



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

**SET 2**  
**TERM – JUNE 2023**

**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) Competency to contract relates to
  - a. Age of parties
  - b. Soundness of mind of the parties
  - c. Both age and soundness of mind
  - d. Intelligence of the parties
- (ii) Compensatory holidays are to be availed of within \_\_\_\_\_ under Factories Act, 1948.
  - a. 3 months
  - b. 2 months
  - c. 6 months
  - d. 4 months
- (iii) Certificate of fitness to be young worker is to be granted by -
  - a. Occupier of the factory
  - b. Inspector of the factory
  - c. Certifying surgeon
  - d. None of the above
- (iv) The employer shall display an abstract of the Payment of Gratuity Act and rules in form no.
  - a. U
  - b. H
  - c. B
  - d. N
- (v) Withdrawal from PF may be allowed for-
  - a. Marriage of the employer
  - b. Post matriculation education of children
  - c. For purchase of a dwelling place
  - d. For illness in certain cases



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- (vi) 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
- (vii) The minimum number of directors for a public company is-
- a. 1
  - b. 2
  - c. 3
  - d. 7
- (viii) The appointment of an independent director shall be approved by the-
- a. Board Meeting
  - b. General Meeting
  - c. Registrar of Companies
  - d. Central Government
- (ix) No independent director shall hold office for more than \_\_\_\_\_ consecutive terms.
- a. 2
  - b. 3
  - c. 4
  - d. 5
- (x) 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. Either (a) or (b)
  - d. None of the above
- (xi) Law gives us a certain right because all humans are born \_\_\_\_\_.
- a. Equal
  - b. Unequal
  - c. Subordinate
  - d. None of the above
- (xii) Many laws are \_\_\_\_\_ to ethics of time.
- a. Complimentary
  - b. Supplementary
  - c. Representative
  - d. None of the above



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**(b) State True or False**

**[1 × 7 = 7]**

- (i) Sale under Sale of Goods Act is an executory contract.
- (ii) The Payment of Gratuity Act was enacted in 1975.
- (iii) Whole Time Director is not the employee of the company.
- (iv) Bonus shares shall be issued by capitalising reserves created by revaluation of assets.
- (v) The cancellation of shares shall not be deemed to reduction of share capital.
- (vi) Meta Ethics deal with the nature of Moral Judgement.
- (vii) Ethics, in practical sense, is also known as moral action and is an applied discipline.

**(c) Fill in the blanks**

**[1 × 6 = 6]**

- (i) Draft cannot be drawn on \_\_\_\_\_.
- (ii) An individual shall not be capable of becoming a partner of a Limited Liability Partnership, if he has been found to be of \_\_\_\_\_ by a court of competent jurisdiction and the finding is in force.
- (iii) The Pension fund is administered by the \_\_\_\_\_.
- (iv) Any share issued by a company at a discounted price shall be \_\_\_\_\_.
- (v) No company shall issue any debenture carrying \_\_\_\_\_.
- (vi) Selflessness means that the holders of public office should act solely in terms of the \_\_\_\_\_.

**SECTION - B**

2. (a) Discuss the concept of impossibility of performance of contracts with suitable examples and reference to the related legal provisions.
- (b) Discuss the special characteristics of “Negotiable Instruments”. **[10 + 5 = 15]**
3. (a) How can you apply the implied conditions in a contract of sale by sample. Discuss your answer with the appropriate examples and reference to the law.
- (b) Demonstrate the differences between various modes for settlement of accounts between the partners after dissolution. **[8 + 7 = 15]**



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4. (a) “An employee can be dismissed or punished during sickness”? Apply the related provisions of the ESI Act with examples to substantiate your answer.
- (b) Demonstrate how deductions from wages are calculated in compliance with the provision of the Code of Wages, 2019. **[7 + 8 =15]**
5. (a) Prepare a list of the provisions by which a private company will be converted into an OPC.
- (b) Demonstrate the procedure for conducting a poll in a meeting in the light of the Companies Act, 2013. **[8 + 7 = 15]**
6. (a) Critically examine the provisions for payment of commission in connection with subscription to the securities, by a public limited company.
- (b) Elaborate the actions that may be taken by the Central Government on revocation of licence and documents required for application for such licence of Section 8 companies. **[5 + 10 = 15]**
7. (a) Prepare a list of the provisions relating to protection of gratuity as discussed in Payment of Gratuity Act, 1972.
- (b) Analyse seven principles of public life in contemporary business world with examples. **[5 + 10 = 15]**
8. (a) Critically assess how the fundamental rights guarantee equality of citizens.
- (b) Recommend the provisions that should be complied with by a liquidator in a case where the Tribunal has made a winding up order for LLP. Refer to the related the legal and regulatory provisions wherever necessary. **[8 + 7 =15]**