 = 26]
- (a) Write a note on Related Party Transactions under Companies Act, 2013. [13]
- (b) (i) Explain the powers of Board of Directors under Companies Act, 2013.
(ii) Define the term "court" as per Companies Act, 2013. [9+4 = 13]
- (c) (i) The management of Ambika Properties Ltd., has decided to take up the business of chemical processing activity because of the downward trend in real estate business. There is no provision in the object clause of the Memorandum of Association to enable the company to carry on such business. State with reasons whether its object clause can be amended. State briefly the procedure to be adopted for change in the object clause in the light of Companies Act, 2013.
(ii) According to the Institute of Internal auditors, 'Internal audit involves five areas of operation'. Explain this statement. [7+6 = 13]

Section E

5. Answer any one question: [1x10 = 10]
- (a) State the fundamental principles of Ethical Behaviour. [10]
- (b) Discuss the different types of Ethical Issues. [10]