

Shree Guru Kripa's Institute of Management

Reg. No _____

Total No. of Questions – 16

LEC – IP – 04

Total No. of Printed Pages – 3

Time Allowed: 3 Hrs

Total Marks – 100

Answer ALL Questions

Wherever appropriate, suitable assumptions should be made by the candidates

1(a)

5 Marks

Mr. Ramaswamy of Chennai placed an order with Mr. Shah of Ahmedabad for supply of Urdu Dhal 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. Ramaswamy stating that the price of Urdu Dhal was sky rocketing to Rs.50 per kg. and he would not be able to supply as per original contract. The price of Urdu Dhal rose to Rs.53 on 09.12.2006. Advise Mr. Ramaswamy citing the legal position.

1(b) Choose the Correct Answers

1 X 5 = 5 Marks

- (i) In a contract of Guarantee a person, who promises to discharge another's liability is called –
(a) Principal Debtor (b) Creditor (c) Indemnifier (d) Surety.
- (ii) The delivery of goods by one person to another as security for payment of a debt is called –
(a) Bailment (b) Pledge (c) Mortgage (d) Hypothecation.
- (iii) Which of the following is not applicable to Negotiable Instrument? A NI must be –
(a) in writing (b) transferable (c) registered (d) signed.
- (iv) In cases of Joint Promise, the liability to pay the Promisee will devolve on any one or more Promisors. Yes / No?
- (v) Deposit of money in a Bank amounts to Bailment. Yes / No?

2(a)

5 Marks

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?

2(b) Choose the Correct Answers

1 X 5 = 5 Marks

- (i) A Minor also can become a member of a Company. Yes / No?
- (ii) New Shares cannot be issued to outsiders without prior offer to the existing Shareholders.
- (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.

(3)

5 Marks

Mr. E joined as Supervisor on monthly salary of Rs.3,400 on 01.02.2007 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.

(4)

5 Marks

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 defects?

(5)

5 Marks

Define the term "Employer" under the Provident Fund and Miscellaneous Provisions Act, 1952.

(6)

5 Marks

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.

Examine, whether there is an offence under the NI 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.

(7)

5 Marks

Explain the provisions of the Payment of Gratuity Act, 1972 relating to 'forfeiture of the amount of Gratuity' payable to an employee.

(8)

5 Marks

Explain the doctrine of "Indoor Management" in brief.

The Secretary of a Company issued a Share Certificate to Mr.A, under the Company's seal with his own signature and the signature of a Director forged by him. Mr.A borrowed money from Mr.B on the strength of this Certificate. Mr.B wanted to realize the security and requested the Company to register him as a holder of the Shares. Examine whether Mr.B will succeed in getting the Shares registered in his name.

(9)

5 Marks

What is E-filing? List at least five advantages of E-filing under MCA 21.

(10)

5 Marks

Mr.Ram Lal and his friends desire to incorporate a Public Company and approach you for help. Advise.

Part – II ETHICS

11(a)

5 Marks

What is Corporate Social Responsibility? Why it is needed in Indian Business environment?

11(b)

5 Marks

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.

(12)

2×2 ½ = 5 Marks

Answer any two out of four in "Yes" or "No" with brief reasons.

	Question	Answer
(a)	Knowledge without morality is a social sin.	Yes
(b)	Consumer purchases goods and health services for personal purposes only.	Yes
(c)	Consumer and Public Interest are both synonymous.	No
(d)	Ethics are necessary in marketing to build Brand Image only.	No

(13)

5 Marks

Explain in brief the measures to ensure ethics in the work place.

Part – III COMMUNICATION

14(a)

5 Marks

Draft a "Power of Attorney" by subscribers of MOA of the Company authorizing a Chartered Accountant to appear before the ROC to do the needful for the purpose of incorporation of the Company.

14(b)

5 Marks

Draft a notice for ABC Ltd's Annual General Meeting with four items of ordinary business.

(15)

5 Marks

What do you understand by Group Dynamics?

(16)

5 Marks

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 seeking release of Dividend.