

Test Series: September, 2013

Mock Test Paper – 1

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) X falsely representing herself as the wife of a well known millionaire takes a ring from a jeweler's shop for the approval of her husband. She pledges it with a pawnbroker, who in good faith and without notice of the first transaction pays her price. Examining the provision given under the Indian Contract Act, 1872 state whether the jeweler can recover the ring from the pawnbroker? (5 Marks)
- (b) A public company decided to conduct a general meeting on 30th July 2013. It served a notice of general meeting upon its shareholders. The notice stated that the issue of shares would be considered at such meeting. Mr. 'A', a shareholder of the company complains that the issue of shares was not specified fully in the notice. Is the notice issued by the company regarding issue of shares valid according to the provisions of the Companies Act, 1956? Explain. (5 Marks)
- (c) State the fundamental principles to be conformed by the accounting and finance professionals relating to ethics. (5 Marks)
- (d) 'A communication of the message is successful only when both the sender and the receiver perceive it in the same manner'. Explain in reference to the above, the main causes of communication breakdown. (5 Marks)
2. (a) (I) What deductions are allowed under the Third Schedule of the Payment of Bonus Act, 1965 in determining the 'Available Surplus', in case of a non-banking company? (4 Marks)
- (II) Write short notes on the following according to the Payment of Bonus Act, 1965:
 - (i) Permissible deductions
 - (ii) Proportionate reduction in bonus (2+ 2=4 Marks)
- (b) What benefits may be derived by an organization from the acceptance of socially responsible corporate performance. (4 Marks)
- (c) What are the tips for improving inter-personal skills in a business organization ? (4 Marks)

3. (a) State the law as to calculation of the maturity of negotiable instrument.
What will be the due dates in the following cases of the instruments:
 - (i) A bill of exchange dated 20th November 2012, payable 4 months after date. (8 Marks)
 - (ii) A note is made payable sixty days after sight. The note is presented for sight on 15th April, 2013. (4 Marks)
- (b) How business relationship in the workplace may generate ethical concern? (4 Marks)
- (c) State the problems that typically arise in conflict situations and how such conflict can be managed. (4 Marks)
4. (a) What is the object behind the registering of the memorandum of the company and the requisite particulars of clauses which the memorandum of a company must contain. (8 Marks)
- (b) What is the concept behind the laying of the ecological ethics? (4 Marks)
- (c) 'Communication has always been of critical importance to the success of companies'. Explain (4 Marks)
5. (a) (i) State the liabilities of parties in case of transfer of establishment in regard to money due under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. (4 Marks)
- (ii) The Board of Directors of Arihant Limited, a subsidiary of ABC Limited, determines to provide a loan of ₹ 2.00 lac to D, the director of the company getting salary of ₹ 30,000 per month, to buy 400 partly paid-up equity share of ₹1,000 each of Arihant Limited. Examine the validity of Board's decision with reference to the provisions of the Companies Act, 1956. (4 Marks)
- (b) How the adoption of ethical behavior of the marketing executives may reverse the declining of public confidence in marketing and protecting the image of the organization. (4 Marks)
- (c) Draft an affidavit to the Income tax officer for grant of extension of time to submit ITR, by assuming your own facts. (4 Marks)
6. (a) (I) State which of the statement is correct/incorrect with reasons:
 - (i) The Payment of Gratuity(Amendment) Act, 2010 entitles the employees for the gratuity amount exceeding ten lacs.
 - (ii) The employer shall arrange to pay the gratuity amount within 3 months from the day it becomes payable.
 - (iii) Gratuity amount can be attached during execution of decree/order of the court.
 - (iv) An employee in case of a seasonal establishment shall be deemed to be in continuous service where he has worked for more than 75% of the no. of days of an operation of an establishment . (1 x 4= 4 Marks)

- (II) What initiation is taken by the Government to extend the working of the company in the computerized environment. (4 Marks)
- (b) Answer whether the statement is correct or incorrect with brief reason:
- (i) Consumer purchases goods and health services for personal purposes only.
- (ii) 'Competition Act, 2002 protects the interest of consumers'. (4 Marks)
- (c) Draft a business letter notifying of change in the meeting place and date. (4 Marks)
7. Answer any FOUR of the following: (4x4=16 Marks)
- (a) Briefly explain the circumstances under which an agent may be held personally liable. (4 Marks)
- (b) Write a note on the effect of forfeiture of shares. (4 Marks)
- (c) DJA Company Ltd., desirous of buying back of all its equity shares from the existing shareholders of the company, seeks your advice. Examining the provisions of the Companies Act, 1956 advise whether the above buy back of equity shares by the company is possible. Also state the sources out of which buy-back of shares can be financed. (4 Marks)
- (d) How corporate scandals may be avoided and sound ethical environment may be created in a company. (4 Marks)
- (e) What qualities should a sustainable innovation organization possess? (4 Marks)