

SELF ASSESSMENT TEST

CA-IPC

[NOV-2014]

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Self-Assessment Test (SAT)

Total Questions:-07
Time Allowed:-3 Hours

Maximum Marks:-100
No. of Printed Pages:-4

SET-1

Note:- Question No. 1 is compulsory. Attempt any five questions from the remaining Six Questions

Question-1 (20 Marks)

- (a) Himanshu invites Katreena (a well-known film actress) to his brother's engagement and dinner party. Katreena accepts the invitation and promised to attend. Himanshu made special arrangements for Katreena at the party but she did not turn up. Himanshu enraged with Katreena's behaviour, wanted to sue for the loss incurred in making special arrangements. Himanshu is seeking your advice. 5
- (b) Explain the meaning of the term 'Sweat Equity'. What are the provisions of the Companies Act, 1956 relating to issue of 'Sweat Equity'? 5
- (c) State with Reasons whether the following statements are correct or incorrect
- (i) Fairness and honesty are the pillars of success in the business. 3
 - (ii) There is no difference between ethics and morals. 2
- Or
- (ii) A nation should satisfy its social and economic requirements without damaging the interest of future generations 5
- (d) What do you understand by non-verbal communication? Explain its methods in brief 5

Question-2 (16 Marks)

- (a) (i) In 2009, the Electronics Corporation, a public sector enterprise establishment under the department of Science and Technology, Government of Rajasthan starts to sell mobile sets manufactured by it, in addition to TV sets, so as to complete with private sector establishments of mobile sets in the market. The income from sale of mobile sets is 30% of the gross income of the corporation. The employees of the corporation went to strike for demand of bonus. Decide, whether the demand of the employees is tenable under the Provisions of Payment Act, 1965. Would your answer be different if the income from sale of mobile sets is only 10% of the gross income of the Corporation? 4
- (ii) 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 provisions of the Payment of Gratuity Act, 1972. Decide, whether K is entitled to gratuity payable under the Act. Would your answer remain same in case RST Limited works in six days in a week? 4
- (b) Explain the role played by different committees in regulating the Corporate Governance 4
- (c) Explain the basic principles of interpersonal communication 4

Question-3 (16 Marks)

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(a) What tests can be applied in determining whether a person is an agent of another? State any five circumstances where under an agent is personally liable for acts done in the course of agency.

Or

Explain the types of damages which are available to the aggrieved party in case of Breach of Contract

(b) What are the benefits of Ethical Marketing?

(c) What is meant by negotiation? Name the various steps which can be identified in the process of negotiation from start to the completion of the process.

Question-4 (16 Marks)

(a) What are the purposes for which 'objects' can be altered by a company under the Companies Act, 1956? Briefly explain the procedure to be applied to such matters

(b) What are the fundamental principles of ethics applicable to the person of finance and accounting profession?

(c) ABC Ltd. Wants to hold its Annual General Meeting on 15th December 2008 to discuss the matters relating to ordinary business. Draft a notice along with noted in brief for calling annual general meeting of its shareholders

Question-5 (16 Marks)

(a) (i) A induced B by fraud 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.

Proceeds in the light of the provisions of the Negotiable Instruments Act, 1881-

- i. Whether B, the drawer, can recover the amount of the cheque from C's banker?
- ii. Whether C is the fictitious payee?
- iii. Would your answer be still the same in case C is a fictitious person?

(ii) J accepted a bill of exchange and gave it to K for the purpose of getting it discounted and handing over the proceeds to J. K having failed to discount it returned the bill to J. J tore the bill on two pieces with the intention of cancelling it and threw the pieces in the street. K picked up the pieces and pasted the two pieces together, in such manner that the bill seemed to have been folded for safe custody rather than cancelled. K put it into circulation and it ultimately reached L, who took it in good faith and for value. Is J liable to pay the bill under the provisions of the Negotiable Instruments Act, 1881?

(b) XYZ Limited obtained certificate of Incorporation and certificate of Commencement of business from the Registrar of Companies on 10th January 2009 and 10th February 2009 respectively . On 15th January 2009, the company purchased office furniture worth RS 10000 from the SAB Private Limited on credit. Later on the company refuses to make payment of the said amount on the ground that company is not bound by contract entered into prior to issuing of Certificate of Commencement of Business. In the light of the provisions of Companies Act, 1956, advise whether XYZ limited can be exempted from the above liability.

(c) Write a note on harassment at workplace

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Question-6 (16 Marks)

(a) Explain about the statement which is to be annexed with the Notice of GM as provided in Section 102 of the Companies Act, 2013.

(b) SVA Limited despatched Bonus Share Certificate to Mr. R. R did not receive the Bonus Share Certificate as it was lost in the transit. R applied to the Company to issue the Bonus share certificate in duplicate. SVA Limited asked Mr. R to submit an Indemnity Bond so that Bonus Share Certificate in duplicate may be issued to him. Draft an Indemnity Bond to be given by R to the company for seeking release of Bonus Share Certificate in duplicate.

4

(c) State whether following statements are correct or incorrect:-

4

- (i) The power to conduct EGM is with the members only
- (ii) 'All contracts are agreements, but all agreements may not be contracts'
- (iii) An acceptance with mere signature without writing the word 'Signature' is valid
- (iv) Creation of Company with a Single member is not tenable as per law.

Question-7 (16 Marks)

Answer any four of the following:-

(a) R, a 57 years old district judge was appointed by Central government as Presiding Officer of the Employees provident fund Appellate Tribunal from a period of five years. After three years, he Resigns from his office and ceases to work with immediate effect without handing over the charge to the successor, who has not appointed by the Government till that date. Examine the validity of its action to cease work under the provisions of the Employees provident fund and Miscellaneous Provisions Act, 1952.

4

(b) Explain "prohibition for Buy Back in certain circumstances" as mentioned in Section 70 of the Companies Act, 2013.

4

(c) Explain about the powers of SEBI to regulate issue and transfer of securities as Provided in Section 24 of the Companies Act, 2013.

4

(d) State the reasons for accepting the change in the present of management set – up of the corporate culture in a business organization.

4

(e) Write a note on ecological ethics

4

(f) The management of shakthi Mills Ltd entered into an agreement with their employees to pay them bonus based on production in lieu of bonus based on profits from the accounting year 2007. The employees further agreed to forego their right to receive minimum bonus and instead accept 25% of their salary/wage as bonus based on productivity. IS such an agreement valid? Examine in the light of the Provisions of the Payment of Bonus Act, 1965.

4

(g) State the provisions of Employees provident fund and Miscellaneous Provisions Act, 1952 relating to the protection of the credited amount in the Provident Fund against attachment

4

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(h) Mr. Ramaswamy of Chennai placed an order with Mr. Shah of Ahmedabad for supply of Urid Dhall on 10.11.2006 at a contracted price of RS. 40 per Kg. this 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 ramaswamy stating that the price of urid Dhall was sky rocketing to rs. 50 per Kg. and he would not be able to supply as per original contract. The price of Urid dhall raise to rs. 53 on 09.12.06. Advise Mr. Ramaswamy citing the legal Position.

4

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Total Questions:-07
Time Allowed:-3 Hours

Maximum Marks:-100
No. of Printed Pages:-3

SET-2

Note:- Question No. 1 is compulsory. Attempt any five questions from the remaining Six Questions

Question-1 (20 Marks)

(a) Mr Singh an old man, by a registered deed of gift, granted certain locked property to A, By the terms of the deed, it was stipulated that an annuity of Rs. 2000 should be paid every year to B, who was the brother of Mr. Singh.. On the same day, A made a promise with B and executed in favour an agreement to give effect to stipulation. A failed to pay the stipulated sum. In an action against her by B, she contended that since B had not furnished any consideration, he has no rights of action.

Examining the Provisions of the Indian Contract Act, 1872, decide whether the contention of A is valid? 5

(b) What is "Deemed Prospectus"? Explain the term with the relevant provision of the Companies Act, 2013.

(c) State with Reasons whether the following statements are correct or incorrect

(i) The institution of business exists only if it fulfills the society's expectations 3

(ii) Business ethics helps to promote public reputation

Or 2

(ii) Ethical behavior is essential to working environment at the working place

(d) Explain the socio- psychological barriers of communication in relation to an organization 5

Question-2 (16 Marks)

(a) (i) X a temporary employee drawing a salary of rs 9000 per month, in an establishment to which the payment of bonus act, 1965 applies was prevented by the employers from working in the establishment for two months during the financial year 2001-02. Pending certain inquiry. Since there were no adverse findings 'X' was re-instated in service. Later, when the bonus was to be paid to other employees, the employers refuse to pay bonus to X, even though he has worked for the remaining two months in the year. Referring to the provisions of the Payment of bonus Act, 1965. Examine the validity of employer's refusal to pay bonus. 4

(ii) National Steels Limited decided to forfeit the amount of gratuity of its employees A,B and C on account of disorderly conduct and other acts which caused loss to the property belonging to the company. A,B and C committed the following acts

i. A refused to surrender the occupied land belonging to the company

ii. B committed theft under law involves offence of moral turpitude.

iii. C after superannuation continued to occupy the quarter of the company for six months

Against the decision of the company, A, B and C applied to the court for relief. The Company contended that the right to gratuity is not a Statutory right and the forfeited amount of gratuity was within the law.

Examine the contention of the company and the decision taken by the company to forfeit the amount of gratuity in the light of the Payment of Gratuity Act, 1972. 4

(b) What is meant by Corporate Governance? Explain the benefits of goods corporate Governance 4

Self-Assessment Test (SAT)

(c) Explain the significance of active listening in inter personal communication skills. 4

Question-3 (16 Marks)

(a) Explain in brief the rules relating to “acceptance” of an offer under the Provisions of the Indian Contract Act, 1872.

Or 8

Explain the Agreements which are opposed to Public Policy.

(b) Explain the term “Consumer” as provided in the Competition Act and Consumer Protection Act. 4

(c) What are the characteristics of group personality? 4

Question-4 (16 Marks)

(a) Explain the provisions regarding “Proxies” as provided in Section 105 of the Companies Act, 2013. 8

(b) Explain Ethical Conflict Resolution. 4

(c) Board of Directors of Prakesh Traders Pvt. Ltd. Proposes to convene an Extraordinary General Meeting for changing the names of the company to prakesh International Pvt. Ltd. Draft the notice for calling the extraordinary general meeting of the members 4

Question-5 (16 Marks)

(a)

(i) V makes a gift of Rs. 10,000 to W through a cheque issued in favour of W. Later, he (W) informs W not to present the cheque for payment and informs the bank also to stop payment. Examining the provisions of the Negotiable Instruments Act, 1881. Decide whether V’s above acts constitute an offence. 4

(ii) X draws a bill on Y but signs it in the fictitious name of Z. The bill is payable to the order of Z. The bill is duly accepted by Y. M obtains the bill from X thus becoming its holder in due course. Can Y avoid payment of the bill? Decide in the light of the provisions of the Negotiable Instruments Act, 1881. 4

(b) India Cosmetics Ltd was registered company under Indian Companies Act, 1956. Later on, another company by name India Cosmetics and Accessories Limited was formed & registered. Being similarity in the names of both the companies. India Cosmetics Ltd lodged the complaint against India Cosmetics and Accessories Ltd to the registrar of Companies that there is sufficient similarity between these two names, which may mislead or defraud to the Public. India Cosmetics and Accessories Ltd is intending to alter its name

Advise the India Cosmetics and Accessories Ltd to alter the name of the company according to the Provisions of the Companies Act, 1956. 4

(c) State the ethical issues which are belong faced by an individual at the workplace of an industrial organization. 4

Question-6 (16 Marks)

(a) Explain various Liabilities provided in the Companies Act, 2013

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- (i) Civil Liability for Mis-statement in Prospectus
 - (ii) Criminal Liability for Mis-statement in Prospectus
- 8

(b) Draft a Power of Attorney by an assessee authorizing a chartered accountant to appear before income tax officer in respect of the pending taxation matters.

- (c) State whether following statements are correct or incorrect:- 4
- (i) The Documents of the Company can be authenticated by KMP only.
 - (ii) 'An agreement with an alien friend is valid but an agreement with an alien enemy is void'
 - (iii) A cheque marked 'Not Negotiable' is not transferable.
 - (iv) If a register able charge is not registered, the debt is not recoverable.

Question-7 (16 Marks)

Answer any four of the following:-

- (a) Write a short note on the composition and functions of the Central Board of Trustees under the Employees Provident Fund and Miscellaneous Provisions Act, 1952. 4

- (b) Explain the Power of Company to refuse registration of Transfer and Transmission as provided in Section 58 of the Companies Act, 2013. 4

- (c) Explain the following terms as provided in the Companies Act, 2013:-
- (i) Promoter 2
 - (ii) KMP 2

- (d) State the various components required to draft a partnership deed. 4

- (e) Explain Green Accounting System 4

(f) A is an employee of a company. The amount of the bonus payable to A during the year 2006-07 is rs. 10000, but the company paid him only rs 7,000 only and a sum of RS. 3000 was deducted from bonus against the loss suffered by the company due to misconduct of A during the same accounting year. A files a suit against the company for recovery of the deducted amount. Decide whether A would be given any relief by the court under the provisions of the Payment of Bonus Act, 1965? What will be your answer, if the losses are related to the accounting year 2005-06.

(g) S retired from the services of PQR limited on 31st march 2009. He had a sum of rs. 5 lakh in his provident fund account. It has become due for the 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% per annum for one year. Decide whether the claim of S tenable under the provisions of the Employees provident fund and Miscellaneous Provisions Act, 1952.

(h) Z rents out his house situated at Mumbai to W for a rent of Rs. 10,000 per month. A sum of RS. 5 lakh, the house tax payable by Z to the Municipal Corporation being in arrears, his house is advertised for sale by the corporation. W pays the corporation, the sum due from Z to avoid legal consequences. Referring to the Provisions of the Indian Contract Act, 1872 decide whether W is entitled to get the reimbursement of the said amount from Z.

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Total Questions:-07
Time Allowed:-3 Hours

Maximum Marks:-100
No. of Printed Pages:-4

SET-3

Note:- Question No. 1 is compulsory. Attempt any five questions from the remaining Six Questions

Question-1 (20 Marks)

(a) A, the bailor, pledges cinema projector and other accessories with Cine Association Co-operative Bank Limited, the bailee, for loan. A requests the bank to allow the pledged goods to remain in his possession and promises to hold the same in trust for the bailee and also further promises to handover the possession of the same to the bank whenever demanded.

Examining the Provisions of Indian Contract Act, 1872 decide, whether a valid contract of pledge has been made between A, the bailor and Bank, the bailee.

(b) When a Subsidiary Company can hold shares in its Holding Company. Explain the situations keeping in regard the provisions of Section 19 of the Companies Act, 2013 5

(c) State with Reasons whether the following statements are correct or incorrect

(i) The responsibility of the corporate management lies towards shareholders only 3

(ii) A good environmental practice improves corporate performance

Or 2

(ii) There is no economic growth without ecological cost

(d) Explain clearly the process of communication 5

Question-2 (16 Marks)

(a) (i) ABC textiles Ltd. Employed 20 full-time and 5 part-time employees who were drawing salary of less than rs. 10000/month. The completing service of 28 days, in accounting year, 10 full-time submitted their resignations and left the service of the company. The Board of directors of this company decided not to give the bonus to the employees, who were resigned, to the remaining full-time employees and to the part-time employed. Against the decision, all the employees applied to the authorities for the relief. Decide, stating the provisions of the Payment of Bonus Act, 1965. Whether the employees, who resigned, remaining full-time employees and part-time employees will get relief. 4

(ii) 14 Mr X an employee of Mutual Developers Limited. He retired from the company after completing 30 years of continuous service. He applied to the company for the payment of gratuity within the prescribed time. The company refused to pay the gratuity and contended that due to stringent financial conditions the company is unable to pay the gratuity. Mr X applied to the appropriate authority for the recovery of the amount of gratuity.

Examine the validity of the contention of the company and also state the provisions of law to recover the gratuity under the Payment of Gratuity Act, 1972. 4

(b) Explain "Trusteeship Concept" in Ethics 4

(c) What are the qualities of good "critical Thinker"? 4

Self-Assessment Test (SAT)

Question-3 (16 Marks)

- (a) What are the essentials of Valid Contract of Bailment. 8
Or
(i) B owes C a debt guaranteed by A. c does not sue B for a year after the debt has become payable. In the meantime, B becomes insolvent. Is A discharged? Decide with reference to the provisions of the Indian Contract Act, 1872. 4
(ii) M lends a sum of RS 5000 to B, on the security of two shares of a limited company on 1st April 2007. On 15th June 2007, the company issued two bonus shares. B returns the loan amount of RS 5000 with interest but M returns only two shares which were pledged and refuses to give the two bonus shares. Advise B in the light of the provisions of the Indian Contract Act, 1872. 4
- (b) What are the benefits of Ethical Marketing? 4
- (c) What are the United Nations Guidelines for Consumer Welfare? 4

Question-4 (16 Marks)

- (a)
(i) Examine the position of a minor in relation to obtaining membership in a company under the provisions of the Companies Act, 1956. 4
(ii) Explain the provisions of the Companies Act, 1956, relating to the utilization by a company of the amount standing to the credit of Securities premium Account. 4
- (b) Explain the reasons for unethical behavior among finance and accounting professionals 4
- (c) Fifth Annual General Meeting of the shareholders of Devrishi Limited was held on 20th August, 2009 at its registered office at Mumbai. 55 shareholders attended the meeting in person and 6 shareholders in proxy. Several ordinary business regarding adoption of audited Balance Sheet, declaration of dividend appointment and re- appointment of directors and auditors were transacted at the meeting. Draft the minutes of the Fifth Annual General Meeting of the Shareholders of Devrishi Limited. 4

Question-5 (16 Marks)

- (a)
(i) P draws a bill on Q for RS. 10,000. Q accepts the bill. On maturity the bill was dishonoured by non-payment. P files a suit against Q for payment of Rs. 10,000. Q proved that the bill was accepted for value of RS. 7,000 and as an accommodation to the plaintiff for the balance amount i.e. RS 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. 4
- (ii) A issues an open 'bearer' cheque for Rs. 10,000 in favour of B who strikes out the word 'bearer' and puts crossing across the cheque. The cheque is thereafter negotiated to C and D. When it is finally presented by D's banker, it is returned with remarks 'payment countermanded' by drawer. In response to this legal notice from D, A pleads that the cheque was altered after it had been issued and therefore he is not bound to pay the cheque. Referring to the provisions of the Negotiable Instruments Act, 1881, decide whether A's argument is valid or not? 4
- (b) RSP Limited is a public Company with a limited liability of its members by guarantee of Rs 10 lac to each member. The company increases the liability of the members from Rs. 10 to 15 lac by an alteration made in

Self-Assessment Test (SAT)

the liability clause of its 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

(c) Write a note on harassment at workplace 4

Question-6 (16 Marks)

(a) Explain various Liabilities provided in the Companies Act, 2013

(i) Civil Liability for Mis-statement in Prospectus

(ii) Criminal Liability for Mis-statement in Prospectus 8

(b) A partnership firm was constituted by A, B, and C. A, the partner of the firm expressed his desire to retire from the partnership firm by Mutual consent. Draft a "Partnership Retirement Deed". 4

(c) State whether following statements are correct or incorrect:- 4

(i) Every shareholder is a member, but every member may not be a shareholder of the company.

(ii) In contract of Guarantee there are three contracts

(iii) Agency cannot be created without consideration.

(iv) An oral acceptance is enough for validating negotiable instrument.

Question-7 (16 Marks)

Answer any four of the following:-

(a) M/s Hitech Ltd has been regularly depositing the Provident fund Contributions to the government. Owing to adverse market conditions, the company suffered loss for the Past two years. The management is considering the reduction of salary of the employees to reduce the company's contribution to Provident Fund and instead to pay compensatory allowance, so that, the employees pay packet remains the same. Explain in terms of Employees provident fund and Miscellaneous Provisions Act, 1952. Whether the company can effect such reduction. 4

(b) Explain Public offer of securities in dematerialized form as provided in Section 29 of the Companies Act, 2013. 4

(c) Explain the following terms as provided in the Companies Act, 2013:-

(i) Quorum 2

(ii) Expert 2

(d) State the contents that are required for drafting an Annual Report of Company. 4

(e) State the Special responsibilities of industries that are based on natural resources. Explain the linkage between working of the industry and environment 4

(f) The amount of bonus payable to N, a probationer chemist in Global Chemical limited, is rs 12000, during the accounting year 2007-08. A sum of rs 10000 was paid to her and rs 2000 was deducted by the company under the pretext of proportionate deduction in bonus for two months maternity leave on full day availed by her during the year. N files against the company for recovery of the deducted amount, examine the validity of N's claim under the Provisions of the Payment of bonus Act, 1965. 4

Self-Assessment Test (SAT)

(g) An Executive Committee is to be constituted to assist the Central Board under the provisions of the Employees Provident Fund and Miscellaneous Provisions Act, 1952. State the composition of such Executive Committee.

4

(h) X sent a consignment of mobile phones worth rs. 60,000 to y and obtained a railway receipt therefore. Later, he borrowed a loan of RS. 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 RS. 60,000, the value of consignment. The railway contended that the Bank is entitled to recover the amount of loan i.e. RS. 40,000 only. Examining the provisions of the Indian Contract Act, 1872. Decide whether the contention of railway is valid.