

INTERMEDIATE EXAMINATION

June 2026

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.*

*Where considered necessary, suitable assumptions may be made  
and clearly indicated in the respective answer.*

*Answer Question No. 1 which is compulsory and any FIVE from Question No. 2 to Question No. 8.*

**Section-A**  
**(Compulsory)**

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

- (i) The ideals of liberty, equality and fraternity in the Preamble have been taken from \_\_\_\_\_.
- (A) French Revolution
  - (B) Russian Revolution
  - (C) American Civil War
  - (D) None of the above
- (ii) Which one of the following modes of Alternate Dispute Resolution (ADR) is not the same as judicial proceedings of any other kind of alternate dispute resolution method?
- (A) Arbitration
  - (B) Lok Adalat
  - (C) Mediation
  - (D) Conciliation
- (iii) What is the meaning of *persona non-grata*?
- (A) A respected person
  - (B) A welcome guest
  - (C) An unacceptable person
  - (D) A famous personality
- (iv) A makes an offer to B on 10th June by a letter which reaches B on 12th June. B posts letter of acceptance on 14th June which reaches A on 16th June. The communication of acceptance is complete as against A on \_\_\_\_\_.
- (A) 12th June
  - (B) 14th June
  - (C) 16th June
  - (D) 17th June

- (v) The liability of surety arises only when the principal debtor fails to pay the debt to the
  - (A) Government
  - (B) Debenture holder
  - (C) End consumer
  - (D) Creditor
- (vi) Which of the following does not involve the performance of contract?
  - (A) Acceptance of goods
  - (B) Buyer's right of examining the goods
  - (C) Consumption of goods
  - (D) Delivery
- (vii) The presentment for sight is required only in case of promissory note. Which of the following note must be presented for sight?
  - (A) A note payable at sight
  - (B) A note payable after sight
  - (C) A note payable on demand
  - (D) All of the above
- (viii) Where a partner is entitled to interest on capital subscribed by him, such interest will be payable only out of \_\_\_\_\_.
  - (A) Profit
  - (B) Capital
  - (C) Profit or Capital
  - (D) None of the above
- (ix) The approved name of LLP shall be valid for a period of \_\_\_\_\_ from the date of approval.
  - (A) 1 month
  - (B) 2 months
  - (C) 3 months
  - (D) 6 months
- (x) A petition filed by the LLP or any of its partners for winding up before the Tribunal shall be admitted only if accompanied by a statement of affairs of the LLP on the date of petition and a resolution passed by \_\_\_\_\_.
  - (A) one third of partners
  - (B) two third of partners
  - (C) three fourth of partners
  - (D) all partners unanimously

- (xi) In a factory employing more than 500 workers, what additional facility must be provided under Section 45 of the Factories Act, 1948?
- (A) An ambulance of prescribed size with prescribed equipment and nursing staff  
 (B) An on-site clinic with a doctor  
 (C) An emergency fire tender  
 (D) A tie-up with a nearby hospital
- (xii) For conversion of a private company into a public company or a public company into a private company, the application is required to be filed in \_\_\_\_\_.
- (A) Form No. INC 22  
 (B) Form No. INC 24  
 (C) Form No. INC 25  
 (D) Form No. INC 27
- (xiii) Which of the following businesses is generally considered an 'ordinary business' at an AGM?
- (A) Appointment of statutory auditor  
 (B) Change in the Articles of Association  
 (C) Issue of bonus shares  
 (D) Approval of mergers
- (xiv) Which of the following directors cannot be removed by a company through an ordinary resolution?
- (A) A director appointed under Section 242 of the Companies Act, 2013  
 (B) A director appointed by shareholders  
 (C) A managing director  
 (D) An additional director
- (xv) The idea that everyone is equal before law is derived from the value that \_\_\_\_\_.
- (A) society creates inequality.  
 (B) law is made by the government.  
 (C) human is born equal.  
 (D) human is born unequal.

### Section-B

**Answer any five from Question No. 2 to Question No. 8. Each question carries 14 Marks.**

14×5=70

2. (a) Discuss the Discharge by Performance and the Discharge by Agreement under Indian Contracts Act, 1872. 7
- (b) Explain bailment and its ingredients. Also outline the differences between bailment and pledge. 7
3. (a) Analyse the legal procedure for conversion from private limited company into Limited Liability Partnership. 7

- (b) Analyse the negotiable instrument in international law under Negotiable Instruments Act, 1881. 7
4. (a) Elaborate the specific exclusions from the new definition of wage under The Code on Wages, 2019. 7
- (b) Summarise the various points to be noted regarding the filing of a nomination for receiving the gratuity under the Payment of Gratuity Act, 1972. 7
5. (a) List down the Resolutions and Agreements, that shall be filed with the Registrar of Companies within 30 days of passing or making thereof. 7
- (b) What are the matters to be inquired by the statutory auditors as per the provisions of Companies Act, 2013? 7
6. (a) Mrs. Riya is a director of PQR Ltd., a public company. She holds a valid professional qualification in cyber security from a recognised institution. During a Board meeting, the CEO raised concerns about increasing cyber threats. At the request of the Managing Director, Mrs. Riya undertook to resolve the issue and successfully secured the company's online systems. She subsequently submitted a bill of ₹ 5 lakhs for her professional services. However, the CEO instructed the accounts department not to honour the bill, arguing that this constitutes a special service and is already covered under Mrs. Riya's remuneration as director. Additionally, he claims that paying the bill would cause the total directors' remuneration to exceed the 11% limit of net profits under the Companies Act, 2013.
- Can Mrs. Riya's bill be legally honoured? Decide the case and analyse legal position with reference to directors' remuneration and special services. 7
- (b) A shareholder of a company has many rights under the Companies Act, 2013. Explain. 7
7. (a) Explain ethics and discuss the relationship between ethics and law. 7
- (b) What is Value Chain? Summarise the new themes and challenges that managers face currently for the design of management accounting system under the Value Chain. 7
8. (a) Mr. Ajay appoints his agent, Mr. Bijay, to recover ₹ 20,00,000 from Mr. Sujay and invest it safely in a secure investment. Mr. Bijay successfully recovers the full amount from Mr. Sujay and invest ₹ 18,00,000 in Fund-A, a secure investment, and ₹ 2,00,000 in Fund-B, a risky investment which should have known to be bad. As a result, Mr. Ajay earns profit from Fund-A, but suffers a loss of ₹ 25,000 from Fund-B. When Mr. Ajay learned this he became furious, denied any remuneration to Mr. Bijay, and directed him to compensate for the loss of ₹ 25,000. On the other hand, Mr. Bijay argues that he recovered the amount from Mr. Sujay and performed his duty by investing the money, and that the loss was the outcome of normal investment risk. Hence, he believes he should receive his remuneration and that the loss should be borne by Mr. Ajay.
- Decide the case and support your answer with relevant legal principles. 7
- (b) Demonstrate the different points to be stated in the auditor's report by the auditor as per the Companies Act, 2013. 7
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