

INTERMEDIATE EXAMINATION

June 2017

Laws and Ethics

P-6(LNE)
Syllabus 2016

Time Allowed: 3 Hours

Full Marks: 100

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

- (a) Multiple choice questions: 10
- (i) The term 'sub-agent' in the business of agency is defined as a person employed by, and acting under the control of the
- (A) Principal
 - (B) Original agent
 - (C) Lawyer
 - (D) Third person
- (ii) The first endorsement of an instrument can be made by the
- (A) Banker
 - (B) Payee
 - (C) Holder in due course
 - (D) Agent
- (iii) Which of the following is not the mode of dissolution of a firm under voluntary dissolution?
- (A) Dissolution by agreement
 - (B) Dissolution on the happenings of certain contingencies
 - (C) Dissolution on becoming a partner of unsound mind
 - (D) Compulsory dissolution
- (iv) White wash or color wash should be carried out at least once in every period of
- (A) 14 months
 - (B) 24 months
 - (C) 48 months
 - (D) 60 months

- (v) The term 'family' as defined in ESI Act, 1948 does not include
 - (A) a spouse
 - (B) a minor adopted child
 - (C) a dependent unmarried daughter
 - (D) an independent married sister
- (vi) Which one of the following amounts to safety measure?
 - (A) Artificial humidification
 - (B) Ventilation
 - (C) Fencing of factory
 - (D) First aid appliances
- (vii) If a company does not have a common seal, the share certificate shall be signed by
 - (A) Two Directors
 - (B) One Director and Company Secretary
 - (C) Two Directors and Company Secretary
 - (D) Company Secretary
- (viii) In case of e-voting, notice shall be sent as attachment in
 - (A) PDF file
 - (B) Word file
 - (C) Excel file
 - (D) Access file
- (ix) A Director may be elected by small shareholders upon a notice by
 - (A) not less than 1000 small shareholders.
 - (B) one tenth of the total number of shareholders.
 - (C) not less than 1000 small shareholders or one tenth of such shareholders, whichever is lower.
 - (D) one tenth of 1000 small shareholders.
- (x) Meta ethics deal with the nature of _____.
 - (A) external influences
 - (B) moral judgement
 - (C) material facts
 - (D) animal rights

(b) Fill in the blanks:

5

- (i) Misrepresentation must relate to some fact which is material to the _____.
- (ii) The LLP shall inform the concerned Registrar within _____ of the date of registration about the conversion and the particulars of LLP.
- (iii) The term of office of a member of the standing committee, constituted under ESI Act, shall be two years from the date on which his election is _____.
- (iv) The registered office shall be opened within 15 days from the date of _____ of the company.
- (v) A company shall send copy of each of the document such as memorandum etc., to a member within _____ days of the request made by him.

(c) True or False:

5

- (i) In an agreement to sale, the buyer is entitled to recover the same from the official liquidator in case of insolvency of the seller.
- (ii) The term 'employed person' includes the legal representatives of a deceased employed person.
- (iii) Payment of Gratuity Act, 1972 applies to every shop and establishment employing seven or more persons.
- (iv) Any misstatement in the prospectus would attract the liability on the issuer.
- (v) Continuous improvement or kaizen is a popular theme.

(d) Match and Pair:

5

	Column I		Column II
1.	Presentment	(A)	Determines acceptable conduct in business organization
2.	Form no. INC-23	(B)	Issue of global depository receipt
3.	Continuing guarantee	(C)	Bill of exchange
4.	Business ethics	(D)	Shifting of registered office within the same state
5.	Section 41 of the Companies Act	(E)	Guarantee which extends to a series of transactions

SECTION - B

- 2.** Answer *any five* questions: $15 \times 5 = 75$
- (a) Does silence amount to fraud? Explain with exceptions and types of silence amount to fraud. 9
- (b) Mr. P and Mr. Q bet as to whether there would be rain on a particular day of December. Mr. P promises to pay ₹ 5,000 to Mr. Q if there is rain on that day and Mr. Q promises an equal amount to Mr. P if there is no rain on the day. Suppose, there is no rain on that specific day of December and Mr. Q filed a suit for recovery of ₹ 5,000 from Mr. P. Can Mr. Q recover the amount under Indian Contract Act, 1872? 6
- 3.** (a) What are the rights of outgoing partners? 9
- (b) A draws a bill on B. B accepts the bill without any consideration. The bill is transferred to C without consideration. C transferred it to D for value, Decide – (i) Whether D can sue the prior parties of the bill, (ii) Whether the prior parties other than D have any right of action intense? Give your answer in reference to the Provisions of Negotiable Instruments Act, 1881. 6
- 4.** (a) What are the responsibilities of an occupier in a factory? 5
- (b) What are the different purposes for which employees' state insurance fund may be utilized by the central government? 10
- 5.** (a) What are the conditions stipulated in the Companies Act, 2013 in formation of One Person Company? 5
- (b) Discuss the procedure of alteration of memorandum of association as per the companies Act, 2013. 10
- 6.** (a) Describe the Procedure for the resignation of Director. 9
- (b) Describe the term 'independent director' as per the Companies Act, 2013. 6
- 7.** (a) What are the standards of ethical conduct for practitioners fixed by the ICAI? 10
- (b) Discuss the procedure for the recovery of bonus due from an employer. 5
- 8.** Write short notes on *any three* of the following terms: $5 \times 3 = 15$
- (a) E-Contracts
(b) Revocation of licence
(c) Seven principles of public life
(d) Limit of deductions from wages

INTERMEDIATE EXAMINATION

December 2017

P-6(LNE)
Syllabus 2016

Laws and Ethics

Time Allowed: 3 Hours

Full Marks: 100

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 |
| (a) Multiple choice questions: | 10 |
| (i) 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 the unauthorized alteration of items of a written document | |
| (ii) Which of the following is a method of discharge from liability? | |
| (A) By endorsement | |
| (B) By promising | |
| (C) By cancellation | |
| (D) By registration | |
| (iii) A partner may contribute to the LLP | |
| (A) tangible or intangible property. | |
| (B) moveable or immoveable property. | |
| (C) money, promissory note etc. | |
| (D) Any of the above | |
| (iv) 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 | |

- (v) Who will not be considered as an employee?
- (A) Canteen workers
 - (B) Casual workers
 - (C) Partners
 - (D) Part time employee
- (vi) "Individual pension account" means an account of subscriber, executed by a contract setting out the terms and conditions under the
- (A) Provident fund scheme
 - (B) National pension system
 - (C) Citizen welfare system
 - (D) Minimum wage payment scheme
- (vii) Which of the following is not a category of company?
- (A) Inactive company
 - (B) Assistant company
 - (C) Dormant company
 - (D) Producer company
- (viii) Section 92 of the Companies Act, 2013 requires a company to prepare and file annual return in form no.
- (A) MGT-12
 - (B) INC-23
 - (C) MGT-7
 - (D) SH-10
- (ix) An instrument of the proxy shall be deposited with the registered office of the company within _____ before the conduct of the meeting.
- (A) 7 hours
 - (B) 21 hours
 - (C) 48 hours
 - (D) 60 hours
- (x) A proper foundation of ethics requires a standard of _____ to which all goals and actions can be compared to.
- (A) value
 - (B) living
 - (C) life
 - (D) speech

(b) Match and pair:

5

	Column I		Column II
1.	Hybrid between a company and a partnership	(A)	Existence from the time of incorporation to winding up
2.	Perpetual succession	(B)	Powers of the controlling authority
3.	Red herring prospectus	(C)	Need for business ethics
4.	Requiring the discovery and production of documents	(D)	A limited liability partnership
5.	Smooth functioning	(E)	Does not include complete particulars of the quantum or price of securities

(c) True and False:

5

- (i) The seller of the goods is not bound to deliver them until the buyer applies for the delivery.
- (ii) The partners of a LLP may remove an auditor from office at any time by following the procedure as laid down in the LLP agreement.
- (iii) The certificate of fitness granted by the certifying surgeon shall be valid for a period of 24 months from the date thereof.
- (iv) The e-voting shall remain open for not less than 3 days and shall close at 5.00 P.M. on the date preceding the date of general meeting.
- (v) The term 'ethics' derived from French word 'ethos' which means character.

(d) Fill in the blanks:

5

- (i) Remission means _____ of a lesser performance than what is actually due under the contract.
- (ii) A promissory note or bill of exchange, in which no time for payment is specified, and a cheque, are payable on _____.
- (iii) Where a person provides labour or service to another for remuneration which is less than the minimum wage, such labour is called _____.
- (iv) The monies received on application shall be kept in a separate bank account in a _____ bank.
- (v) The seven principles of _____ were set out by Lord Nolan in 1995.

SECTION - B

Answer any five questions.

2. (a) What are the position of Minor's agreement and effect thereof? 10+5=15
- (b) A agreed to become an assistant for five years to B who was a doctor practicing at Chennai. It was also agreed that during the term of agreement A will not practice on his own account in Chennai. At the end of one year, A left the assistantship of B and began to practice on his own account. Referring to the provisions of the Indian Contract Act, 1872, decide whether A could be restrained from doing so. 10+5=15
3. (a) What do you understand by "Caveat-Emptor" under the sale of Goods Act, 1930? What are the exceptions to this rule? 8+7=15
- (b) X, by inducing Y, obtains a Bill of Exchange from him fraudulently in his (X) favour. Later, he enters into a commercial deal and endorses the bill to Z towards consideration to him (Z) for the deal. Z takes the Bill as a holder in due course. Z subsequently endorses the bill to X for value, as consideration to X for some other deal. On maturity, the bill is dishonoured. X sues Y for recovery of money. With reference to the provisions of Negotiable Instruments Act, decide whether X will succeed in the case. 8+7=15
4. (a) What are the different kinds of deduction that can be made from wages under the Payment of Wages Act, 1936? 10+5=15
- (b) When can a member withdraw from his National Pension Funds account? 10+5=15
5. (a) Discuss the procedure for conducting a poll in a meeting of a company. 9+6=15
- (b) Elucidate the circumstances in which a company cannot buy-back its own shares as per the provisions of the Companies Act, 2013. 9+6=15
6. (a) What are the different duties of a director in a company as per the Companies Act, 2013? 8+7=15
- (b) Enumerate the provisions relating to Restrictions on powers of Board. 8+7=15
7. (a) Why business ethics is more important and immensely needed in the present business environment? Discuss. 10+5=15
- (b) Discuss the procedure for determination of the amount of gratuity as per section 7 of the Payment of Gratuity Act, 1972. 10+5=15
8. Write short notes on *any three* of the following terms: 5×3=15
- (a) Contingent Contract
- (b) Director Identification Number (DIN)
- (c) Business Ethics
- (d) Cleanliness of factory

INTERMEDIATE EXAMINATION

June 2018

P-6(LNE)
Syllabus 2016

Laws and Ethics

Time Allowed: 3 Hours

Full Marks: 100

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

This question paper has two sections. A and B.

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

Wherever necessary, candidates may make appropriate assumptions and clearly state them.

SECTION – A

Section A contains question No. 1. All parts of this question are compulsory.

1. Answer all the following questions:

(a) Choose the correct answer from the given alternatives (you may write only the Roman numeral and the alphabet chosen for your answer): $1 \times 10 = 10$

(i) The main feature of e-contract is

(a) Cost and acceptability

(b) Purity and clarity

(c) Speed, accurate and reliable

(d) Perfection and attractive

(ii) Which of the following is not an unpaid seller's right against the goods?

(a) The right of retention

(b) The right of stoppage in transit

(c) The right of seeking claim for damage

(d) The right of resale

- (iii) Where the endorser does not want that the endorsee or any other holder to incur any expense on his account is called
- (a) Restrictive endorsement
 - (b) Sans frais endorsement
 - (c) Conditional endorsement
 - (d) Unwanted endorsement
- (iv) The liability of the partners will continue for the acts done before the dissolution, even after the dissolution, until
- (a) Public notice is given of the dissolution
 - (b) Partners are getting the final payment
 - (c) Claim is demanded by the creditors
 - (d) The death of partners
- (v) Every employee shall be entitled to receive bonus from his employer in an accounting year if he has worked for not less than
- (a) Ten working days
 - (b) Twenty working days
 - (c) Thirty working days
 - (d) Forty working days

(vi) Under Employee's State Insurance Act, 1948, the term of the office of the members of Medical Benefit Council shall be

- (a) 2 Years
- (b) 4 Years
- (c) 5 Years
- (d) 10 Years

(vii) Which one cannot be transacted through postal ballot?

- (a) Appointment of auditor
- (b) Election of a Director
- (c) Buy back of shares by a company
- (d) Change in place of registered office outside the local limits of any city, town or village

(viii) The appointment of an independent director shall be approved by the

- (a) Board meeting
- (b) General meeting
- (c) Registrar of Companies
- (d) Central Government

(ix) 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

(x) The following is the disadvantage of business ethics:

- (a) Through increasing morale and trust business can increase their market share
- (b) Publicity due to well and ethical performance
- (c) Acceptance of products of the company by the public
- (d) Diversity in achievements

(b) Match the statement in column I with the most appropriate statement in Column II: $1 \times 5 = 5$

	Column I		Column II
1.	Legal Representative of the contractor	(A)	Welfare measures taken in a factory.
2.	Where the seller makes a false representation and buyer relies on it.	(B)	Certificate of incorporation.
3.	Creches	(C)	Extract of the annual return of a company.
4.	MGT-9	(D)	Exception to the Doctrine of Caveat Emptor.
5.	Form No. INC-11	(E)	He who is not the Principal Employer.

(c) State whether the following statements are True or False (you may write only the Roman numeral and whether True or False without copying the statements into the answer books):

$1 \times 5 = 5$

- (i) Gratuitous bailment continues even after the death of either of the bailor or bailee.
- (ii) A holder is not having right to duplicate of lost bill, before it is overdue.

- (iii) Fine may be recovered from the employed person by installments
- (iv) Share certificate is a negotiable instrument.
- (v) The businessmen who do not follow business ethics will have short term success, but they will fail in the long run.
- (d) **Fill in the blanks suitably** (you may write only the Roman numeral and the content filling the blanks): $1 \times 5 = 5$
- (i) The liability of surety arises only when the principal debtor fails to pay the debt to the _____.
 - (ii) Goods to be manufactured or produced or acquired by the seller after making of the contract of sale is called _____ good.
 - (iii) If there is a dispute as to the amount of gratuity payable to the employee, the employer shall deposit the gratuity with the _____.
 - (iv) The time limit for registration of charge is _____ days from the date of creation of charge.
 - (v) The ethical operation of a company is directly related to _____ in both short and long term.

SECTION – B

Answer *any five* questions from question numbers 2 to 8

Each question carries 15 marks.

$15 \times 5 = 75$

2. (a) Mr. X, a businessman has been fighting a long drawn litigation with Mr. Y, another businessman. To support his legal campaign Mr. X enlists the services of Mr. Z, a legal expert, stating that an amount of ₹ 10 lakhs would be paid, if Mr. Z does not take up the brief of Mr. Y. Mr. Z agrees, but at the end of the litigation Mr. X refuses to pay.

Decide whether Mr. Z can recover the amount promised by Mr. X under the provisions of the Indian Contract Act, 1872.

- (b) State the circumstances when an agent is personally liable for the contracts entered into by him on behalf of the principal? $5 + 10 = 15$

3. (a) M/s. Tea Enterprises agreed to supply 2,200 Kgs. of Tea to M/s. Gopal Enterprises at ₹ 1200/- per Kg. by 30th April, 2018. On 1st March, 2018 M/s. Tea Enterprises informs Gopal Enterprises that they are not willing to supply the Tea as the price of Tea increased to ₹ 1400/- per Kg. **Examine** the right of M/s. Gopal Enterprises.

(b) Anil draws a bill of exchange payable to himself on Sushil, who accepts the bill without consideration just to accommodate Anil. Anil transfers the bill to Ajay for good consideration.

State the rights of Anil and Ajay. Would your answer be different if Anil transferred the bill to Ajay after maturity? 8+7=15

4. (a) Critically examine the duties of certified surgeon under the Factories Act, 1948.

(b) Enumerate the Central Record Keeping Agency under Pension Fund Regulatory and Development Act 2013? 8+7=15

5. (a) Discuss the procedure for conversion of private company into One Person Company.

(b) What are the procedures of sending notice through electronic mode under the Companies Act, 2013? 7+8=15

6. (a) Discuss the provisions of the Companies Act, 2013 regarding disqualifications for appointment of director.

(b) "Directors are agents of the company." — Discuss. 10+5=15

7. (a) What are the areas in business ethics? Write a note of the same.

(b) Kelson Limited has two separate units at Delhi and Mumbai in India. Every unit of the said company prepares and maintains separate Balance Sheet and Profit and Loss Account. Delhi unit is incurring continuous losses and hence bonus is not paid to the employees of this unit.

Decide, under the **Payment of Bonus** Act, 1965 whether the employees of the said unit can claim bonus on the ground that the unit incurring loss is a part of one single establishment?

10+5=15

8. Write short notes on *any three* out of the following terms:

- (a) Undue Influence
 - (b) Alteration of Share Capital
 - (c) Consumer movement and Ethics
 - (d) Manufacturing process under the Factories Act, 1948.
-

INTERMEDIATE EXAMINATION

December 2018

P-6(LNE)
Syllabus 2016

Laws and Ethics

Time Allowed: 3 Hours

Full Marks: 100

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This question paper has two sections, A and B.

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

Wherever necessary, candidates may make appropriate assumptions and clearly state them.

SECTION – A

Section A contains Question No. 1. All parts of this questions are compulsory.

1. Answer all the following questions:

Choose the correct answer from the given alternatives (you may write only the Roman numeral and the alphabet chosen for your answer): $1 \times 10 = 10$

(a) Multiple Choice Questions:

- (i) A proposal may be revoked at any time before
(A) the communication of acceptance
(B) the payment of consideration
(C) signing the agreement
(D) execution of the proposal
- (ii) Which of the following is not to be taken care while admitting a new partner?
(A) Computation of new profit sharing ratio and sacrifice ratio
(B) Accounting treatment of goodwill
(C) Professional qualification of admitting partner
(D) Revaluation of assets and liabilities

- (iii) Where goods are delivered to the buyer and he refuses to accept them, the buyer is not bound to
- (A) retain them with him.
 - (B) look-after the goods.
 - (C) return them to the seller.
 - (D) store them in his godown.
- (iv) No child shall be allowed to work in a factory unless he has completed his
- (A) 12th year
 - (B) 14th year
 - (C) 16th year
 - (D) 18th year
- (v) Gratuity shall be payable to an employee on the termination of his employment after he has rendered continuous service for not less than
- (A) three years
 - (B) five years
 - (C) seven years
 - (D) ten years

(vi) The Employees' State Insurance Corporation is

- (A) Hindu Undivided Family
- (B) Local Authority
- (C) Charitable Institution
- (D) Body Corporate

(vii) The annual return of an OPC shall be signed by the company secretary or where there is no company secretary, by the

- (A) Senior executive of the company
- (B) Auditor of the company
- (C) Director of the company
- (D) Advocate of the company

(viii) If there is any mis-statement in the prospectus then it would attract the liability on

- (A) The printer
- (B) The issuer
- (C) The publisher
- (D) The proof-reader

(ix) Every company limited by shares shall keep and maintain the Register of Members in Form No.

- (A) MGT-1
- (B) MGT-3
- (C) MGT-7
- (D) MGT-12

(x) Ethics are the set of moral principles that guide a person's

- (A) Behaviour
- (B) Philosophy
- (C) Religion
- (D) Profession

(b) Match and Pair:

1×5=5

	Column I		Column II
(1)	Wagering contract	(A)	Voting through electronics means
(2)	Coercion	(B)	War, animal rights and capital punishment
(3)	Consensus ad-idem	(C)	Committing any act forbidden by the Indian Penal Code
(4)	Section 108 of Companies Act, 2013	(D)	Identity of minds
(5)	Applied ethics	(E)	Promise to pay ₹ 1,000 if it rains today

(c) State whether the following statements are True or False:

- (i) Goods to be manufactured or produced or acquired by the seller after making of the contract of sale are called future goods.
- (ii) The first endorsement of an instrument can be made by the Banker.
- (iii) Payment of Gratuity Act, 1972 applies to every shop and establishment employing seven or more persons.
- (iv) In case of e-voting, notice shall be sent as attachment in word file.
- (v) Ethics is a requirement for human life.

(d) Fill in the blanks :

$1 \times 5 = 5$

- (i) The dishonor of the instrument may be due to Non-acceptance and _____.
- (ii) The term of the office of the representative members of Medical Benefit Council shall be _____ years from the date on which the appointment is notified.
- (iii) The company shall have the _____ to specify the lock-in-period for the shares issued in pursuant to exercise such option.
- (iv) A director may resign from his office by giving a notice in writing to the _____.
- (v) The Seven Principles of Public Life were set out by _____ for the first time in the year 1995.

SECTION – B

Answer *any five* questions from question numbers 2 to 8.

Each question carries 15 marks.

$15 \times 5 = 75$

2. (a) Explain the meaning of 'Quasi-Contracts'. State the circumstances which are identified as quasi-contracts by the Indian Contract Act, 1872.
- (b) C is the wife of A. She purchased some sarees on credit from B. B demanded the amount from A. A refused. B filed a suit against A for the said amount. Decide in the light of provisions of the Indian Contract Act, 1872, whether B would succeed.

$10 + 5 = 15$

3. (a) A limited liability partnership wants to shift its registered office from Mumbai in the State of Maharashtra to Kolkata in the State of West Bengal. What procedure the corporate has to follow under Limited Liability Partnership Act, 2008?
- (b) Rahul draws a cheque payable to 'sell or order'. Before he could encash the cheque, one of his creditors, Samrat approaches him for payment. Rahul endorses the same cheque in Samrat's favour. The banker refuses payment to Samrat on account of insufficiency of funds in the account. Can Rahul be made liable to penalties for dishonor of cheque due to insufficiency of funds in the account under section 138 of Negotiable Instruments Act, 1881? 8+7=15
4. (a) Explain the procedure for fixing and revising minimum wages under Minimum Wages Act, 1948.
- (b) Mention the benefits that are entitled to the insured persons under the Employees' State Insurance Act, 1948. 9+6=15
5. (a) What are the features of companies registered under section 8 of the Companies Act, 2013?
- (b) Discuss the provisions of the Companies Act, 2013 regarding issue of bonus shares. 7+8=15
6. (a) Discuss the powers of the Board of Directors of a company as per the Companies Act, 2013.
- (b) Enumerate the provisions of the Companies Act, 2013 relating to women director in a company. 10+5=15
7. (a) Discuss the nature and relevance of Ethics to the Business.
- (b) Mr. Gill, an employee of M/s Sonabheel Tea Ltd., continued to occupy the quarter of the company for eight months after superannuation, company decided to forfeit the amount of gratuity of Mr. Gill. Examine the decision taken by the company to forfeit the amount of gratuity in the light of the Payment of Gratuity Act, 1972. 10+5=15

8. Write short notes on *any three* of the following terms:

- (a) E-Contracts
 - (b) Small Companies
 - (c) Improving ethical behaviour in business
 - (d) 'Overtime' under Minimum Wages Act, 1948
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INTERMEDIATE EXAMINATION

June 2019

P 6(LNE)
Syllabus 2016

Laws & Ethics

Time Allowed: 3 Hours

Full Marks: 100

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

This question paper has two Sections A and B.

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

Wherever necessary, candidates may make appropriate assumptions and clearly state them.

Please : (1) Answer all bits of a question at one place.

(2) Open a new page for Answer to a new question.

Section-A

Section A contains Question No. 1.

All parts of this questions are compulsory.

1. Answer *all* the following questions:

(a) Choose the correct answer from the given alternatives (you may write only the Roman numeral and the alphabet chosen for your answer): $1 \times 10 = 10$

(i) Anu threaten to kidnap Binu's daughter if she does not sell her house worth ₹ 90 Lakh to her for ₹ 20 Lakh. This Contract is void due to—

- (A) inadequacy of Consideration.
- (B) absence of Free Consent.
- (C) incompetence of Parties.
- (D) None of the above

(ii) The Latin Maxim “Nemo Dat Quod non Habet” means

- (A) no man can pass a better title than he has.
- (B) let the Buyer beware.
- (C) no consideration—No contract.
- (D) ignorance of law is no excuse.

- (iii) As per the RBI Act, which of the following Negotiable Instruments can be payable to the bearer on demand?
- (A) Cheque
 - (B) Hundi
 - (C) Bank Draft
 - (D) Promissory Note
- (iv) When a partnership firm is continued even after the expiry of fixed term, it is called
- (A) Partnership at Will
 - (B) Perpetual Partnership
 - (C) Fixed Partnership
 - (D) Particular Partnership
- (v) The amount of gratuity payable to an employee shall not exceed
- (A) ten months' pay
 - (B) twelve months' pay
 - (C) twenty months' pay
 - (D) twenty-five months' pay
- (vi) No female child shall be allowed to work in any factory except between
- (A) 8 AM to 7 PM
 - (B) 6 PM to 6 AM
 - (C) 6 AM to 7 PM
 - (D) 10 PM to 5 AM

- (vii) In case of a private company, mention the number of members personally present to form the quorum of a meeting of the company.
- (A) One member
(B) Two members
(C) Three members
(D) Four members
- (viii) Which of the following *is not* a valid medium of sending notice to all shareholders?
- (A) By registered post or speed post
(B) Through public advertisement
(C) Through registered email-id
(D) Through courier service
- (ix) If any default is made in filing refund of money, the company and every officer, who is in default shall be liable to a penalty maximum up to
- (A) ₹ 50,000
(B) ₹ 75,000
(C) ₹ 1,00,000
(D) ₹ 1,25,000
- (x) Value chain as a strategic framework for analysis of competitive advantage was promoted by
- (A) Peter Drucker
(B) F. W. Taylor
(C) Michael Porter
(D) Tom Peters

(b) Match and Pair:

1×5=5

	Column I		Column II
1	Occupier	A	P purchases goods from S, he has no intention of paying for it.
2	Section 92 of the Companies Act, 2013	B	Annual Return.
3	Meta ethics	C	Person having ultimate control
4	Fraud	D	Control of at least 20 per cent of total share capital
5	Significant influence	E	Nature of moral judgement

(c) State whether the following statements are True or False:

1×5=5

- (i) An agreement which is impossible is void.
- (ii) In case of expulsion of a partner, the provisions of retired partners will be applicable to such expelled partner.
- (iii) Sickness benefit is paid up to a maximum day of 60 days in a year.
- (iv) A director in the whole time employment of the Company is called Whole Time Director.
- (v) Contribution to pension scheme is recoverable when employee crosses 58 year of age.

(d) Fill in the blanks:

1×5=5

- (i) When the consent is caused by _____, the agreement is voidable at the option of the party whose consent was so caused.
- (ii) All payments of wages shall be made on a _____ day.
- (iii) Whenever a company makes any allotment of securities, it shall file a return of allotment with the Registrar within _____ days of allotment.
- (iv) The application for the purpose of Alteration of Articles is to be filed in Form No. _____.
- (v) Business ethics must safeguard different rights of the _____.

Section-B

Answer *any five* questions from question numbers 2 to 8.

Each question carries 15 marks.

2. (a) Sunil, aged 16 years, was studying in a Medical College. On 1st March, 2017 he took a loan of ₹ 3 lakhs from Anil for the payment of his college fee and agreed to pay by 31st May, 2018. Sunil possesses assets worth ₹ 15 lakhs. On due date Sunil fails to pay back the loan to Anil. Anil now wants to recover the loan from Sunil out of his assets. Whether Anil would succeed? Decide, referring to the provisions of the Indian Contract Act, 1872.

(b) State the essential elements of a contract of bailment. Distinguish between the contract of bailment and contract of pledge. 6+9=15

3. (a) Himadri sells 400 Kgs. of tea to Rahul and sends 200 Kgs. by lorry and 200 Kgs. by Railway. Rahul receives delivery of 200 Kgs. sent by lorry, but before he receives the delivery of the tea sent by railway, he becomes bankrupt. Himadri being still unpaid, stops the goods in transit. The official receiver, on Rahul's insolvency claims the goods. Decide the case with reference to the provisions of the Sale of Goods Act, 1930.

(b) Ajay draws a bill on Anoop. Anoop accepts the bill without any consideration. The bill is transferred to Udit without consideration. Udit transferred it to Vicky for value.

Decide—

- (i) Whether Vicky can sue the prior parties of the bill?
- (ii) Whether the prior parties other than Vicky have any right of action intense?

7+8=15

Please Turn Over

4. (a) Describe the procedures for an employee to claim the short payment of wages or non-payment of wages under Minimum Wages Act, 1948.
- (b) What are the basic features of the national pension system as contained in the Pension Fund Regulatory and Development Authority Act, 2013? 7+8=15
5. (a) What is meant by Lifting of Corporate Veil? In which circumstances the corporate veil can be lifted by court?
- (b) State the procedure for shifting of a registered office of the company from one state to another state under the provisions of the Companies Act, 2013. 8+7=15
6. (a) Describe the procedure for the resignation of Director under the Companies Act, 2013.
- (b) Discuss the rules of appointment of director elected by small shareholders in a company. 10+5=15
7. (a) "Ethics is the first line of defence against corruption, while law enforcement is remedial and reactive. However, both fail to achieve the desired aim in the Indian set-up." Do you agree? Give reasons in support of your answer.
- (b) Deepak is employed in Assam Coffee Estate Ltd., a seasonal establishment. The factory was in operation for four months only during the financial year 2018-19. Deepak was not in continuous service during this period. However, he has worked only 60 days. Referring to the provisions of The Payment of Gratuity Act, 1972, decide whether Deepak is entitled to gratuity payable under the Act. Would your answer be the same in case Deepak works for 100 days? 10+5=15

8. Write short notes on *any three* of the following terms:

$5 \times 3 = 15$

- (a) Agreement without consideration
 - (b) Red herring prospectus
 - (c) Importance of ethics
 - (d) Annual Leave under the Factories Act, 1948
-

BUSINESS LAWS AND ETHICS

Time Allowed: 3 hours

Full Marks: 100

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

Wherever considered necessary, suitable assumptions may be made and clearly indicated in the answer.

Answer Question No. 1 and any five from Question No. 2, 3, 4, 5, 6, 7 and 8.

Section-A

1. (a) Multiple Choice Questions:

$1 \times 12 = 12$

- (i) Which one of the following is not the feature of 'agreement to sale'?
 - (a) It gives a right to the buyer against the seller to sue for damages.
 - (b) The seller can sue for damages only in case of breach by the buyer.
 - (c) Sales takes place for existing and specific goods.
 - (d) It is an executor contract.
- (ii) The liability of surety arises only when the principal debtor fails to pay the debt to
 - (a) solicitor
 - (b) creditor
 - (c) visitor
 - (d) collector
- (iii) The mutual rights and duties of the partners of a firm may be determined by
 - (a) partner's will.
 - (b) the court of law.
 - (c) contract entered between the partners.
 - (d) the senior partner in the firm.
- (iv) Holder in due course means any person—
 - (a) Who for consideration became the possession of promissory note
 - (b) Named in the instrument to whom or to whom order the money is directed to paid
 - (c) Drawing the instrument
 - (d) None of the above

- (v) Subject to the approval of P. F. Commissioner withdrawal from the Provident Fund may be allowed up to
- 25% of the balance.
 - 50% of the balance.
 - 75% of the balance.
 - 100% of the balance.
- (vi) Provisions for cool drinking water during hot weather shall be made where more than
- 150 workers are employed.
 - 250 workers are employed.
 - 350 workers are employed.
 - 500 workers are employed.
- (vii) Which one of the following *is not* a valid method of voting in a meeting of a company?
- Voting by show of hands
 - Voting through electronic means
 - Postal ballot
 - Voting by voice
- (viii) Copies of annual returns prepared and copies of all certificates and documents required to be annexed thereto shall be preserved for a period of _____ from the date of filing with the Registrar.
- 8 years
 - 10 years
 - 12 years
 - 15 years
- (ix) The tenure of director appointed by small shareholders shall be
- Upto the date of next AGM
 - 1 year
 - 3 years
 - 5 years
- (x) The Board of Directors of every listed public company shall constitute
- a Finance Committee
 - a Welfare Committee
 - an Audit Committee
 - an Enquiry Committee

- (xi) Laws refer to the set of codified norms which are enforced by
 - (a) the entity
 - (b) the executive
 - (c) the society
 - (d) the state
- (xii) Business ethics calls for avoidance of
 - (a) Self-interest
 - (b) Competition
 - (c) Monopoly
 - (d) Publicity

(b) State whether the following statements are True or False:

$1 \times 7 = 7$

- (i) Silence on the part of the offeree amounts to acceptance.
- (ii) Secret partner does not take active part in the management of the firm's business.
- (iii) If an employee is transferred from one employment to another, the balance at his credit in his PF Account cannot be transferred to the new establishment.
- (iv) The concept of Producer Company in India was introduced to allow cooperatives to function as a corporate entity.
- (v) Notice of every meeting of the company shall be given to the auditor of the company.
- (vi) All companies are required to appoint one woman director.
- (vii) Public expects business to exhibit high level of ethical performance and social responsibility.

(c) Fill in the blanks:

$1 \times 6 = 6$

- (i) Two or more persons are said to consent when they agree upon the same thing in the same _____.
- (ii) Negotiable instruments are those documents which are used to transfer money between _____ persons.
- (iii) _____ is not covered under the EPF Act.
- (iv) Every company shall prepare Annual Return in Form _____.
- (v) The tenure of the director appointed by small shareholders shall be _____ years.
- (vi) Law gives us a certain right because all humans are born _____.

Section-B

2. (a) Discuss the position of minor's agreement and effect thereof under the Indian Contracts Act, 1872. 10+5=15
 (b) Distinguish between holder and holder in due course.
3. (a) Explain the different type of Implied conditions.
 (b) Prepare the list of mutual rights and liabilities of partners as per the Indian Partnership Act, 1932. 8+7=15
4. (a) Elaborate the procedure for fixing and revising minimum wages under the Code on Wages, 2019.
 (b) Prepare the list of benefits that are entitled to the insured persons under the Employees' State Insurance Act, 1948. 10+5=15
5. (a) Examine the procedure to be followed for the incorporation of a company under section 7 of the Companies Act, 2013.
 (b) Analyse the concept of shelf prospectus under the Companies Act, 2013. 9+6=15
6. (a) Prepare the list of different rights of a shareholder of a company under the Companies Act, 2013.
 (b) Discuss the procedure for Rotation of Directors. 10+5=15
7. (a) Explain the concept of emotional intelligence. Analyse the effects of emotional intelligence.
 (b) Anurag an employee of Majestic Iron Ltd., continued to occupy the quarter of the company for nine months after superannuation, company decided to forfeit the amount of gratuity of Anurag. Examine the decision taken by the company to forfeit the amount of gratuity in the light of the Payment of Gratuity Act, 1972. 10+5=15
8. (a) "In modern times, legislation is considered as the most important source of law." — In light of the statement elaborate the legislation as a source of law.
 (b) Amar and Kunal are partners in a firm. They borrowed sum of ₹ 5,00,000 from Sunita. Later on, Amar becomes insolvent but his assets are insufficient to payback the loan. With reference to the provisions of the India Partnership Act, 1932, examine the validity of Sunita's claim and decide as to who may be held liable for the above loan. 10+5=15