

INTERMEDIATE EXAMINATION

December 2017

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.

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

(a) Multiple choice questions:

10

- (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 of the following is a method of discharge from liability?
- (A) By endorsement
 - (B) By promising
 - (C) By cancellation
 - (D) By registration
- (iii) A partner may contribute to the LLP
- (A) tangible or intangible property.
 - (B) moveable or immovable property.
 - (C) money, promissory note etc.
 - (D) Any of the above
- (iv) Gratuity is payable to an employee after he has rendered continuous service for not less than five years on his
- (A) transfer
 - (B) daughter's marriage
 - (C) re-employment
 - (D) resignation

Please Turn Over

(v) Who will not be considered as an employee?

- (A) Canteen workers
- (B) Casual workers
- (C) Partners
- (D) Part time employee

(vi) "Individual pension account" means an account of subscriber, executed by a contract setting out the terms and conditions under the

- (A) Provident fund scheme
- (B) National pension system
- (C) Citizen welfare system
- (D) Minimum wage payment scheme

(vii) Which of the following is not a category of company?

- (A) Inactive company
- (B) Assistant company
- (C) Dormant company
- (D) Producer company

(viii) Section 92 of the Companies Act, 2013 requires a company to prepare and file annual return in form no.

- (A) MGT-12
- (B) INC-23
- (C) MGT-7
- (D) SH-10

(ix) An instrument of the proxy shall be deposited with the registered office of the company within _____ before the conduct of the meeting.

- (A) 7 hours
- (B) 21 hours
- (C) 48 hours
- (D) 60 hours

(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:

5

	Column I		Column II
1.	Hybrid between a company and a partnership	(A)	Existence from the time of incorporation to winding up
2.	Perpetual succession	(B)	Powers of the controlling authority
3.	Red herring prospectus	(C)	Need for business ethics
4.	Requiring the discovery and production of documents	(D)	A limited liability partnership
5.	Smooth functioning	(E)	Does not include complete particulars of the quantum or price of securities

(c) True and False:

5

- (i) The seller of the goods is not bound to deliver them until the buyer applies for the delivery.
- (ii) The partners of a LLP may remove an auditor from office at any time by following the procedure as laid down in the LLP agreement.
- (iii) The certificate of fitness granted by the certifying surgeon shall be valid for a period of 24 months from the date thereof.
- (iv) The e-voting shall remain open for not less than 3 days and shall close at 5.00 P.M. on the date preceding the date of general meeting.
- (v) The term 'ethics' derived from French word 'ethos' which means character.

(d) Fill in the blanks:

5

- (i) Remission means _____ of a lesser performance than what is actually due under the contract.
- (ii) A promissory note or bill of exchange, in which no time for payment is specified, and a cheque, are payable on _____.
- (iii) Where a person provides labour or service to another for remuneration which is less than the minimum wage, such labour is called _____.
- (iv) The monies received on application shall be kept in a separate bank account in a _____ bank.
- (v) The seven principles of _____ were set out by Lord Nolan in 1995.

SECTION - B

Answer any five questions.

2. (a) What are the position of Minor's agreement and effect thereof?
(b) A agreed to become an assistant for five years to B who was a doctor practicing at Chennai. It was also agreed that during the term of agreement A will not practice on his own account in Chennai. At the end of one year, A left the assistantship of B and began to practice on his own account. Referring to the provisions of the Indian Contract Act, 1872, decide whether A could be restrained from doing so. 10+5=15
3. (a) What do you understand by "Caveat-Emptor" under the sale of Goods Act, 1930? What are the exceptions to this rule?
(b) X, by inducing Y, obtains a Bill of Exchange from him fraudulently in his (X) favour. Later, he enters into a commercial deal and endorses the bill to Z towards consideration to him (Z) for the deal. Z takes the Bill as a holder in due course. Z subsequently endorses the bill to X for value, as consideration to X for some other deal. On maturity, the bill is dishonoured. X sues Y for recovery of money. With reference to the provisions of Negotiable Instruments Act, decide whether X will succeed in the case. 8+7=15
4. (a) What are the different kinds of deduction that can be made from wages under the Payment of Wages Act, 1936?
(b) When can a member withdraw from his National Pension Funds account? 10+5=15
5. (a) Discuss the procedure for conducting a poll in a meeting of a company.
(b) Elucidate the circumstances in which a company cannot buy-back its own shares as per the provisions of the Companies Act, 2013. 9+6=15
6. (a) What are the different duties of a director in a company as per the Companies Act, 2013?
(b) Enumerate the provisions relating to Restrictions on powers of Board. 8+7=15
7. (a) Why business ethics is more important and immensely needed in the present business environment? Discuss.
(b) Discuss the procedure for determination of the amount of gratuity as per section 7 of the Payment of Gratuity Act, 1972. 10+5=15
8. Write short notes on *any three* of the following terms: 5×3=15
(a) Contingent Contract
(b) Director Identification Number (DIN)
(c) Business Ethics
(d) Cleanliness of factory
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