



INTERMEDIATE EXAMINATION
MODEL QUESTION PAPER
PAPER - 5
BUSINESS LAWS AND ETHICS

SET 1

Time Allowed: 3 Hours

Full Marks: 100

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

Where 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 Question:

[1 × 12 = 12]

- (i) A proposal for a commercial transaction can be accepted
 - a. By notice of acceptance
 - b. By performance of condition of proposal
 - c. By acceptance of consideration for a reciprocal promise
 - d. All of the above
- (ii) Which one of the following amounts to safety measure under Factories Act, 1948?
 - a. Artificial Humidification
 - b. Ventilation
 - c. Fencing of factory
 - d. First aid appliances
- (iii) The age of an adolescent worker under Factories Act, 1948 is-
 - a. 10 years
 - b. 14 years
 - c. 18 years
 - d. 21 years
- (iv) Which one of the following will not be included in the definition of wages under Payment of Gratuity Act, 1972?
 - a. Dearness Allowance
 - b. Overtime
 - c. Cash value for consideration
 - d. All of the above
- (v) Contribution of the employer to employees' provident fund is-
 - a. 8.33%
 - b. 10%
 - c. 12%
 - d. None of the above



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- (vi) For which of the following purposes can Securities Premium Account be utilized?
- In writing off the preliminary expenses
 - Buy back of shares
 - Issue of bonus shares
 - Any of the above
- (vii) The quorum for the Annual General Meeting for a public company having the number of members more than 5000 is _____.
- 2
 - 15
 - 30
 - None of the above
- (viii) Which of the following is a method for voting?
- Voting by show of hands
 - Voting through electronic means
 - Voting by poll
 - All of the above
- (ix) The minimum age prescribed for the appointment of a Managing Director is _____.
- 18 years
 - 21 years
 - 30 years
 - 70 years
- (x) At every AGM, not less than _____ of the total number of directors shall retire by rotation.
- One third
 - Two third
 - Three fourths
 - Half
- (xi) The relationship between laws and ethics is:
- Complex
 - Simple
 - Inexplicable
 - None of the above
- (xii) Ethics are the set of moral principles that guide a person's _____.
- Behaviour
 - Philosophy
 - Religion
 - Profession



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(b) State True or False

[1 × 7 = 7]

- (i) The Sale of Goods Act only deals with goods that are immovable in nature.
- (ii) For the purpose of calculation of gratuity amount 26 days are taken as a month.
- (iii) A company can issue a share at discount.
- (iv) Annual Return is not required to be attached with the Board's Report.
- (v) A company may appoint more than 15 directors after passing a resolution.
- (vi) The term ethics is derived from Latin word 'Ethos'.
- (vii) Ethics is a requirement for human life.

(c) Fill in the blanks

[1 × 6 = 6]

- (i) A negotiable instrument endorsed in blank is payable to the _____.
- (ii) A limited liability partnership is a _____ formed and incorporated under the Act and is a legal entity separate from that of its partners.
- (iii) Employees' Provident fund is administered by _____.
- (iv) Preference share capital holders are not entitled _____ and _____.
- (v) A share capital of the company includes _____.
- (vi) Openness means that the holders of public office should act and take decisions in an open and _____ manner.

SECTION - B

- 2. (a) What are the essential elements of a contract?
(b) Distinguish between a Promissory Note and a Bill of Exchange. **[10 + 5 = 15]**

- 3. (a) Examine the concept of Caveat Emptor in line with the provisions of the Sale of Goods Act with two examples.
(b) Prepare a list of the circumstances under which a partnership firm can be dissolved?
[8+7 = 15]

- 4. (a) With reference to the Employees State Insurance Act in India examine what type of organisations are covered under provisions of this Act.
(b) Reconcile the time limit for payment of wages keeping in view the provision of The Code of Wages, 2019. **[7+8 = 15]**



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5. (a) Demonstrate the procedure for alteration of Memorandum of Association.
- (b) Ascertain the financial information which are to be stated in a Prospectus for IPO.
[10+5 = 15]
6. (a) Demonstrate the procedure for rotation and re-appointment of a member of Board of Directors of limited Company.
- (b) Critically assess the conditions for Buy back of Shares by listed company in India with an example.
[8 + 7 = 15]
7. (a) Examine the provisions of the Payment of Gratuity Act related to determination of eligible employees and mode of payments with relevant examples.
- (b) Analyse the standards of ethical conduct for a practicing Cost and Management Accountant fixed by the Institute of Cost Accountant of India.
[5+10 = 15]
8. (a) Demonstrate the methods of alternate dispute resolution processes in India.
- (b) Mr. X was appointed as a partner of an LLP but after just 3 months he was declared undischarged insolvent. Can he continue as a partner because he was solvent when he was appointed as a partner? Justify your answer with reference to the relevant provisions of the applicable Act.
[8+7 = 15]