

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 question paper has two sections.

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

Section – A

1. Answer all questions. [25 marks]

(a) Multiple Choice Questions [10 Marks]

- (i) Which of the following is not a quasi contract:
- (a) Claim for necessaries supplied to person incapable of contracting, or on his account
 - (b) Reimbursement of person paying money by another, in payment of which he is interested
 - (c) Uncertainty and futurity of the events to which it is related
 - (d) Responsibility of the finder of lost goods.
- (ii) A person may not become an agent if _____
- (a) He is of the age maturity;
 - (b) He is of unsound mind;
 - (c) Either of the above;
 - (d) None of the above.
- (iii) Which one of the following is not the discharge by operation of law
- (a) By merger;
 - (b) By insolvency;
 - (c) By breach of contract;
 - (d) By making unauthorized alteration in the written document.
- (iv) In absence of a contract to the contrary, an agent is entitled to retain _____ of the principal until amount due for commission is not received by him.
- (a) Goods;
 - (b) Papers;
 - (c) Property (whether moveable or immovable);
 - (d) All of the above.
- (v) The Information Memorandum shall be deemed to be a _____.
- (a) Prospectus
 - (b) Articles
 - (c) Memorandum

- (d) None of the above.
- (vi) Section 122 of Companies Act, 2013 provides that which of the following provisions are not applicable to an OPC
- (a) Section 100: Calling of EGM
 - (b) Section 101: Notice of Meeting
 - (c) Section 105: Proxies
 - (d) All of the above
- (vii) A company in which either of the Government has no paid up share capital is called as a _____ company
- (a) Non-Government
 - (b) Government
 - (c) Listed
 - (d) Non-listed
- (viii) Section 7(4) of Companies Act, 2013 provides that the company shall maintain and preserve copies of all documents and information as originally filed with the registrar till it's _____ under this Act..
- (a) Incorporation
 - (b) Commencement
 - (c) Dissolution
 - (d) None of the above
- (ix) The company shall not issue sweat equity shares for more than _____ of the existing paid up share capital in a year.
- (a) 10%
 - (b) 15%
 - (c) 25%
 - (d) None of the above
- (x) _____ are the principles of Business Ethics.
- (a) Avoid exploitation of consumers
 - (b) Avoid unfair trade practices
 - (c) Unfair treatment to employees
 - (d) All of the above

(b) Fill in the Blanks

[5 Marks]

- (i) Winding up of an LLP can either be _____ or _____.
- (ii) When an instrument is dishonoured the holder may cause such dishonour to be noted and certified by the notary public. Such certificate is called a _____.
- (iii) A cheque is a bill of exchange drawn on a specified _____, payable on demand.
- (iv) Section 206 of Indian Contract Act, 1872 state that _____ must be given before revocation by principal or renunciation of the agency.

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- (v) The company shall file an application in Form No _____ for its conversion from private company to OPC.

(c) True or False

[5 Marks]

- (i) As per Section 24 of PFRDA Act, 2013 the aggregate holding of equity shares by a foreign company either by itself or through its subsidiary companies or its nominees or by an individual or by an association of persons, whether registered or not under any law of a country outside India taken in aggregate in the pension fund shall not exceed twenty-six per cent of the paid-up capital.
- (ii) A woman employee may be allowed to work between 6 p.m. and 6 a.m.
- (iii) The registered office shall be opened within 15 days from the date of incorporation of the company.
- (iv) Where a bill is drawn in sets, the acceptance is required to be put on all the parts separately.
- (v) Business ethics is not as important to practice good ethical behavior.

(d) Match and Pair

[5 Marks]

	Column I		Column II
1	Annual Leave	A	Auction Sales
2	Right of an unpaid Seller	B	Within 60 days of AGM
3	Filling of Annual Return	C	Capital Redemption Reserve Account
4	Section 64 of Contract Act	D	1 day for every 20 days of work performed
5	Issue of Bonus Share	E	Right to resale

Section – B

2. Answer any 5 questions:

[5×15 = 75]

- (A)** (i) How can a surety be discharged from his liability?
(ii) Z rents out his house situated at Delhi to W for a rent of ₹10,000 per month. A sum of ₹ 5 lac, the house tax payable by Z to the Municipal Corporation being in arrears, his house is advertised for sale by the corporation. W pays the Corporation, the sum due from Z to avoid legal consequences. Referring to the provisions of the Indian Contract Act, 1872 decide whether W is entitled to get the reimbursement of the said amount from Z. **[10+5 = 15]**
- (B)** (i) Limited Liability Partnerships are body corporate. Do you agree? Justify.
(ii) State the circumstances under which a banker is bound to refuse the payment of a cheque. **[10+5 = 15]**
- (C)** (i) What procedure shall an employee adopt for the recovery of the amount of bonus due to him from his employer under the Payment of Bonus Act 1965?

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- (ii) Write a note on Central Record Keeping Agency as per Section 21 of PFRDA Act, 2013. **[8+7 = 15]**
- (D)** (i) List the documents that have to be submitted for incorporation of a company.
(ii) State the conditions for formation of an OPC. **[8+7 = 15]**
- (E)** (i) Discuss about the contents of the Annual Return
(ii) Write about the rules regarding repayment of deposits accepted before the commencement of Companies Act, 2013 **[10+5 = 15]**
- (F)** (i) Discuss in brief about the values and attitudes of Professional Accountants.
(ii) The Minimum Wages Act, 1948 prescribes payment of wages in cash only. Comment **[10+5 = 15]**
- (G) Write a note on: (Any Three)** **[5 × 3 = 15]**
- (i) Mode of settlement of accounts between partners
(ii) Determination of amount of Gratuity
(iii) Condition for conversion of a Sec 8 company into a company of any other kind
(iv) Consequences of unethical behaviour