

INTERMEDIATE EXAMINATION

June 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) 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

Please Turn Over

- (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: 15×5=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: 5×3=15
- (a) E-Contracts
- (b) Revocation of licence
- (c) Seven principles of public life
- (d) Limit of deductions from wages