

INTERMEDIATE EXAMINATION

December 2023

P-6(LNE)
Syllabus 2016

LAWS AND ETHICS

Time Allowed: 3 hours

Full Marks: 100

*The figures in the margin on the right side indicate full marks.
Wherever necessary, Candidates may make appropriate assumptions
and state them clearly in the answer.*

This question paper has two sections A and B.

Both the sections are to be answered subject to instructions given against each.

Section – A

[25 marks]

Answer all the questions.

1. (a) Multiple Choice Questions:

1×10=10

- (i) The liability of surety arises when the principal debtor fails to pay the debt to _____.
- (A) the banker
 - (B) the creditor
 - (C) the customer
 - (D) the financier
- (ii) Under Sale of Goods Act, which of the delivery of goods is called as delivery by attornment?
- (A) Actual
 - (B) Symbolic
 - (C) Constructive
 - (D) Physical
- (iii) Where a cheque is crossed generally the banker on whom it is drawn
- (A) shall not pay it to a banker.
 - (B) shall not pay it otherwise than to the holder.
 - (C) shall not pay it otherwise than to a banker.
 - (D) None of the above.
- (iv) The right of receiving the gratuity by the employee is the _____.
- (A) social right
 - (B) conventional right
 - (C) statutory right
 - (D) moral right
- (v) As per the ESI Act, a member of the Corporation, the Standing Committee or the Medical Benefit Council may resign from his office by notice in writing to
- (A) the chairman.
 - (B) the medical commission.
 - (C) the principal employer.
 - (D) the central government.

- (vi) Under the Payment of Wages Act 1936, no fine shall be imposed on any employed person who is under the age of _____.
- (A) 14 years
 - (B) 15 years
 - (C) 18 years
 - (D) 20 years
- (vii) In case of unlisted company the duplicate share certificate shall be issued within a period of _____.
- (A) 45 days
 - (B) 3 months
 - (C) 6 months
 - (D) 30 days
- (viii) The provision of Rule 20 regarding voting by electronic means shall apply, as far as applicable, mutatis mutandis to this rule in respect of the voting by electronic means. Here, what does 'Mutatis Mutandis' means?
- (A) Make no alteration
 - (B) Make necessary alterations
 - (C) Make alterations without affecting the main idea of the issue
 - (D) None of the above
- (ix) If the registration of charge is not done in 30 days., the registrar may allow registration within _____.
- (A) 300 days
 - (B) 365 days
 - (C) 120 days
 - (D) 90 days
- (x) A proper foundation of ethics requires a standard of _____ to which all goals and actions can be compared to.
- (A) value
 - (B) living
 - (C) life
 - (D) speech

(b) Match and Pair:

1×5=5

	Column I		Column II
1	Agent's Lien	A	Welfare measures taken in a factory.
2	Creches	B	Section 92 of the Companies Act
3	Annual Return	C	Control of at least 20% of total share capital
4	Significant influence	D	Certificate of incorporation
5	Form No. INC-11	E	Section 221 of the Indian Contract Act 1822

(c) State whether the following statements are True or False. (You may write only the Roman numeral and whether 'True or False' without copying the statements into the Answer books):

1×5=5

- (i) A promise in return for promise means Cross promises.
- (ii) The buyer is not to reject goods where there is a breach of warranty by the Seller.
- (iii) An outgoing partner may, carrying on a business, use the firm name.
- (iv) The company shall have the freedom to specify the lock-in-period for shares issued pursuant to exercise such option.
- (v) The phrases 'business ethics and corporate ethics' are often used to describe the application of ethical values to business activities.

(d) Fill in the blanks:

1×5=5

- (i) Substitution of a new contract in place of the existing contract is known as _____.
- (ii) A company may issue _____ in any foreign currency.
- (iii) No company shall issue any debenture carrying any _____.
- (iv) The term of the members of Medical Benefit Council shall be _____.
- (v) The ethical operation of a company is directly related to _____ in both short and long term.

Section – B

Answer any five questions.

15×5=75

2. (a) State the circumstances when an agent is personally liable for the contracts entered into by him on behalf of the principal? 10
- (b) Mr. X instructed Mr. Y to sale a property under his possession at ₹ 5 Lacs. Mr. Y does not have the right to dispose the said property and he does not know this and he sold the property for ₹ 5 Lacs and handed over the sale proceeds to Mr. X. Later Mr. Z, real owner of the property, sued Mr. Y to recover the value of the property and costs. Now, you advice Mr. Y what he is to do? 5

3. (a) A Limited Liability Partnership wants to shift its registered office from Chennai in the State of Tamil Nadu to Bangalore in the State of Karnataka. What procedure the corporate has to follow under Limited Liability Partnership Act, 2008? 8
- (b) Vinit draws a cheque in favour of Pankaj, a minor, Pankaj endorses the same in favour of Vikas. The cheque is dishonoured by bank on grounds of inadequate funds. What legal remedy is available to Vikas under the provisions of the Negotiable Instruments Act, 1881? 7
4. (a) State the procedure of payment of undisbursed wage in case of death of employed person under Payment of Wages Act, 1936. 6
- (b) What are the different basic features of national pension system? 9
5. (a) What are the different information to be contained in an annual return required to be filed by a company? 9
- (b) What are the provisions of the Companies Act, 2013 relating to payment of commission in connection with the subscription to the securities by a company? 6
6. (a) Discuss the different powers of the board of directors of a company as per the Companies Act, 2013. 10
- (b) Discuss the procedure of Re-appointment of Director. 5
7. (a) Why a good understanding of business ethics is important? 10
- (b) DW India Limited has two separate units at Chennai and Kolkata in India. Every unit of the said company prepares and maintains separate Balance Sheet and Profit and Loss Account. Chennai unit is incurring continuous losses and hence bonus is not paid to the employees of this unit. Decide, under the Payment of Bonus Act, 1965 whether the employees of the said unit can claim bonus on the ground that the unit incurring loss is a part of one single establishment. 5
8. Write short notes on *any three* of the following: 5×3=15
- (a) Invalid Guarantee
- (b) Dissent to variation of rights
- (c) Common unethical practices by executives of a corporate
- (d) Productivity Linked Bonus