

Test Series: March, 2012

Mock Test Paper – 2

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) State which of the statement is correct or incorrect among the following: (5 Marks)
 - (i) A agrees to sell B “one thousand maunds of rice at a price to be fixed by C” is a valid contract.
 - (ii) Dearness allowance is included in the definition of salary .
 - (iii) Offences committed under the Negotiable Instruments Acts,1881 are considered to be compoundable.
 - (iv) A charitable or religious trust of old temples are covered by the provident Funds Act.
 - (v) Gratuity shall be payable to an employee for rendering continuous service for not less than 2 years.
- (b) What do you understand by debenture? Differentiate it with shares. (5 Marks)
- (c) State the ancestry of the ethical standards (5 Marks)
- (d) Draft a letter from the customer XYZ to the bank, admitting the acceptance of the cheque book. (5 Marks)
2. (a) (i) Mr. Ambani appoints Mr. S as his agent to purchase a plot in Indrapuram, Gaziabad. Mr. S purchased a plot for ₹ 20 lakhs in the name of a nominee and then purchased it himself for ₹ 24 lakhs. He then sold the same plot to Mr. Ambani for ₹ 26 lakhs. Mr. Ambani later comes to know of the cheating committed by Mr. S and tries to recover the excess amount paid to Mr. S. Explain the legal position in the above case. (4 Marks)
- (ii) What are the rights of a surety against the principal debtor and as against co-sureties (4 Marks)
- (b) Examine and analyse the following hypothetical situation .

Mr. Sam is a proprietor of a Apollo pharmaceutical company. While testing with a chemical molecule, his company sees the possibility that the molecule may be developed into a drug for a rare, painful, life-threatening genetic disease that may

cause problem only one child in ten million. But to develop the drug, his company may have to spend heavy amount of the shareholders' money, despite the drug not having wide salability. Do Mr. Sam face difficulty by an ethical dilemma? How should he determine the issue? (4 Marks)

- (c) Explain clearly the procedure of Communication. (4 Marks)
- 3. (a) A persuades B by deception to draw a cheque payable to C or order. A obtained the cheque, forged C's endorsement and collected proceeds to the cheque through his Bankers. B the drawer wants to recover the amount from C's Bankers. Decide in the light of the provisions of Negotiable Instruments Act, 1881 the following legal positions-
 - (i) Whether B the drawer, can recover the amount of the cheque from C's Bankers?
 - (ii) Whether C is the Fictitious Payee? (8 Marks)
- (b) "There is no economic growth without ecological costs" explain. (4 Marks)
- (c) Discuss Personal competencies that are associated with Emotional Intelligence. (4 Marks)
- 4. (a) (i) Examine with reference to Payment of Bonus Act, 1965, an employee joined the glass factory drawing a salary of ₹ 10,000 on 20th January, 2011. During the employment he met with an accident causing fracture in his right hand and he went on the leave from February 8th, 2011 till April 4, 2011. Is the employee eligible for bonus for the year 2010-11? (4 Marks)
- (ii) What are the conditions upon which unit-wise profitability is the basis for payment of bonus by an establishment? (4 Marks)
- (b) Answer whether the statement is correct or incorrect with brief reasons: (2 x 2 = 4 Marks)
 - (i) Ethics are necessary in marketing to build Brand image only.
 - (ii) Ethical behaviour in marketing is necessary to avoid Government intervention/ regulation.
- (c) What are the characteristics of group personality? (4 Marks)
- 5. (a) Examine the rules relating to review of order regarding determination of applicability of the EPF & MP Act, 1952 and the money due. (8 Marks)
- (b) Explain in brief the mode of incorporation of a company. (4 Marks)
- (c) What do you understand by legal drafting? (4 Marks)
- 6. (a) Explain the provisions and main contents of "Return of Allotment" under the Companies Act, 1956. (8 Marks)

- (b) Elucidate "Consumer for personal use and consumer for commercial use are synonymous". (4 Marks)
- (c) State whether the following statements are correct or incorrect: (2 x 2 = 4 Marks)
 - (i) Employees' Provident Funds and Miscellaneous Provisions Act, 1952 applies to "Municipal Councils and Municipal Corporations.
 - (ii) The Funds under the Employees' Provident Funds Scheme, 1952 is vested and administered by Central Government.
- 7. Answer any FOUR of the following: (4 × 4 = 16 Marks)
 - (a) When a gratuity is payable to an employee in any establishment? (4 Marks)
 - (b) What is the provision relating to modification of charge under the Companies Act, 1956? (4 Marks)
 - (c) Lay down the procedure for convening and conduct of general meetings of the company. (4 Marks)
 - (d) State the various threats which can be faced by a finance and accounting professional while working as an auditor, consultant or an employee in an organization. (4 Marks)
 - (e) State the elements that can be used to describe the organizational culture. (4 Marks)