

Test Series: October, 2013

Mock Test Paper – 2

INTERMEDIATE (IPC): GROUP – I

PAPER – 2: BUSINESS 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 the legal positions in the following given situations:
 - (i) Mr. Anshul, an agent refused to hand over the accounts books and other documents relating to business transaction to the newly appointed agent unless the principal released him from all his past acts and duties.
 - (ii) X and Y contracts with Z to undertake a certain liability and also X and Y contracts with each other that one of them shall be liable only on the default of the other and Z was aware of this contract . (5 Marks)
- (b) A company served a notice to Mr. Arif for payment of final calls on his shares by 26.05.2013, via email. Mr. Arif did not pay the same by 26.05.2013 and thus, his shares were forfeited as per the rules of the company. Mr. Arif contended that as he has gone to his village where there was no access to his emails, thus there was no proper delivery of the notice. Hence, his shares cannot be forfeited for non-payment of final call. Discuss whether Mr. Arif is correct in his claim, with respect to the provisions in the Companies Act, 1956. (5 Marks)
- (c) Explain the conduct of ethics programs in any organization that helps to manage values associated with quality management, strategic planning and diversity management. (5 Marks)
- (d) "Innovation is the key to Success and Survival". Explain. (5 Marks)
2. (a) (I) Explain the legal position in the following cases examining the provisions given in the Payment of Bonus Act, 1965.
 - (i) A reinstated employee without wages for the period of dismissal.
 - (ii) A retrenched employee who worked for 45 days in a year on a salary of ₹ 10,500 per month. (4 Marks)
- (II) Ashraf Ltd., an automobile industry earned tremendous profits during financial year 2012-2013. It planned to provide maximum bonus to its employees. Being the legal consultant you are requested to advice the Ashraf Ltd. on permissible maximum bonus to the employees under the Payment of Bonus Act, 1965. (4 Marks)

- (b) What are the major characteristics of good corporate governance in any organisation? (4 Marks)
- (c) Explain the meaning of Group Dynamics. What are the features of 'groups' in an organisation? (4 Marks)
3. (a) (I) Pick the correct answer:
- (i) Which of the following is not a Negotiable Instrument?
- (1) A promissory note
 - (2) A bill of exchange
 - (3) A currency note issued by the Central Government
 - (4) A cheque
- (ii) When the nature of the instrument is not clear, it is termed as:
- (1) Inchoate
 - (2) Fictitious
 - (3) Ambiguous
 - (4) Escrow
- (iii) Endorsement which restricts the right of further negotiation of the instrument is-
- (1) Special endorsement
 - (2) General endorsement
 - (3) Facultative endorsement
 - (4) Restrictive endorsement (1 x 3 = 3 Marks)
- (II) Mr. Prakash, a promoter of the company borrowed a loan on behalf of company and issued a cheque from the companies account to discharge its legal liability. Mr. Prakash is neither a director nor a person-in-charge of the company. Subsequently the cheque was dishonoured and the complaint was lodged. State whether Mr. Prakash is liable for an offence under section 138 of the Negotiable Instruments Act, 1881? (5 Marks)
- (b) Explain how corporate social responsibility minimizes the ecological damage and helps in achieving long-term objectives, so that the business may gain long-term profit maximization. (4 Marks)
- (c) Elaborate guidelines for active listening. (4 Marks)
4. (a) What are the criteria for declaring any financial institution as "Public Financial Institutions" under the Companies Act, 1956? (8 Marks)
- (b) Explain in brief the measures to ensure ethics in the Work place. (4 Marks)
- (c) Suggest guidelines to handle communication ethics dilemmas. (4 Marks)

5. (a) (i) Explain the amendment related to enhancement of benefit under the Employees' Deposit Linked Insurance (Amendment) Scheme, 2011 under the EPF & Miscellaneous Provision Act, 1952 (4 Marks)
- (ii) Under the Articles of Association of Ajanta Ltd. Company, directors had power to borrow up to ₹ 10,000 without the consent of the general meeting. The Directors themselves lent ₹ 35,000 to the company without such consent and took debentures of the Company. Decide under the provisions of the Companies Act, 1956, whether the company is liable? If so, what is the extent of liability of the company in this case? (4 Marks)
- (b) To what extent ethical behaviour in marketing is followed. (4 Marks)
- (c) Explain poor listening as a barrier to communication. (4 Marks)
6. (a) (i) Mr. Short employed in a seasonal establishment which was in operation for 6 months only during the financial year 2012-13. Mr. Short was not in continuous service during this period. However, he has worked only for 136 days. Referring to the provisions of the Payment of Gratuity Act, 1972 decide whether Mr. Short is entitled to gratuity payable under the Act? (4 Marks)
- (ii) What is E filing? State the advantages of E filing under MCA 21. (4 Marks)
- (b) What is the difference between 'Morals' and 'Ethics'? (4 Marks)
- (c) Mr. Raghu gave his land on lease to Mr. Raghav for the commercial purpose for 5 years. Draft a lease deed for the landed property. (4 Marks)
7. Answer any FOUR of the following: (4 x 4 = 16 Marks)
- (a) Write a short note on the rights of finder of lost goods. (4 Marks)
- (b) Give the list of businesses in which the resolution may be passed through postal ballot. (4 Marks)
- (c) "Diminution of capital does not constitute reduction of capital within the provisions of the Companies Act, 1956," – Comment. (4 Marks)
- (d) 'Consumer for personal use and consumer for commercial use are synonymous'. Comment. (4 Marks)
- (e) What is meant by 'Emotional Intelligence' and 'Emotional Quotient'? State any six social competencies associated with Emotional Intelligence. (4 Marks)