

## **Paper 6- Law 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 paper contains five questions.**

**All questions are compulsory, subject to instruction provided against each questions.**

**All workings must form a part of your answer.**

**Assumptions, if any, must be clearly indicated.**

**Section A**

**I. Answer all the following questions.**

**[20 × 1 = 20]**

**(a) Multiple choice questions:**

- (i)** Rule 14(2) provides that the value of such offer or invitation per person shall be with an investment size of not less than of face value of the securities.
- (a) ₹10000
  - (b) ₹1000
  - (c) ₹2000
  - (d) ₹20000
- (ii)** Section 39(4) provides that whenever a company having a share capital makes any allotment of securities, it shall file with the Registrar a return of allotment within \_\_\_\_\_ days:
- (a) 30
  - (b) 60
  - (c) 180
  - (d) None of the above
- (iii)** Company may alter the provisions of its memorandum with the approval of the members by a\_\_\_\_\_.
- (a) General resolution
  - (b) Special resolution
  - (c) Ordinary resolution
  - (d) Any of the above
- (iv)** The annual return of a OPC shall be signed by the:
- (a) Company Secretary / Director
  - (b) Chartered Accountant / Director
  - (c) CMA / Director
  - (d) Registrar of Companies / Director
- (v)** No person shall be eligible to incorporate more than a \_\_\_\_\_ or become nominee in more than such company -

- (a) Associate Company
  - (b) Statutory Company
  - (c) Private Limited Company
  - (d) One Person Company
- (vi)** Small company is a company, other than a public company, whose paid up share capital of which does not exceed
- (a) ₹25 lakh rupees
  - (b) ₹5 lakh rupees
  - (c) ₹50 lakh rupees
  - (d) ₹500 lakh rupees
- (vii)** A private company, is a company which by its articles-
- (a) restricts the right to resell its shares
  - (b) restricts the right to transfer its shares
  - (c) restricts the right to buy-back its shares
  - (d) none of the above
- (viii)** Section 2(a) defines the term adolescent as a person who has completed his \_\_\_\_\_ year.
- (a) Eighteenth
  - (b) fifteenth
  - (c) fourteenth
  - (d) None of the above
- (ix)** The Employees Provident Funds and Miscellaneous Provisions act, 1952 provides that this Act is not applicable to any establishment
- (a) registered under the Co-operative Societies Act, 1912
  - (b) belong to or under the control of the Central Government or a State Government
  - (c) set up under the Central, Provincial or State Act
  - (d) All of the above
- (x)** In calculation of gratuity one month is taken as \_\_\_\_\_ :
- (a) 26 days
  - (b) 30 days
  - (c) 31 days
  - (d) 4 weeks
- (xi)** As per Payment of Gratuity Act, 1972 each employee may distribute the amount of gratuity payable to him to:
- (a) more than one nominee
  - (b) One nominee
  - (c) Two nominee
  - (d) No nominee

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- (xii) According to Factories Act, white wash or colour wash of walls should be carried out at least once in every period of months.
- (a) 14
  - (b) 12
  - (c) 24
  - (d) 18
- (xiii) There shall be in every workroom in a factory at least \_\_\_\_\_ cubic meters of space for every worker employed therein:
- (a) 14.2
  - (b) 12.4
  - (c) 10
  - (d) 18.4
- (xiv) \_\_\_\_\_ of the Sale of Goods Act, 1930 deals with the effect of part delivery:
- (a) Section 34
  - (b) Section 35
  - (c) Section 36
  - (d) None of the above
- (xv) The liabilities of the LLP shall be met out of the \_\_\_\_\_ :
- (a) Capital of the partners
  - (b) Available Cash
  - (c) Personal Property of the partners
  - (d) Property of the LLP
- (xvi) A representation when wrongly made either innocently or intentionally is a \_\_\_\_\_.
- (a) Misrepresentation
  - (b) Coercion
  - (c) Fraud
  - (d) None of the above
- (xvii) \_\_\_\_\_ means and includes any of the following acts committed by party to a contract, or with his connivance, or by his agent, with intent to deceive another party thereto or his agent, or to induce him to enter into the contract.
- (a) Misrepresentation
  - (b) Coercion
  - (c) Fraud
  - (d) None of the above
- (xviii) An agreement with a minor is \_\_\_\_\_ .
- (a) void ab-initio
  - (b) void
  - (c) enforceable

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(d) None of the above

(xix) The \_\_\_\_\_ must be in clear, definite, complete and final terms:

- (a) agreement
- (b) promise
- (c) Counter offer
- (d) offer

(xx) Every promise and every set of promises, forming the consideration for each other is a/an \_\_\_\_\_ .

- (a) agreement
- (b) contract
- (c) promise
- (d) None of the above

(b) Match the following:

[5 × 1 = 5]

	Column A		Column B
1.	True test of Partnership	A	Gives the individual entrepreneurs all the benefits of a company
2.	ultra vires	B	A company whose principal business is the acquisition of shares, debentures or other securities
3.	One Person Company	C	Cox V Hickman
4.	Investment company	D	has any of its securities listed on any stock exchange.
5.	Listed company	E	beyond (their) powers

### Section B

2. Answer any Three questions:

[3 × 7 = 21]

(a) (i) V makes a gift of ₹10,000 to W through a cheque issued in favour of W. Later he (V) informs W not to present the cheque for payment and informs the bank also to stop payment. Examining the provisions of the Negotiable Instruments Act, 1881, decide whether V's above acts constitute an offence [3]

(ii) A, B and C run a partnership business as druggists. A orders on credit a basket of mangoes to be delivered at this house for the use of the family. The order is made out on the firm's note paper and in the name of the firm.

1. Is the firm liable for the price of the mangoes supplied?
2. Would your decision be different if A had ordered the mangoes to be delivered at the firm's business premises to be used at a party arranged in honour of an important dignitary visiting the firm? [4]

(b) A lady buys synthetic pearls for a high price thinking that they are natural pearls. The seller does not correct her mistake. Has she any remedies against the seller? Would your decision be different if the lady had told the seller; "I think they are natural pearls and, therefore, agree to buy them at your price," and the seller was silent? [7]

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- (c) What is material alteration under Negotiable Instruments Act, 1881? What are the effects of Material Alteration? [7]
- (d) Where there are two debts one for ₹1,000 and another for ₹1,200 falling due on the same day and if the debtor pays ₹800, whether the appropriation can be made pro-rata for the two debts? [7]

### Section C

3. Answer any Three questions: [3 × 6 = 18]

- (a) Under what circumstances pension under E.P.F can be applied for by an employee? [6]
- (b) Discuss the general duties of an "occupier under the Factories Act, 1948. [6]
- (c) Define the term "Dependent" under The Employees' State Insurance Act, 1948. [6]
- (d) Decide with reasons in the light of the Payment of Bonus Act, 1965 whether the following persons are entitled for bonus :
- (1) A University teacher
- (2) A retrenched employee who worked for 45 days in a year on a salary of ₹12,000 p.m.
- (3) An apprentice [3×2 = 6]

### Section D

3. Answer any two questions: [2 × 13 = 26]

- (a)(i) State the provisions of Execution of a Bill of Exchange under the Companies Act, 2013. [6]
- (ii) List the effects of the incorporation of a company. [7]
- (b) (i) State the procedure for poll. [8]
- (ii) Define the following terms: [2½ × 2 = 5]
1. Pre-incorporation contracts
2. Paid up share capital
- (c) State what you understand by "Member". Also discuss about the rules regarding signing of Memorandum and Articles. [3+10 = 13]

### Section E

5. Answer any one question: [1×10 = 10]

- (a) Outline the need for Ethics in business. [10]
- (b)(i) Write down the seven principles of public life. [7]
- (ii) Write short notes on Value-free Ethics. [3]