

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) Section _____ of the Companies Act, 2013 deals with the Articles of the Company.
- (a) 5
(b) 11
(c) 2
(d) 148
- (ii) The minimum paid-up capital for a Public company is:
- (a) ₹3 lakhs
(b) ₹4 lakhs
(c) ₹5 lakhs
(d) None of the above
- (iii) Where goods are delivered to the buyer and he refuses to accept them, the buyer is _____ to return them to the seller
- (a) liable
(b) bound
(c) Not bound
(d) None of the above
- (iv) Section 12(4) provides that the notice of every change of the situation of the registered office, after the date of incorporation, shall be given to the Registrar within _____ days of the change.
- (a) 21
(b) 10
(c) 7

- (d) 15
- (v) _____ is not a negotiable instrument as per customs and usage
- (a) Delivery note
 - (b) Railway Receipt
 - (c) Cheque
 - (d) Government promissory note
- (vi) A/an _____ is a person employed to do any act for another or to represent another in dealing with the third person.
- (a) agent
 - (b) pawnee
 - (c) bailor
 - (d) bailee
- (vii) Section 85 provides that every company shall keep at its _____ a register of charges.
- (a) Branch office
 - (b) Corporate office
 - (c) Registered office
 - (d) Head office
- (viii) The ESI Act, 1948 provides certain benefits to the employees in case of _____
- (a) Case of sickness
 - (b) Maternity
 - (c) Employment injury
 - (d) All the three
- (ix) The maximum ceiling on gratuity as per the Payment of Gratuity Act, 1972 is:
- (a) ₹5 lakhs
 - (b) ₹10 lakhs
 - (c) ₹15 lakhs
 - (d) ₹20 lakhs
- (x) The Payment of Bonus Act 1965 extends to:
- (a) The whole of India
 - (b) The whole of India except Jammu & Kashmir
 - (c) The whole of India except Kerala
 - (d) The whole of India except Jammu & Kashmir and Kerala
- (xi) Appropriate Government reviews the rates of minimum wages within:
- (a) 2 years

- (b) 4 years
 - (c) 5 years
 - (d) 6 years
- (xii) Workers will be entitled to overtime wages if they have worked for more than_____
- (a) Forty-eight hours in any four week
 - (b) Forty-eight hours in any three week
 - (c) Forty-eight hours in any two week
 - (d) Forty-eight hours in any week
- (xiii) Permanent disablement benefit is paid at the rate of _____ of wages.
- (a) 120%
 - (b) 100%
 - (c) 79%
 - (d) 90%
- (xiv) A factory employs 250 workers. All the workers including workers above 60 years of age and below 15 years of age went on strike. The employer
- (a) can deduct fine from all the workers
 - (b) cannot deduct fine from workers who are under the age of 15
 - (c) no fine can be imposed from workers who are 60 years and above
 - (d) cannot deduct any fine from any worker.
- (xv) According to Sec 2(n) "Occupier" of a factory means _____
- (a) The person who has established the factory
 - (b) The person who has highest profit share in the factory
 - (c) The person who has ultimate control over the affairs of the factory
 - (d) The person who has ultimate control over the employees of the factory
- (xvi) "Nemo dat quad non habet", means:
- (a) one is greater than god
 - (b) no none can give who does not himself possess
 - (c) everyone can give everything he has
 - (d) everyone is bound by is habit
- (xvii) Right of Stoppage in transit can be exercised by the Unpaid Seller, where the Buyer:
- (a) is solvent
 - (b) becomes insolvent
 - (c) acts fraudulently
 - (d) acts smartly

Postal Test Paper_P6_Intermediate_Syllabus 2016_Set 4

- (xviii) In a Contract of Guarantee there is/are:
- (a) One contract
 - (b) Two contracts
 - (c) Three contracts
 - (d) Four contracts
- (xix) X sells the goodwill of his retail store to Y for ₹ 5 lacs and promises not to carry on the same business forever and anywhere in India. This agreement is:
- (a) Valid
 - (b) Void
 - (c) Voidable
 - (d) Illegal
- (xx) K owns a residential flat in Chennai. He is entitled to quiet possession and enjoyment of his property. This is called –
- (a) Rights in Personam
 - (b) Rights in Rem
 - (c) Constitutional Right
 - (d) There is no right at all

(b) Match the following:

[5 × 1 = 5]

	Column A		Column B
1.	Disclosure in the Board's report	A.	Voluntary
2.	Mode of Dissolution	B.	dishonor of cheque
3.	Caveat Emptor	C.	Form No. INC-22
4.	Section 138	D.	total number of shares allotted with differential rights
5.	Change of situation of the registered office	E.	let the buyer beware

Section B

2. Answer any Three questions:

[3 × 7 = 21]

- (a) Mr. U offered to sell his house to Mr. X for ₹15,00,000. Mr. X accepted the offer by post. On the very next day Mr. X sent a telegram revoking the acceptance which reached Mr. U before the letter of acceptance. Is the revocation of acceptance valid? Would it make any difference if both the letter of acceptance and the telegram of revocation of acceptance reach Mr. U at the same time? [7]
- (b) List the situations where the specific performance of the contract is not allowed? [7]
- (c) "No Consideration- No Contract." State the exceptions to it. [7]
- (d) Explain the difference between Sale and Agreement to sell. [7]

Section C

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

- (a) Explain the rules for Payment of Wages under Payment of Wages Act, 1936. [6]
- (b) For any contravention of provisions of the LLP Act or LLP agreement, all the partners of LLP are liable for all penalties. Offer your views based on Limited Liability Partnership Act, 2008. [6]
- (c) (i) In 2015, the Electronics Corporation, a public Sector establishment under the Department of Science and Technology, government of Rajasthan starts to sell mobile sets manufactured by it, in addition to T.V sets, so as to compete with private sector establishments of mobile sets in the market. The income from sale of mobile sets is 30 percent of the gross income of the corporation. The employees of the Corporation went to strike for demand of Bonus. Decide, whether the demand of the employees is tenable under the provisions of the payment of bonus Act, 1965. Would your answer be different if the income from sale of mobile sets is only 10 percent of the gross income of the Corporation? [4]
- (ii) Define the term "employee" as per Payment of Gratuity Act, 1972. [2]
- (d) State the provisions applicable for wage during leave period. [6]

Section D

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

- (a) Who is a director? What are the disqualifications for appointment of Director of a Company? [1+12 = 13]
- (b) (i) Define a Government Company.
- (ii) State the procedure for alteration of object clause of the Memorandum of Association. [3+10 = 13]
- (c) (i) Can a non-profit organisation be registered as a company under the Companies Act, 2013? If so, what procedure does it have to adopt? [9]
- (ii) Briefly explain the provisions relating to submission of Cost Audit Report to the Board of Directors as per the Companies Act, 2013. [4]

Section E

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

- (a) What are the reason and consequences of Unethical Behavior? [10]
- (b) (i) To maintain social contract between society and business, the trusteeship relations are essential. Describe the role of business ethics in this reference. [8]
- (ii) Interpret the "virtue approach", as an approach towards an ethical standard [2]