

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) The breach of contract may be-
 - (a) Actual;
 - (b) Anticipatory;
 - (c) None of the above;
 - (d) Either of (a) and (b)

- (ii) Which one of the following is not the feature of 'agreement to sale'?
 - (a) It is an executor contract;
 - (b) Sales takes place for existing and specific goods;
 - (c) The seller can sue for damages only in case of breach by the buyer;
 - (d) It gives a right to the buyer against the seller to sue for damages.

- (iii) Which one of the following is not the element of draft?
 - (a) It cannot be drawn on private individual;
 - (b) It cannot be countermanded easily;
 - (c) It is open to the person to stop payment;
 - (d) The bank undertakes the liability which it is bound to discharge in whose favor the draft is issued;

- (iv) Who may negotiate?
 - (a) Drawer;
 - (b) Payee;
 - (c) All of the joint makers;
 - (d) Any of (a) to (c).

- (v) The Information Memorandum shall be deemed to be a _____.
 - (a) Prospectus
 - (b) Articles
 - (c) Memorandum
 - (d) None of the above.

- (vi) The Regional Director shall communicate the confirmation of shifting of registered office within _____ days of receipt of the application.
- (a) 15
 - (b) 30
 - (c) 45
 - (d) 90
- (vii) The private placement shall be made, not more than _____ persons in aggregate in a financial year.
- (a) 50
 - (b) 100
 - (c) 200
 - (d) 400
- (viii) If the shareholders not less than ____ of the issued shares of class did not consent to the variation or vote in favor of the special resolution for the variation, such shareholders may apply to the Tribunal to have the variation cancelled.
- (a) 10%
 - (b) 15%
 - (c) 25%
 - (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) Meta ethics deal with the nature of _____.
- (a) External influences
 - (b) Moral Judgement
 - (b) Material Facts
 - (c) All of the above

(b) Fill in the Blanks

[5 Marks]

- (i) Agreements of wagers are _____.
- (ii) The unpaid seller has the right of _____ on the goods for the price while he is in possession of them.
- (iii) A cheque is a bill of exchange drawn on a specified _____, payable on demand.
- (iv) The Limited Liability Partnership Act does not allow the conversion from _____ into LLP

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- (v) The prospectus shall contain a report by a Chartered Accountant upon the profits or losses for each of _____ financial years immediately preceding the date of issue of prospectus.

(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	Designated Partner	A	Quorum for meetings
2	Business Ethics	B	Claim for necessaries supplied to person incapable of contracting,
3	Negotiation	C	Stop malpractices
4	Section 68 of Contract Act	D	At least two
5	Section 103 of Companies Act, 2013	E	Transfer

Section – B

2. Answer any 5 questions:

[5×15 = 75]

- (A)** (i) A leaves a cow in the custody of B to be taken care of. The cow has a calf. Explain the provisions of restorations of goods bailed, in light of the above statement.
- (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

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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) Transfer of title by non-owners State the exceptions to it. **[5+10 = 15]**

- (C)** (i) Mr. Rahul is the owner of a company and he is in the process of declaring bonus. For the purpose of declaring bonus Mr. Rahul would like to know how the gross profit is being calculated and what are the allowable deductions from it?
(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) Discuss the procedure of sending notice of meeting by electronic mode as per Companies Act. **[8+7 = 15]**

- (E)** (i) Discuss about the contents of the Annual Return
(ii) How is Quorum calculated for conduct of meetings of different classes of companies? **[8+7 = 15]**

- (F)** (i) Discuss in brief about the values and attitudes of Professional Accountants.
(ii) What are the rules regarding granting of Annual Leave under Factories Act, 1948? **[10+5 = 15]**

- (G) Write a note on: (Any Three)** **[5 × 3 = 15]**
- (i) Negotiable Instruments
 - (ii) Determination of amount of Gratuity
 - (iii) Secured debentures
 - (iv) Consequences of unethical behaviour