

AATMAN ACADEMY

Model Test Series 2 Paper – 2 Nov 13 : IPCC Gr. 1 Law, Ethics & Communication

Time : 3 Hours

[100 marks]

Question 1 is compulsory, Attempt any Five from remaining.

Q : 1

- (a) Explain the circumstances where under a party to a contract may be exempted from the performance of contract on the ground of 'Supervening impossibility' under the Indian Contract Act, 1872. [5]
- (b) In a General Meeting of PQR Limited, the Chairman directed to exclude certain matters detrimental to the interest of the company from the minutes. M a share holder contended that the minutes of the meeting must contain fair and correct summary of the proceedings thereat. Decide, whether the contention of M is maintainable under the provision of the Companies Act, 1956? [5]
- (c) What is Ethical Communication? Describe components of Ethical Communication. [5]
- (d) "Importance of Communication is increasing day-by-day in the business organizations" state the reasons for this increasing importance. [5]

Q : 2

- (a) Explain the salient features of the "Employees Pension Scheme" as provided under the Employees Provident Fund and Miscellaneous Provisions Act, 1952. [5]
- (b) Distinguish between 'Reduction of Share Capital' and Diminution of Share Capital'. [4]
- (c) How consumer interest is different from public interest? [5]
- (d) What is Kinesics? [2]

Q : 3

- (a) A, a major, and B, a minor, executed a Promissory Note in favour of C. Examine with reference to the provisions of the negotiable Instruments Act, 1881 the validity of the Promissory Note and state whether it is binding on A and B. [4]
- (b) What is a Transmission of shares? [4]
- (c) What is Emotional Intelligence? Explain its Features. [4]
- (d) What major the steps should be taken by the employer to prevent sexual harassment? [4]

Q : 4

- (a) Referring the provisions of the Payment of Bonus Act, 1965, state whether the following persons are entitled to bonus under the Act:
- (i) An apprentice;
 - (ii) An employee dismissed on the ground of misconduct;
 - (iii) A temporary workman;
 - (iv) A piece-rated worker. [4]
- (b) "Every shareholder of a company is also known as a member, while every member may not be known as a shareholder." Examine the validity of the statement and point out the distinction between a 'member' and a 'shareholder'. [4]
- (c) What is Consensus Building? [4]
- (d) What is "ethical Conflict Resolution" in the context of finance and accounting professionals? [4]

Q : 5

- (a) State the grounds upon which a contract may be discharged under the provisions of Indian Contract Act, 1872 [8]

(b) State the legal position in the following circumstances with reference to the provisions in the Companies Act, 1956. At an adjourned extraordinary general meeting of a Public Ltd. Company adjourned for want of quorum, only 3 members are personally present. [4]

(c) What is the need for social Responsibilities in a business enterprise? [4]

Q : 6

(a) Who is an 'Expert'? When an expert is not liable for the mis-statement in the prospectus of a public company? [4]

(b) What is the concept of "charge" under the provisions of the Companies Act, 1956? Point out the circumstances where under a floating charge becomes a fixed charge. [6]

(c) A company was started with the object of building 'A mall with shops'. The building was destroyed by fire and the company wanted to alter the objects clause in the memorandum by substituting the words 'A mall with shops' with the words "Shops, Residential buildings and Warehouses for letting purposes." Will this alteration of the memorandum for the purpose be permissible? Decide referring to the provisions of the companies Act, 1956. [6]

Q : 7

(a) 'A' commits forgery and thereby obtains a certificate of transfer of shares from a company and transfers the shares to 'B' for value acting in good faith. Company refuses to transfer the shares to 'B'. Whether the company can refuse? Decide the liability of 'A' and of the company towards 'B' [5]

(b) MN limited held its Annual general meeting on 27th March, 2008. M the chairman of the said meeting dies on 1st April, 2008, when minutes of the annual general meeting were not yet recorded and signed. How would you deal with the situation? Would your answer be different in case the meeting held on 27th March, 2008 was a Board meeting? [5]

(c) The Articles of Association of Mars Company Ltd. provides that documents may be served upon the company only through Fax. Ramesh despatches a document to the company by post, under certificate of posting. The company does not accept it on the ground that it is in violation of the Articles of Association. As a result Ramesh suffers loss. Explain with reference to the provisions of the Companies Act, 1956:

(i) What refusal of document by the company is valid?

(ii) Whether Ramesh can claim damages on this basis? [6]

Good Luck