

Total No. of Questions – 7

Total No. of Printed Pages – 7

Time Allowed – 3 Hours

Maximum Marks – 100

BSF

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

Question No. 1 is compulsory.

Attempt any **five** questions from the remaining **six** questions.

Marks

1. (a) X sent a consignment of mobile phones worth ₹ 60,000 to Y and obtained a railway receipt therefor. Later, he borrowed a loan of ₹ 40,000 from Star Bank and endorsed the railway receipt in favour of the Bank as security. In transit the consignment of mobile phones was lost. The Bank files a suit against the railway for a claim of ₹ 60,000, the value of the consignment. The railway contended that the Bank is entitled to recover the amount of loan i.e. ₹ 40,000 only. Examining the provisions of the Indian Contract Act, 1872, decide whether the contention of the railway is valid.

5

- (b) (I) State with reasons whether the following statements are correct or incorrect.

(i) A promissory note duly executed in favour of minor is void.

(ii) No consideration is necessary to create an agency.

2 × 1

- (II) Choose the correct answer from the following and give reasons.

(i) Where both the parties to an agreement are under mistake as to a matter of fact, which is essential to the agreement, the agreement is :

(a) valid

(b) voidable

(c) void ✓

(d) illegal.

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(2)

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Marks

(ii) In a contract of guarantee there are :

- (a) one contract ✓
- (b) two contracts
- (c) three contracts
- (d) four contracts.

(iii) Cash is withdrawn by the customer of a bank from the automatic teller machine is an example of :

- (a) express contract
- (b) void contract
- (c) tacit contract ✓
- (d) illegal contract.

3 × 1

(c) RSP Limited allotted 500 fully paid-up shares of ₹ 100 each to Z, a minor, in response to his application without knowing that he was a minor and entered his name in the Register of members. Later on, the company came to know of this fact. The company cancelled the allotment and struck-off his name from the Register of members and also forfeited his entire share money. He filed a suit against the action of the company. Decide whether Z would be given any relief by the court under the provisions of the Companies Act, 1956.

5

(d) (I) State with reasons whether the following statements are correct or incorrect.

- (i) A company should file its annual return within six months of the closing of the financial year. ~~12 months~~
- (ii) If a company does not receive the minimum subscription, it should refund money received from applicants within 120 days of issue of prospectus. 90 days

2 × 1

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(3)

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Marks

(II) Choose the correct answer from the following and give reasons :

(i) An index of members must be maintained by a company when its membership exceeds :

- (a) 20 ✓
- (b) 50 ✓
- (c) 70
- (d) 80.

(ii) Unless the Articles provide for a large number, the quorum for a general meeting for a public limited company is :

- (a) 1/3rd of the members
- (b) 5 members personally present
- (c) 2 members
- (d) 7 members.

(iii) Sources of funds for buy back of shares are :

- (a) free reserves or securities premium account ✓
- (b) the proceeds of any shares or other specified securities
- (c) (a) and (b) both
- (d) none of the above.

3 × 1

2. (a) X was an employee of Universal Limited. He retired from the company on 31st March, 2010 and died after few months. Y, the heir of X, applied within the prescribed time to the company for payment of due bonus of X. The company refused to pay the bonus. Examine the validity of the company's refusal and also state the procedure to recover the bonus under the provisions of the Payment of Bonus Act, 1965.

8

(b) Explain the Social Sins listed by Mahatma Gandhi.

4

(c) MNP Limited was incorporated in September 2010. Now the company wants to hold its first meeting of the Board of Directors. Draft a notice of the said meeting along with agenda.

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(4)

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Marks

3. (a) K is an employee of RST Limited, a software company which works five days in a week. K was not in continuous service during the financial year 2009-10. However, she worked only for 150 days because she was on maternity leave with full pay for 50 days. Referring to the provisions of the Payment of Gratuity Act, 1972 decide whether K is entitled to gratuity payable under the Act. Would your answer remain the same in case RST Limited works six days in a week ? 8
- (b) Explain the fundamental principles relating to ethics. 4
- (c) A, B and C are partners of a firm. A retires from the firm by mutual consent due to sickness. Remaining partners (B and C) decide to admit D as a new partner in their firm. Draft a deed for reconstitution of partnership. 4
4. (a) Unique Builders Limited decides to pay 2.5 percent of the value of debentures as underwriting commission to the underwriters but the Articles of the company authorize only 2.0 percent underwriting commission on debentures. The company further decides to pay the underwriting commission in the form of flats. Examine the validity of the above arrangements under the provisions of the Companies Act, 1956. 8
- (b) State some examples of ethical issues faced by an individual at the workplace. 4
- (c) Explain the various forms of formal communication. 4

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(5)

BSF

Marks

5. (a) P draws a bill on Q for ₹ 10,000. Q accepts the bill. On maturity the bill was dishonoured by non-payment. P files a suit against Q for payment of ₹ 10,000. Q proved that the bill was accepted for value of ₹ 7,000 and as an accommodation to the plaintiff for the balance amount i.e. ₹ 3,000. Referring to the provisions of the Negotiable Instruments Act, 1881 decide whether P would succeed in recovering the whole amount of the bill. 8
- (b) State with reasons whether the following statements are correct or incorrect.
- (i) Business and industry are closely linked with environment and resource utilization.
- (ii) Trusteeship provides a means of transforming the present capitalist order of society into an egalitarian one. 2 × 2
- (c) State the reasons for acceptance of change in an organisation. 4
6. (a) In a General Meeting of PQR Limited the Chairman directed to exclude certain matters detrimental to the interest of the company from the minutes. M, a shareholder contended that the minutes of the meeting must contain fair and correct summary of the proceedings thereat. Decide whether the contention of M is maintainable under the provisions of the Companies Act, 1956. 8
- (b) State the objectives of the Central Consumer Protection Council in India. 4
- (c) Explain the basic principles of interpersonal communication. 4

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P.T.O.

(6)

BSF

Marks

7. (a) S retired from the services of PQR Limited on 31st March, 2009. He had a sum of ₹ 5 lac in his Provident Fund Account. It has become due for payment to S on 30th April, 2009 but the company made the payment of the said amount after one year. S claimed for the payment of interest on due amount at the rate of 15 percent per-annum for one year. Decide whether the claim of S is tenable under the provisions of the Employee's Provident Funds and Miscellaneous Provisions Act, 1952.

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- (b) RSP Limited is a Public Limited Company with a limited liability of its members by guarantee of ₹ 10 lac to each member. The company increases the liability of the members from ₹ 10 to 15 lac by an alteration made in the liability clause of the Memorandum of Association. Referring to the provisions of the Companies Act, 1956 decide whether the members of the company are liable for the increased liability.

4

OR

The Board of Directors of XYZ Private Limited, a subsidiary of SRN Limited, decides to grant a loan of ₹ 2.00 lac to P, the Finance Manager of the company getting salary of ₹ 30,000 per month, to buy 400 partly paid-up equity share of ₹ 1,000 each of XYZ Limited. Examine the validity of Board's decision with reference to the provisions of the Companies Act, 1956.

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- (c) Explain briefly the key strategies which can be used at the time of implementation of Corporate Social Responsibility policies and practices in a company.

4

OR

Write a note on harassment at workplace.

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(7)

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Marks

- (d) State reasons for selecting the oral mode of communication instead of the written mode of communication.

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OR

X desires to gift his flat to Y. Draft a gift deed.

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