

Law, Ethics and Communication : May 2007

Roll No.....

Total No. of Questions— 20]

[Total No. of Printed Pages—3

Time Allowed : 3 Hours

Maximum Marks : 100

PART – I

Answers to questions are to be given only in English except in the cases of candidates who have opted for Hindi medium. If a candidate who has not opted for Hindi medium, answers in Hindi, his answers in Hindi will not be valued.

Question Nos. 1 and 2 are compulsory. Attempt any eight questions from rest

Marks

1. (a) Mr. Ramaswamy of Chennai placed an order with Mr. Shah of Ahmedabad for supply of Urid Dhall on 10.11.2006 at a contracted price of Rs. 40 per kg. The order was for the supply of 10 tonnes within a month's time viz. before 09.12.2006. On 04.12.2006 Mr. Shah wrote a letter to Mr. Ramashwmy stating that the price of Urid Dhall was sky rocketing to Rs. 20 Per. Kg. and he would not be able to supply as per original contract. The price of Urid Dhall rose to Rs. 53 on 09.12.06 Advise Mr. Ramaswamy citing the legal position. 5
- (b) Each subdivision carries one mark. Pick-up the correct answer from the following: 5x1=5
 - (i) In a contract of guarantee a person, who promises to discharge another's liability is called
 - (a) Principal Debtor
 - (b) Creditor
 - (c) Indemnifier
 - (b) Surely
 - (ii) The Delivery of goods by one person to another as security for the payment of a debt is called
 - (a) Bailment
 - (b) Pledge
 - (c) Mortgage
 - (b) Hypothecation.
 - (iii) Which of the following is not applicable to negotiable Instrument?
 - (a) It must be in writing
 - (b) It must be transferable
 - (c) It must be registered
 - (d) It must be signed.

Answer 'Yes' or 'No' to the following:

 - (iv) In case of joint promise, the liability to pay the promise will devolve on any one or more promisors.
 - (v) Deposit of money in a Bank Amounts to Bailment.
2. (a) German Pharmaceuticals Limited is a zero debt company having 10 lakhs Equity shares of Rs. 10 each. The Directors desire to buy back its own shares. Can it do so? If so, how? 5
- (b) Each subdivision carries one mark. Answer 'Yes' or 'No' to the following: 5x1=5
 - (i) A minor also can become a member of a Company.
 - (ii) New shares cannot be issued to outsiders without prior offer to the existing shareholders.

Pick-up the correct answer from the following:

 - (iii) As per Companies Amendment Act, 2000 a Private Company and Public Company must have a minimum paid-up capital of
 - (a) Rs. 1 lakh and Rs. 2 lakhs respectively
 - (b) Rs. 3 lakhs and Rs. 5 lakhs respectively
 - (c) Rs. 2 lakhs and Rs. 3 lakhs respectively
 - (d) None of the above.
 - (iv) A model form of Articles contained in Table 'A' relates to a Company limited by
 - (a) Shares

- (b) Guarantee
 - (c) Shares and Guarantee
 - (d) None of the above.
- (v) Dividend can be declared out of
- (a) Capital reserve
 - (b) Revaluation reserve
 - (c) Debenture Redemption reserve
 - (d) Earlier year's reserve brought forward.

P.T.O.

(2)

Marks

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| 3. Mr. 'E' joined as supervisor on monthly salary of Rs. 3,400 on 1.02.2007 and resigned from his job on 28.02.2007. The company declared a bonus of 20% to all eligible employees and paid it on time. Mr. 'E' knowing the facts made a claim to HRD, which in turn rejected the claim. Examine the validity in the light of the provisions of the payment of Bonus Act, 1965. (5 Marks) | 5 |
| 4. PQR Limited received a cheque for Rs. 50,000 from its customer Mr. LML. After a week company came to know that the proceeds were not credited to the account of PQR Limited due to some 'defects', as informed by the Banker. What according to you are the possible effects? | 5 |
| 5. Define the term 'Employer' under the Provident Fund and Miscellaneous Provisions Act, 1952. | 5 |
| 6. State the circumstances under which the drawer of a cheque will be liable for an offence relating to dishonour of the cheque under the Negotiable Instrument Act, 1881. | 5 |

Examine, whether there is an offence under the Negotiable Instrument Act, 1881, if a Drawer of a cheque after having issued the cheque, informs the Drawee not to present the cheque as well as informs the Bank to stop the payment.

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| 7. Explain the provisions of the Payment of Gratuity Act, 1972 relating to 'forfeiture of the amount of Gratuity' payable to an employee. | 5 |
| 8. Briefly discuss the provisions relating to constitution of National Company Law Tribunal and National Company Law Appellate Tribunal. | 5 |
| 9. What is E filing? List at least five advantages of E filing under MCA 21. | 5 |
| 10. Mr. Ram Lal and his friend desire to incorporate a Public Company and approach you for help. Advise. | 5 |
| 11. Explain the doctrine of 'Indoor management' in brief. | 5 |

The Secretary of a Company issued a share certificate to 'A' under the Company's seal with his own signature and the signature of a Director forged by him. 'A' borrowed money from 'B' on the strength of this certificate. 'B' wanted to realise the security and requested the company to register him as a holder of the shares. Explain whether 'B' will succeed in getting the share registered in his name.

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| 12. Explain in brief 'Equity Share Capital' and 'Preference Share Capital'. | 5 |
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PART – II

Question No. 13 is compulsory. Attempt any **two** questions of the rest.

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| 13. (a) What is Corporate Social Responsibility? Why it is needed in Indian Business environment? | 5 |
| (b) Explain briefly the matters to be considered and the steps that may be taken by a Finance and Accounting professional when he is required to resolve an ethical conflict in the application of Fundamental principles. | 5 |

Contind...

(3)

Marks

14. What is meant by 'Sustainable Development'? State the special responsibilities of the industries that are based on natural resources. How the adoption of Green Accounting System, helps in avoiding policy decisions which are non-sustainable for the country? 5
15. Answer any two out of four in 'yes' or 'no' with brief reasons: 5
- (a) Knowledge without morality is a social sin.
- (b) Consumer purchases goods and health services for personal purposed only.
- (c) Consumer and Public interest are both synonymous.
- (d) Ethics are necessary in marketing to build Brand image only.
16. Explain in brief the measures to ensure ethics in the Work place. 5

PART – III

Question No. 17 is compulsory and attempt any **two** question of the rest.

17. (a) What is meant by 'Emotional Intelligence' and 'Emotional Quotient'? State any six social competencies associated with Emotional Intelligence. 5
- (b) Draft a 'Power of Attorney' by subscribers of Memorandum of Association of the Company authorising a Chartered Accountant to appear before the Registrar of Companies to do the needful for the purpose of incorporation of the company. 5
18. Draft a notice for ABC's Annual General Meeting with four ordinary business. 5
19. What do you understand by Group Dynamics? 5
20. Mr. A has not received a dividend warrant of Rs. 1,500 for 150 shares of XYZ Ltd. Draft an indemnity bond, to be given to the company for seeing release of Dividend. 5



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