

Test Series: February, 2012

Mock Test Paper – 1

IPCC/PCC: GROUP – I

**PAPER – 2/3: BUSINESS LAWS, ETHICS AND COMMUNICATION /
LAWS, ETHICS AND COMMUNICATION**

Question No.1 is compulsory.

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

Time Allowed – 3 Hours

Maximum Marks – 100

1. (a) Mr. X gives his marriage coat to the laundry for the dryclean. Launderer gives X a receipt for the received clothe with the printed condition on the back side that only 10% of the amount will be paid in case of the damage of the clothes. X, without reading the term keeps the receipt in the pocket. After taking the delivery, X finds the coat to be damaged. Examine the position of X in the light of the Indian Contract Act, 1872? (5 Marks)
- (b) XYZ, a limited company proposes ABC, a partnership firm to become a partner in the business of manufacturing steel furnitures. Explain whether a limited company can become partner in a partnership firm. (5 Marks)
- (c) State with reasons as to nature of ethics, whether the following statements are correct or incorrect:
 - (1) Ethics is following the law.
 - (2) Ethics is not science. (2 ½ x 2 ½ = 5 Marks)
- (d) Lay down the factors that leads to the growing importance of communication: (5 Marks)
2. (a) (i) Explain the applicability of the Payment of Bonus Act,1965 towards certain class of establishments. (4 Marks)
- (ii) State the nature of disputes arising between an employer and his employees regarding the bonus payable under the Payment of Bonus Act,1965. (4 Marks)
- (b) What are the resulting benefits of the CSR (Corporate Social Responsibility) in the achievement of long term objectives in any businesses? (4 Marks)
- (c) What are the different manner of non-verbal communication? (4 Marks)
3. (a) (i) Pick the correct answer:
 - (i) A document which contains a promise to pay on demand a certain sum to a specified person is a –
 - (1) Bill of Exchange

- (2) Cheque
 - (3) Promissory Note
 - (4) All of the above
- (ii) A promissory note dated 30th August, 2011 is made payable three months after date. The instrument is at maturity on the-
- (1) 3rd December, 2011
 - (2) 30th November, 2011
 - (3) 4th December, 2011
 - (4) 2nd December, 2011
- (iii) The holder may allow the drawee of a bill of exchange to give his acceptance for the instrument within-
- (1) 24 hours
 - (2) 12 hours
 - (3) 48 hours
 - (4) 6 hours
- (iv) The period of validity of cheques is-
- (1) 2 months
 - (2) 6 months
 - (3) 3 months
 - (4) 1 year (1 x 4 = 4 Marks)
- (II) State the special rules of evidence regarding the 'presumptions as to negotiable instruments' under the Negotiable Instruments Act, 1882. (4 Marks)
- (b) Enumerate the main ethical issues that one faces in the workplace. (4 Marks)
- (c) What types of groups can be found in any organisation for regulating the business effectively? (4 Marks)
4. (a) Explain the formation and powers of National Company Law Tribunal? (8 Marks)
- (b) What is the concept behind emphasizing the ecological ethics. (4 Marks)
- (c) Enumerate some of the ethical dilemmas faced while communication in any organisation (4 Marks)
5. (a) Write a note on the composition and functions of Central Board of Trustees under the EPF & MP Act, 1952. (4 Marks)
- (b) The Articles of Association of a ABC Company provided that 'X' shall be the

Manager of the company and he shall be vacated on the ground of proved fraud. The company removed him even though his guilty of fraud not proved. Decide, whether company's action is valid? (4 Marks)

- (c) Draft a circular for employees insisting on maintaining the discipline in the office premises.
- 6. (a) "The Payment of Gratuity Act, 1972 is a benign law", Explain. (8 Marks)
- (b) What are consumer rights that can be used as the touchstones for assessing the consumer welfare. (4 Marks)
- (c) Draft a lease deed of a land for a limited period. (4 Marks)
- 7. Answer any FOUR of the following: (4 × 4 = 16 Marks)
- (a) Differentiate between the following: (2 × 2 = 4 Marks)
 - (i) Liquidated damages and penalty,
 - (ii) Contingent and wagering contracts
- (b) A company issued a prospectus. All the statements contained therein were literally true. It also stated that the company had paid dividends for a number of years, but did not disclose the fact that the dividends were not paid out of trading profits, but out of capital profits. An allottee of shares wants to avoid the contract on the ground that the prospectus was false in material particulars. Decide. (4 Marks)
- (c) "Diminution of capital does not constitute reduction of capital within the provisions of the Companies Act, 1956," – Comment (4 Marks)
- (d) What are the reasons for unethical behavior in any organization? (4 Marks)
- (e) PQR Limited wants to hold its statutory meeting on 20 May, 2012 to discuss the matters relating to information of the company and incidental matters thereto. Draft a notice for calling statutory meeting of the company. (4 Marks)