

C.A. PCC

First Study

Subject: Business, Law and Communication

Instructions :

- (i) *All questions are compulsory.*
- (ii) *Date of Examination : 16.02.2010*
- (iii) *Total Number of Questions : 18*
- (iv) *Total marks : 100*
- (v) *Total duration : 3 Hours*
- (vi) *Use of two colour pens (black & blue or Black or Pink etc) is NOT allowed. Use only single colour pen.*
- (vii) *Begin answer of the next question in new page.*
- (viii) *Answer all the questions serially.*

PART – I

Question 1.

(A) Who is an 'Expert'? When an expert is not liable for the misstatement in the prospectus of a public company?

(5 Marks)

(B) (i) State with reasons whether the following statements are correct or incorrect:

(a) An agreement entered into with a minor may be ratified on his attaining majority.

(b) Any variation in terms of contract made between the principal debtor and a creditor without the consent of the surety, automatically discharges the liability of the surety.

(2X1 = 2 Marks)

(ii) Pick-up the correct answer from the following and give reasons:

(a) In a contract of guarantee a person, who promises to discharge another's liability is called:

(i) Principal Debtor

(ii) Creditor

(iii) Indemnifier

(iv) Surety.

(b) The Delivery of goods by one person to another as security for the payment of a debt is called:

(i) Bailment

(ii) Pledge

(iii) Mortgage

(iv) Hypothecation.

(c) Which of the following is not applicable to negotiable Instrument?

(i) It must be in writing

(ii) It must be transferable

(iii) It must be registered

(iv) It must be signed.

(3X1 = 3 Marks)

Question 2 (A) Explain clearly the meaning of Lifting the Corporate Veil, as applicable in case of companies incorporated under the Companies Act, 1956. Under what circumstances the veil of a company can be lifted by the court?

(5 Marks)

(B) (1) State whether the following statements are True or False and give reasons.

(i) A minor also can become a member of a Company.

(ii) New shares cannot be issued to outsiders without prior offer to the existing shareholders.

(2 x 1 = 2 Marks)

(2) Pick-up the correct answer from the following and give reasons:

(i) As per Companies Amendment Act, 2000 a Private Company and Public Company must have a minimum paid-up capital of:

(a) Rs. 1 lakh and Rs. 2 lakhs respectively

(b) Rs. 3 lakhs and Rs. 5 lakhs respectively

(c) Rs. 2 lakhs and Rs. 3 lakhs respectively

(d) None of the above.

(ii) A model form of Articles contained in Table 'A' relates to a Company limited by

(a) Shares

(b) Guarantee

(c) Shares and Guarantee

(d) None of the above.

(iii) Dividend can be declared out of

(a) Capital reserve

(b) Revaluation reserve

(c) Debenture Redemption reserve

(d) Earlier year's reserve brought forward.

(3×1 = 3 Marks)

Question 3. State the categories of employees who are precluded from the purview of the Payment of Bonus Act, 1965.

(5 Marks)

Question 4. Whether the payee or the holder of a cheque can initiate prosecution for an offence under the N.I. Act, for its dishonour for the second time if he had not initiated prosecution on the first occasion?

(5 Marks)

Question 5. Explain the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 relating to: Liability of a transferee employer in case of transfer of establishment by an employer.

(5 Marks)

Question 6. What are the differences between "negotiability" and "assignability" under the Negotiable Instruments Act, 1881?

(5 Marks)

Question 7. What is the procedure for the recovery of the gratuity?

(5 Marks)

Question 8. What are preliminary contracts? State the rules in respect of preliminary contracts.

(5 Marks)

Question 9. Annual General Meeting of MGR Limited is convened on 28th December, 2008. Mr. J, who is a member of the company, approaches the company on 28th December, 2008 and demands inspection of proxies lodged with the company. Explain the legal position as stated under the Companies Act, 1956 in this regard.

(5 Marks)

Question 10. Explain the meaning of 'Shelf Prospectus'. What are the provisions in the Companies Act, 1956, as amended in 2000, relating to the issue of 'Shelf Prospectus'?

(5 Marks)

Question 11. What are the liabilities and duties of a member in a company?

(5 Marks)

PART – II

Question 12. Define the term "Acid Rain".

(5 Marks)

Question 13 (a) "To maintain social contract between society and business, the trusteeship relations are essential". Describe the role of business ethics in this reference.

(5 Marks)

(b) Discuss briefly "Ethical Conflict Resolution".

(5 Marks)

Question 14. Co-relate Business and Environmental Ethics?

(5 Marks)

PART – III

Question 15. Define the term Interdepartmental Communication.

(5 Marks)

Question 16. Elaborate characteristics of Group Personality.

(5 Marks)

Question 17. Explain the term 'Corporate Culture'.

(5 Marks)

Question 18. What should be the content of Annual Report of a company?

(5 Marks)