

Roll No. ....

Total No. of Questions – 7

Time Allowed – 3 Hours

**INTERMEDIATE (IPG)**  
**GROUP I - PAPER 2**  
**BUSINESS LAWS, ETHICS**  
**AND COMMUNICATION**

Total No. of Printed Pages – 8

Maximum Marks – 100

## TAP

Answers to questions are to be given only in English except in the case of candidates who have opted for Hindi Medium. If a candidate has not opted for Hindi Medium, his/her answers in Hindi will not be valued.

Questions No. 1 is compulsory.

Candidates are also required to answer any five questions from the remaining six questions. In case, any candidate answers extra question(s)/sub-question(s) over and above the required number, then only the requisite number of questions first answered in the answer book shall be valued and subsequent extra questions answered shall be ignored.

Wherever necessary suitable assumptions may be made and disclosed by way of note.

**Marks**

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|---|----------|
| 1. (a) Mr. Bean is a promoter who has taken a loan on behalf of company but he is neither a director nor a person-in-charge of the company. He sent a cheque from the company's account to discharge its legal liability. Subsequently, the cheque was dishonoured and a complaint was lodged against him. Can he be held liable for an offence under Section 138 of the Negotiable Instruments Act, 1881 ? | <b>5</b> |
|---|----------|

**TAP**

**P.T.O.**

(b) Rishi Pharmacy Ltd. decided to take up the business of food 5

processing because of the downward trend in pharmacy business.

There is no provision in the object clause of the Memorandum of

Association to enable the company to carry on such business. State

whether its object clause can be amended ? Mention briefly the

procedure to be adopted for change in the object clause.

(c) "A nation or society should satisfy its requirements without 5

jeopardizing the interest of future generations." Comment with

reference to Sustainable Development.

(d) What is an indemnity bond ? 5

Mr. Ajay Sinha has not received a dividend warrant of ₹ 1500 for 150

shares of XYZ Ltd. Draft an indemnity bond, to be given to the

company, for seeking release of dividend.

2. (a) 'X' agreed to become an assistant for 2 years to 'Y' who was 4

practicing chartered accountant at Jodhpur. It was also agreed that during the term of agreement 'X' will not practice as a chartered accountant on his own account within 20 kms. of the office of 'Y' at Jodhpur. At the end of one year, 'X' left the assistantship of 'Y' and started practice on his own account within the said area of 20 kms. Referring to the provisions of the Indian Contract Act, 1872, decide whether 'X' could be restrained from doing so ?

- (b) Akshay is an employee in a company. The amount of bonus payable 4

to him during the year 2014-15 is ₹ 1,25,000. The company deducted a sum of ₹ 25,000 against the "Diwali Bonus" already paid to him during the said year and paid the remaining amount. Akshay files a suit against the company for recovery of the deducted amount. Decide whether Akshay would be given relief by the Court on adjustment of already paid interim bonus on Diwali under the Payment of Bonus Act, 1965 ?

(4)

**TAP**

**Marks**

(c) "Corporate governance is about stakeholders' satisfaction." **4**  
Comment.

(d) The Press Release should be written in a journalistic style. Comment **4**  
on the statement highlighting guidelines for drafting a Press Release.

3. (a) Atul Ltd. has passed a resolution in its general meeting regarding **8**  
accepting deposits from its members. Can this company accept  
deposits from its members under the Companies Act, 2013 ? If yes,  
state the conditions to be fulfilled regarding this.

(b) Mr. A of Alwar engaged Mr. S as his agent to buy a house. Mr. S **4**  
bought a house for ₹ 40 lakhs in the name of a nominee and then  
purchased it himself for ₹ 44 lakhs. He then sold the same house to  
Mr. A for ₹ 46 lakhs. Mr. A later comes to know about the mischief  
of Mr. S and tries to recover the excess amount paid to Mr. S. Is he  
entitled to recover any amount from Mr. S ? If so, how much ?  
Explain.

(c) What do you mean by the "Iron Law of Responsibility"? Mention the **4**  
resulting benefits which may be acquired by achieving the long term  
objectives through the business activities.

**TAP**

4. (a) List out the points of difference between Fraud and Misrepresentation. 4

(b) Mr. Y was working in ABC Limited for the last seven years as an Accounts Executive. He resigned from the services of the Company on 30<sup>th</sup> April, 2015. His resignation was not accepted by the Company. However, after serving for the notice period, he stopped coming to the Company. After some time he applied for his gratuity. The company refused on the ground that his resignation was not accepted. Discuss the legal position about this in the light of the Payment of Gratuity Act, 1972. 4

(c) Explain the concept of "Dormant Company" as envisaged in the Companies Act, 2013. 4

(d) What are the safeguards created by the profession, legislation or regulation about accounting and finance which may eliminate or reduce the threats relating to unethical behaviour ? 4

5. (a) State, giving reasons, whether the following statements are correct or incorrect :

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(i) In a Promissory Note, the promise to pay must be conditional.

(ii) A Bill of Exchange may not be in writing.

(iii) A Subsidiary Company cannot hold shares of its Holding Company.

(iv) Quorum for general meetings for a public company, where members are not more than 1000, is 5 members personally present.

- (b) State the documents and information for registration of One Person Company (OPC) required to be filed with the Registrar of Companies.

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- (c) PQR Ltd. wants to hold its Annual General Meeting on 15<sup>th</sup> September, 2016. Draft a notice for calling Annual General Meeting of its shareholders to discuss the matters relating to ordinary business.

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6. (a) State in brief the guidelines for managing ethics and to prevent the need for whistle-blowing in the work place.

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- (b) Swad Papad Udyog is a co-operative society registered under the Co-operative Societies Act, 1912, employing 40 persons and working without the aid of power. With reference to the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, state whether the provisions of this Act are applicable on it ?

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- (c) Briefly explain the law relating to "Resolutions requiring Special Notice" under the Companies Act, 2013. Mention the resolutions that require "Special Notice" under the Act. 4
- (d) Explain the term 'Paralanguage' relating to non-verbal communication. 4

7. Answer any four of the following :

- (a) Distinguish between a Wagering Contract and a Contingent Contract. 4
- (b) P Ltd. issued and published its prospectus to invite the investors to purchase its shares. The said prospectus contained a false statement. Mr. X purchased some partly paid shares of the company in good faith from the Stock Exchange. Subsequently, the company was wound up and the name of Mr. X was included in the list of contributories. Decide : 4
- (i) Whether Mr. X is liable to pay the unpaid amount ?
- (ii) Can Mr. X sue the directors of the company to recover damages ?

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|---|---|
| (c) Objectives of the Central Consumer Protection Council in India are to promote and protect the rights of consumers. Elucidate the rights of consumers in relation to Competition Law in India. | 4 |
| (d) What are the functions of inter-personal communication ?  | 4 |
| (e) Explain the factors that influence Ethical Communication.   | 4 |
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