

INTERMEDIATE EXAMINATION

June 2025

P-5(BLE)
Syllabus 2022

BUSINESS LAWS AND ETHICS

Time Allowed: 3 hours

Full Marks: 100

The figures in the margin on the right side indicate full marks.

Wherever considered necessary, candidates may make appropriate assumptions and clearly state them in the respective answer.

Answer *Question No.1* and *any five* from Question No. 2 to Question No. 8.

SECTION – A

1. Choose the correct option from four alternatives given: 2×15=30

- (i) Lok Adalats or People's Courts have been established by the government to settle disputes by way of
 - (A) Conciliation
 - (B) Debating
 - (C) Sacrifice
 - (D) Glorification
- (ii) When the consent is caused by undue influence, the agreement under Section 19A is
 - (A) Illegal
 - (B) Valid
 - (C) Void
 - (D) Voidable
- (iii) An unlawful act by which an intending purchaser is prevented from bidding or raising the price at an auction sale is known as
 - (A) Decoy Ducking
 - (B) Puffering
 - (C) Damping
 - (D) None of the above
- (iv) The Negotiable Instruments Act makes specific mention of three instruments namely Cheque, Bill of Exchange and
 - (A) Promissory Note
 - (B) Hundi
 - (C) Bank Draft
 - (D) Customary Note

- (v) In an LLP, which partners are typically not involved in the day to day operations and decision making?
- (A) Limited Partners
 - (B) Active Partners
 - (C) Managing Partners
 - (D) Nominal Partners
- (vi) Certificate of fitness to the young worker is to be granted by
- (A) occupier of the factory
 - (B) certifying surgeon
 - (C) inspector of the factory
 - (D) any sports person
- (vii) Who among the following is not the Principal Employer?
- (A) Occupier of the factory
 - (B) Owner of the factory
 - (C) Legal representative of the owner
 - (D) Legal representative of the contractor
- (viii) After buy back, a company shall not make a further issue of shares within a period of
- (A) three months
 - (B) six months
 - (C) nine months
 - (D) one year
- (ix) Every company limited by shares shall keep and maintain the Register of Members in Form No.
- (A) MGT- 1
 - (B) MGT- 7
 - (C) MGT- 9
 - (D) MGT- 12

- (x) The matters that shall be contained in the Articles of Association of a company limited by shares, have been prescribed in Table _____ of Schedule I of the Companies Act, 2013.
- (A) D
 - (B) E
 - (C) F
 - (D) G
- (xi) An eligible company, which is accepting deposits within the limits specified under Section 180(1)(c) of the Act may accept the deposits by means of
- (A) an Ordinary Resolution
 - (B) a Special Resolution
 - (C) a Board Resolution
 - (D) an Audit Committee Resolution
- (xii) What is the paid up share capital fixed for the appointment of a woman director?
- (A) ₹ 100 crore or more
 - (B) ₹ 300 crore or more
 - (C) ₹ 400 crore or more
 - (D) ₹ 500 crore or more
- (xiii) In respect of the properties and assets of the company the Directors or the Board of Directors act as
- (A) Escorts
 - (B) Guards
 - (C) Trustees
 - (D) Keepers
- (xiv) It is a popular theme. Innovation related to this area in costing is kaizen costing. What is the name of this theme?
- (A) Continuous improvement
 - (B) Customer focus
 - (C) Value chain
 - (D) Supply chain
- (xv) Moral management requires ethical leadership. It entails more than just
- (A) 'not doing wrong'.
 - (B) 'not doing untrue'.
 - (C) 'not doing false'.
 - (D) 'not doing incorrect'.

SECTION – B

Answer any five questions:

Each question carries 14 marks.

2. (a) Outline the points which shall be considered for acceptance of a Contract. 7
(b) What are the rights of an indemnity holder under Indian Contracts Act, 1872, when sued? 7
3. (a) Demonstrate the procedure of forming a partnership under the Indian Partnership Act, 1932. 7
(b) How condition is different from warranty under Sales of Goods Act, 1930? Under what circumstances condition can be treated as warranty? 7
4. (a) Elaborate the provisions relating to the fines under Section 19 of The Code on Wages, 2019 Act. 7
(b) Demonstrate the benefits that the insured persons, their dependents shall be entitled under the Employees' State Insurance Act, 1948. 7
5. (a) Examine the provisions of the Companies Act, 2013 with reference to the publication and change of company's name. 7
(b) Critically evaluate the different duties and liabilities imposed on the directors of companies as per the Companies Act, 2013. 7
6. (a) Analyze the concept of operational and financial control in a large organization. 7
(b) State the powers which the Board of Directors of a Company can exercise by means of resolutions passed at the Board Meetings as per the Companies Act, 2013. 7
7. (a) According to the CFAI's website, explain the Code of Ethics which must be adhered by the Members of CFA Institute. 7
(b) Discuss four attributes commonly used in defining emotional intelligence and briefly state its importance. 7
8. (a) Mr. A bails 1000 bottles of energy drinks marked with five star to Mr. B. After receiving the energy drinks, Mr. B, without Mr. A's consent, mixes the 1000 bottles with other bottles of energy drinks of his own, bearing a different mark.
Two days later, Mr. A requests to Mr. B to return at least 500 bottles of energy drinks marked with five star, on urgent basis. But, Mr. B refuses to do so and informs Mr. A that he has mixed all bottles of energy drinks with the stocks of other energy drinks kept in the warehouse. So, Mr. B will have to separate the bottles of energy drinks received from Mr. A by deploying additional labourers and then only it will possible to send back the 500 bottles of energy drinks for which Mr. A will have to pay the labour charges.

Mr. A is not willing to pay any labour charges and asks Mr. B to return at least 500 bottles of energy drinks sent by him immediately.

Decide the case and present your expert opinion.

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- (b) Mr. Mohan is a Director of a company, MCI Ltd. Company has received a notice on 5th July, 2024 from the Government Department for non-compliance of laws by the company. Mr. Mohan has sent his resignation unilaterally to the Company Secretary on 6th July, 2024 without sending a notice to the Registrar of Companies (ROC) stating that he resigns from the company owing to his personal reason with effect from (w.e.f.) 1st July, 2024. The Chairman accepted the resignation of Mr. Mohan w.e.f. 9th July, 2024 on the day of receipt of letter, subject to his liability for non-compliance of laws during his tenure.

Another Director of the company, Mr. A, is arguing that the resignation is not valid as it has not been forwarded to the ROC. Mr. Mohan has clearly stated in his resignation letter that he will no more available and liable for the company in future for any purposes.

Examine validity of the resignation with reference to the provisions of the Companies Act, 2013 and decide the liability of Mr. Mohan for non-compliance of laws during his tenure.

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