

PRIME ACADAMY
MODEL QUESTION PAPER FOR P E II
Time allowed : 3 hours

Maximum Marks : 100

Question Nos. **1 and 7** are **compulsory**. Candidates are required to attempt three questions out of Question Nos.2, 3,4,5 and 6 and two questions out of Question Nos. 8, 9 and 10.

1. Answer any six of the following: 6x4=24

(a) Gopal sends an offer to Suresh to sell his second car for Rs.1,00,000 with a condition that if Suresh does not reply within a week, Gopal shall treat the offer as accepted. Is Gopal correct in his proposition? What should be the position if Suresh communicates his acceptance after one week?

(b) For the purpose of making uniform for the employees, Ramakrishna brought dark blue coloured cloth from Venkatesh, but did not disclose the sellers the purpose of the purchase. When uniform were prepared and used by the employees, the cloth was found unfit. However, there was evidence that the cloth was fit for caps and carriage lining. Advise Ramakrishna whether he is entitled to have any remedy.

(c) What is meant by "Payment in due Course "in respect of a negotiable instrument? When does such payment operate as a discharge of a negotiable instrument?

(d) Explain the rights of an outgoing partner.

(e) State the provisions relating to payment of minimum and maximum bonus under the Payment of Bonus Act?

(f) Explain the concept of "Basic Wages "under the provisions of the Employees Provident Funds and Miscellaneous Provisions Act, 1952.

(g) State the restrictions imposed on a registered society under the Co-operative Societies Act, 1912 regarding investment or deposit of its surplus funds.

(h) Who is the Central Registrar under the Multi-State CO-operative Societies Act, 2002? Who appoints him and state his powers.

2 (a) Discuss briefly the position of a minor with regard to the contract entered into by him.

(b) State the conditions implied in the contract of sale of goods.

Marks 6+6=12

3(a) Is Registration of Partnership firm is compulsory? What is the consequence of non-registering a partnership with the registrar of Firms.

(b) Distinguish between contract of indemnity and guarantee.

Marks 6+6=12

4 (a) Define Cheque under Negotiable Instrument Act. State its essential features.

(b) Explain set on and set off of allocable surplus under the Payment of Bonus Act, 1965.

Marks 6+6=12

5(a) Point out the classes of those establishments upon which the provisions of Employees provident Fund and Miscellaneous Provisions Act, 1952, does not apply.

(b) State the procedure for amendment of bye-laws of a Multistate Co-operative Society. Marks 6+6=12

6(a) Under what circumstances can a member is expelled from his membership under the Co-operative Societies Act, 1912.

(b) "A" obtains B's acceptance to a Bill by fraud, B endorses it to C, who takes it as a holder in due course. C endorses the bill to X, who knows of the fraud. Decide giving reasons whether X gets good title to the bill.

Marks 6+6=12

7. Answer any four of the following:

(a) "The doctrine of lifting the veil of corporate personality is an accepted legal principle." Explain the statement.

(b) X Ltd has its registered office in Tamilnadu. For better administrative control the company plans to shift its register office from Tamilnadu to Delhi. Explain the procedure to be followed. Would it make a difference, if the registered office is transferred from Chennai to Coimbatore both the places are within the state of Taminnadu.

(c) Happy company Limited was incorporated on 1-4-2005 and commencement of business was on 15-4-2005. The first allotment of shares was made on 30-3-2006. On 1-4-2007 Happy Company Ltd wants issue shares to the relatives of the Directors. Advise Happy Company Limited about the steps to be taken for the issue of shares.

(d) Distinguish transfer of shares and transmission of shares

(e) What is meant by "Abridged prospectus"? Under what circumstances a company issuing abridged prospectus need not accompany the prescribed details along with the application for issue of shares. Marks 4x5=20

8(a) Lotus InfoTech Ltd was incorporated on 30th June 2005. Advise the company when it should hold its Annual general Meeting? Is any extension for holding first annual general meeting will be available from Registrar of Companies?

(b) Whether a company can buy back its own shares. Explain in brief the provisions of the Companies Act, 1956 relating to the sources of funds and conditions for buy-back its own shares by the company. Marks 5+5=10

9(a) In the annual general meeting of a public limited company 2 proxies representing 1/10 th of the share capital were demanding poll. This was objected to by the 3 members holding 3/4 th of the share capital stating that the proxy cannot speak in the meeting but they can only vote. Advise the Chairman of the meeting. Marks 5+5=10

(b) What amounts to misstatement in the prospectus? Ms Mala subscribed shares issued by BEST Co Ltd. The prospectus of Best Co Limited included a statement which was misleading in the form and content. On the faith of the prospectus believing it to be true, Mala subscribed for shares and sustained loss. Can Mala sue for compensation of loss? If so who will be sued for such loss.

10(a) What is meant by "Subsidiary company"? What documents of the subsidiary company are required to be attached with the balance sheet of holding company? Marks 5+5= 10

(b) The Board of Directors of Prosperity Company Ltd proposes to pay interim dividend of Rs.0.50 per equity share of Rs.10 each. Advise the Board regarding the steps to be taken for payment of interim dividend.
