

Roll No.

Total No. of Questions – 7

Total No. of Printed Pages – 7

Time Allowed – 3 Hours

Maximum Marks – 100

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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.

Question No. 1 is compulsory.

Candidates are also required to answer any five questions from the remaining six questions.

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1. (a) A had borrowed from B the amounts as detailed below :

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Date of Borrowing	Amount	Due Date
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01-06-2018	25,000	01-08-2018
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15-06-2018	37,500	03-08-2018
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27-06-2018	13,000	15-08-2018
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01-07-2018	24,000	21-08-2018
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On 15-08-2018, A paid B ₹ 13,000 with a request to appropriate the same against amount borrowed on 27-06-2018. Does A, as a debtor, have a right to decide the debt towards which payment is to be appropriated ? Explain with reference to Indian Contract Act, 1872.

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- (b) ACE Builders Ltd. issued a prospectus which contained mis-statement about the prospects of the Company from a project to be undertaken with an intent to defraud the applicants for securities. Discuss the provisions of law relating to criminal liability for mis-statement in the prospectus under the Section 34 of the Companies Act, 2013. **5**
- (c) "Various performance and reporting standards have been introduced as external standards." In the context of this, comment on the following standards :
- (i) Social Accountability 8000 and
 - (ii) AA1000.
- (d) "There are certain barriers to effective communication." Explain and state the role of the following types of barriers and its effects on the communication. **5**
- (i) Filtering and
 - (ii) Cultural Barriers.
2. (a) (i) In September 2016 there was a labour unrest and as a result fire broke out in ABC Cotton Mills in which a major part of the factory and stock was destroyed resulting in severe financial loss to the establishment. ABC Cotton Mills submitted an application to the Appropriate Government for grant of exemption from paying minimum bonus. **4**
- Discuss whether such exemption could be granted to the Mills by Appropriate Government under the provisions of Payment of Bonus Act, 1965 ?

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- (ii) Mr. X was the owner of a factory to which the Payment of Gratuity Act, 1972 was applicable. Mr. X had appointed Mr. D as the Labour Officer for the Factory and given his specific instructions for ensuring compliance with provisions of various labour laws. Subsequently it was found that Mr. D had made certain false statements and manipulated the records which had resulted in non-payment of gratuity to certain employees in contravention of the provisions of Payment of Gratuity Act, 1972. The Inspector detected the irregularities and sent notice to Mr. X. Does Mr. X have any defense ? Explain with reference to provisions of Payment of Gratuity Act, 1972. 4
- (b) "Pollution in any form is dangerous to society." In the context of this, comment on (i) Air pollution and (ii) Water pollution. 4
- (c) What is Emotional Intelligence ? Discuss the social competence associated with the Emotional Intelligence. 4
3. (a) (i) Y advances Z a loan of ₹ 10,000 on the guarantee of X, at an interest of 10%. Subsequently, as Z was having some financial problems, Y reduced the rate of interest to 7% and also extended time for repayment of loan without the consent of X. Z becomes insolvent. Can Y sue X for recovery of amount ? 4

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- (ii) Amar offered to sell his flat to Akbar for ₹ 1,00,000. Akbar replied purporting to accept the offer and wrote to Amar promising to pay the amount in 5 equal instalments of ₹ 20,000 each. Examine the legal position. 4
- (b) Discuss any four practices widely recognized as discriminatory at the workplace. 4
- (c) "Consensus means overwhelming agreement, but in reaching the consensus one has to go through a process of orientation." Discuss and explain the process for building consensus. 4
4. (a) (i) PQR Ltd. had issued 10000 shares of ₹ 10 each, on which company called up ₹ 7.50 per share. However, Mr. C, a shareholder of PQR Ltd., deposited in advance the remaining amount due on his shares without any calls made by PQR Ltd. Referring to the provisions of the Companies Act, 2013, state the rights and liabilities of Mr. C, which will arise by the payment of calls made in advance. 4
- (ii) A company cannot issue shares at a discount as per Section 53 of the Companies Act, 2013. Explain the exception to this provision, if any, with reference to Companies Act, 2013. 4

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- (b) What do you understand by Ecological Ethics ? Explain. 4
- (c) What are the merits of grapevine phenomenon in communication ? Explain. 4
5. (a) (i) X draws a bill of exchange on Y. Y authorises his agent Z to sign the bill on his behalf to signify acceptance of the same. Z while signing the bill did not indicate that he is signing it on behalf of Y. Will Z be personally liable ? Discuss with reference to the provisions of the Negotiable Instruments Act, 1881. 4
- (ii) X is the holder of a bill of exchange of which Y is the payee and it contains the following endorsement in blank : 4
- First endorsement, "Y" Second endorsement, "C"
Third endorsement, "D" Fourth endorsement, "E"
- X, the holder, intentionally strikes out the endorsement by D and C. Will E be liable to X ? Discuss with reference to the provisions of the Negotiable Instruments Act, 1881.
- (b) Define the term Small Company as defined in Companies Act, 2013. 4
- (c) Comment on the "Utilitarian Approach" and the "Rights Approach" as sources of ethical standards. 4

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6. (a) XYZ Energy Ltd., set up with the object of setting up a windmill project, raised money from public through prospectus and still has unutilised amount out of the money raised. XYZ Energy Ltd. proposes to change its objects and for this purpose consent of shareholders has to be obtained by passing a special resolution by Postal ballot. Explain the procedure to be followed for transacting the business of the general meeting of members of a company through postal ballot for passing special resolution. 8
- (b) State whether following statements are correct or incorrect : 1×4
=4
- (i) Extraordinary Meeting of a company could be held only four times in a year.
 - (ii) A cheque endorsed 'Not Negotiable' cannot further be endorsed.
 - (iii) A holder of a 'generally' crossed cheque can cross it 'specially'.
 - (iv) 'Transfer of shares' and 'transmission of shares' are synonymous.
- (c) Draft an Indemnity Bond to be given to a Nationalized Bank by its depositor for the loss of Deposit certificates. 4

7. Answer any **four** of the following :

- (a) The Provident Fund Commissioner made an Order u/s 7A of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 determining the amount of contribution payable with respect to certain employees of ABC Private Limited. Subsequently ABC Private Ltd. discovered new evidence which would enable the company to get a favourable order. Whether the company can apply for review of Order passed u/s 7A of the Act ? Discuss. 4

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- (b) MPN Limited allotted shares to the public without issuing a prospectus. Discuss the validity of such allotment and list out any five circumstances when allotment can be deemed to be irregular. **4**
- (c) State the differences between the debenture and shares. **4**
- (d) What do you understand by Corporate Social Responsibility (CSR) and its policies ? Discuss. **4**
- (e) Discuss in brief any four ethical dilemmas faced while making communication. **4**
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