

Paper 6 – Laws 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 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 marks]

(a) Multiple Choice Questions [10 Marks]

- (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 one of the following is not the feature of the Contract of Guarantee?
 - (a) There are two parties in this contract.
 - (b) The liability of surety is secondary.
 - (c) There is an existing debt for which the surety gives guarantee to the creditor on behalf of the principal debtor.
 - (d) The surety gives contract at the request of the principal debtor.

- (iii) Section 2(7) of the Sale of Goods Act, 1930 the term 'Goods' does not include....
 - (a) Stock and share
 - (b) Growing Crops
 - (c) Grass
 - (d) Neither (A) nor (B) nor (C)

- (iv) No female child shall be allowed to work in any factory except between -
 - (a) 8 AM and 7 PM
 - (b) 6 PM and 6 AM
 - (c) 6 AM and 7 PM
 - (d) 10 PM and 5 AM

- (v) The Bonus shares may be issued out of the -
 - (a) Free Reserves
 - (b) Securities Premium Account
 - (c) Capital Redemption Reserve Account
 - (d) Any of the above

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- (vi) An instrument of the proxy shall be deposited with the registered office of the company before the conduct of the meeting.
- (a) 7 hours
 - (b) 21 hours
 - (c) 48 hours
 - (d) 60 hours
- (vii) The minimum number of designated partners in an LLP shall -
- (a) 1
 - (b) 2
 - (c) 7
 - (d) 15
- (viii) At every AGM, not less than _____ of the total number of directors shall retire by rotation.
- (a) One third
 - (b) Two third
 - (c) Three fourths
 - (d) Half
- (ix) The minimum number of directors for a public company is _____
- (a) 1
 - (b) 2
 - (c) 3
 - (d) 7
- (x) This is not one of the 7 principles of public life.
- (a) Integrity
 - (b) Honesty
 - (c) Content
 - (d) Accountability

(b) Fill in the Blanks

[5 Marks]

- (i) No company shall issue any debenture carrying any _____.
- (ii) The wage period shall not exceed _____.
- (iii) A warranty is a stipulation _____ to the main purpose of the contract.
- (iv) The maximum age limit of Managing Director is _____ years.
- (v) The gratuity is payable to an employee after he has rendered continuous service for not less than _____ years.

(c) True or False

[5 Marks]

- (i) Cheque is a bill of exchange.
- (ii) LLP is a separate legal entity.
- (iii) Gratuity is a lump sum payable on consideration of the past services rendered by the employee.

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- (iv) A dismissed employee, reinstated with back wages is entitled to bonus.
- (v) Additional director shall hold office upto the date of next AGM.

(d) Match and Pair

[5 Marks]

	Column I		Column II
1	Active Partner	A	Latin term 'Ethos'
2	Consensus - ad - idem	B	Director Identification Number
3	OPC	C	Identity of minds
4	DIN	D	Working Partner
5	Ethics	E	One Person Company

Section – B

2. Answer any 5 questions:

[5×15 = 75]

- (A)** (i) What is an offer and what are the points to be taken into account for a valid offer?
(ii) Mr. B (a broker) by the order of Mr. A purchases 10 Drums of oil for A from Mr. C. Afterwards Mr. A refuses to receive oil. Mr. C sues. Mr. B defends but failed. Mr. B has to pay cost, damages and incurs expense. Can B recover any amount from A?
[10+5 = 15]
- (B)** (i) Explain the differences between Sale and Agreement to Sell.
(ii) State the rules of partnership by holding out, as per Indian Partnership Act, 1932.
[10 + 5 = 15]
- (C)** (i) Describe the term, 'Manufacturing Process' as per Factories Act, 1948 and also cite an example.
(ii) How is overtime Wages fixed as per Minimum Wages Act, 1948. **[8+7 = 15]**
- (D)** (i) Discuss the procedure for conversion of a One Person Company into a Public Company or a Private Company.
(ii) Can a director be removed? If so, give the procedure in details. **[6+9 = 15]**
- (E)** (i) Discuss the procedure for alteration of Memorandum of Association.
(ii) State the reports that are to be set out in the prospectus. **[12+3 = 15]**
- (F)** (i) Discuss about the seven principles of public life in details.
(ii) Narrate the circumstances which disqualify an employee to receive bonus.
[10+5 = 15]
- (G)** Write a note on: (Any Three) **[5 × 3 = 15]**
(i) Medical Benefit Council
(ii) Conditions of formation of OPC

- (iii) Crossing
- (iv) Recognition of ethical issues in business