



**MODEL QUESTION PAPER**  
**INTERMEDIATE**  
**PAPER - 5**  
**BUSINESS LAWS AND ETHICS**

**SET 1**  
**TERM – DEC 2023**

**Time Allowed: 3 Hours**

**Full Marks: 100**

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

**SECTION – A**

**1. Multiple Choice Questions:**

**[15 x 2 = 30]**

- (i) Cash is withdrawn by a customer of a bank from the automatic teller machine is an example of \_\_\_\_\_.
- Express Contract
  - Void Contract
  - Tacit Contract
  - Illegal Contract
- (ii) Which of the following agency is irrevocable under The Indian Contract Act, 1872?
- Agency for fixed period
  - Agency for single transaction
  - Agency coupled with interest
  - Continuing Agency
- (iii) A sort of tacit understanding /agreement among the intending bidders to stifle competition by not bidding against each other in an auction sale is called as
- Damping
  - Konck-out Agreement
  - Puffers
  - By-Bidders
- (iv) When an instrument is drawn conditionally or for a special purpose as a collateral security and not for the purpose of transferring property therein, it is called:
- Ambiguous Instrument
  - Inchoate Instrument
  - Escrow Instrument
  - Inland Instrument
- (v) A new partner may be admitted into a partnership firm either for the increase of capital of the firm or to strengthen the \_\_\_\_\_
- Production of the firm
  - Management of the firm
  - Profit share of the firm
  - Manpower of the firm
- (vi) Power to exempt any LLP or class of LLP for audits of accounts is with
- Inspector



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- b. Central Government  
c. Any other regulatory authority  
d. None of the above
- (vii) According to Factories Act, 1948 white wash or colour wash should be carried out at least once in every period of
- a. 14 months  
b. 24 months  
c. 48 months  
d. 60 months
- (viii) Provisions of EPF & Miscellaneous Provision Act, 1952 are applicable to Cinema/Theatre employing:
- a. 10 or more persons  
b. 20 or more persons  
c. 5 or more persons  
d. 15 or more persons
- (ix) Gratuity is payable to an employee after he has rendered continuous service for not less than five years on his
- a. transfer  
b. daughter's marriage  
c. re-employment  
d. resignation
- (x) The employer's and employee's share of contribution of ESI fund is
- a. 1.75% and 4.75% of wages respectively  
b. 3.25% and 0.75% of wages respectively  
c. 10% and 3.75% of wages respectively  
d. 11% and 3.75% of wages respectively
- (xi) In which of the following manner, the employer may fix wage period as per Code of Wages, 2019?
- (i) Daily                      (ii) Weekly                      (iii) Fortnightly                      (iv) Monthly
- a. (i), (ii) and (iv)  
b. (i) and (ii)  
c. (i), (ii), (iii) and (iv)  
d. Only (iv)
- (xii) 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



- (xiii) Every company limited by shares shall keep and maintain the Register of Members in Form No. \_\_\_\_\_
- MGT – 1
  - MGT – 3
  - MGT – 7
  - MGT – 12
- (xiv) 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:
- Private placement
  - Red-herring prospectus
  - Deemed prospectus
  - Shelf prospectus
- (xv) Meta ethics deal with the nature of \_\_\_\_\_
- External influences
  - Moral Judgement
  - Material facts
  - Personal rights

SECTION – B

(Answer any five questions out of seven questions given. Each question carries 14 Marks)

- 2.(a) Discuss the different modes of terminating contractual relationship between the parties. [7]
- 2.(b) Discuss the circumstances when an agent is personally liable for the contracts entered into by him on behalf of the principal? [7]
- 3.(a) Demonstrate the circumstances in which Limited Liability Partnership may be wound up by Tribunal? [7]
- 3.(b) What do you understand by “Caveat Emptor” under the Sale of Goods Act, 1930? Discuss the exceptions to this rule? [7]
- 4.(a) Discuss the time limit for payment of wages under the Code on Wages, 2019? [7]
- 4.(b) Discuss the procedure for determination of the amount of gratuity as per Section 7 of the Payment of Gratuity Act, 1972? [7]
- 5.(a) State the procedure of alteration of Memorandum of Association as per the Companies Act, 2013? [7]
- 5.(b) Enumerate the provisions of the Companies Act, 2013 regarding disqualifications for appointment of director. [7]



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- 6.(a)** Explain the seven principles of public life. [7]
- 6.(b)** Interpret the standards of ethical conduct for practitioners fixed by the Institute of Cost Accountants of India? [7]
- 7.(a)** Write briefly about Audit Committee according to Section 177 of Companies Act, 2013? [7]
- 7.(b)** Mr. Sohit, a Director of PQR Limited proceeding on a long foreign tour, appointed Mr. Sohan as an alternate director to act for him during his absence. The articles of the company provide for appointment of alternate directors. Mr. Sohit claims that he has a right to appoint alternate director. Demonstrate whether Mr. Sohit is correct based on legal provisions? [7]
- 8.(a)** 'A' contracts with 'B' for a fixed price to construct a house for 'B' with in stipulated time. 'B' would supply the necessary material to be used in the construction. 'C' guarantees A's performance of the contract. 'B' does not supply the material as per the agreement. Is 'C' discharged from his liability. Analyse the situation and discuss. [7]
- 8.(b)** 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. [7]