

Shree Guru Kripa's Institute of Management

LAW, ETHICS AND COMMUNICATION

Total No. of Questions – 7 LEC – K15 – IPM – 01 Total Marks – 100

Question No.1 is Compulsory. Answer any 5 from the remaining.
Wherever appropriate, suitable assumptions should be made by the candidates

1(a) 5 Marks

State whether the following agreements are Valid or Void –

1. Ram sells the Goodwill of his shop to Shyam for Rs.4,00,000 and promises not to carry on such business forever and anywhere in India.
2. Ramamurthy, who is a citizen of India, enters into an agreement with an alien friend.

(b) Answer the following: 5 Marks

- A. A cheque marked "Not–Negotiable" is not transferable.(True/False)
- B. Where there are co-sureties a release by the creditor of one of them does not discharge the others.(True/False)
- C. First AGM of the Company shall be held within
 - (1) 9 Months from the end of the Financial Year
 - (2) 6 Months from the end of the Financial Year
 - (3) 9 Months from the date of incorporation
 - (4) 18 Months from the date of incorporation
- D. A model form of Articles contained in Table "F" relates to a Company Limited by
 - (1) Shares (2) Guarantee (3) Shares and Guarantee (4) None of the above.
- E. The maximum ceiling on the Gratuity amount is Rs.5 Lakhs (True/False)

(c) 5 Marks

STD Ltd convened its Board of Directors Meeting on 1st August 2014. During the course of the Meeting, the date for calling AGM was discussed, but no decision could be taken on it in the Board Meeting. However, the Secretary of the Company issued the notice for calling the AGM of the Shareholders without taking any authority from the Board of Directors. State who is the proper authority to issue the notice for calling the AGM and to whom such notice is to be given.

(d) 5 Marks

What are the requirements for effective Consensus Building?

2. 8 Marks
- (a)
ABC Textiles Ltd employed 20 full-time and 5 part-time employees who were drawing salary less than Rs.10,000 per month. After completing service of 28 days, in an accounting year, 10 full-time employees submitted their resignations and left the service of the Company. The Board of Directors of this Company decided not to give the bonus to the employees, who resigned, to the remaining full-time employees and to the part-time employees. Against the decision, all the employees applied to the court for relief. Decide whether the employees, who resigned, remaining Full-time employees and part-time employees will get relief.
- (b) Explain the threats faced by Accounts and Financing Professionals. 4 Marks
- (c) State the common resistance from employees for an organization wide change. 4 Marks
3. 8 Marks
- (a)
Mr. X was an Employee of Mutual Developers Limited. He retired from the Company after completing 30 years of continuous service. He applied to the Company for the payment of gratuity within the prescribed time. The Company refused to pay the gratuity and contended that due to stringent financial conditions, the Company is unable to pay the gratuity. Mr. X applied to the Appropriate Authority for the recovery of the amount of Gratuity. Examine the validity of the contention of the Company and also state the provisions of law to recover the gratuity under the Payment of Gratuity Act, 1972.
- (b) State the advantage of Corporate Social Responsibility. 4 Marks
- (c) Mr.J desires to lease out her flat in Mumbai to Mr.A. Stating the legal requirements to be complied with, draft a Lease Deed. Take your own data regarding date, flat no., floor area etc. 4 Marks
4. 8 Marks
- (a) Define the following terms under Companies Act, 2013
(i) Promoter; (ii) Financial Year; (iii) Free Reserves
- (b) Explain in brief the measures to ensure ethics in the work place. 4 Marks
- (c) The Directors of Sunrise Computers Ltd desire to change the Company's name to Royal Computers Ltd. Explain the procedure to be followed in this regard. 4 Marks
5. 8 Marks
- (a) (i) Who is a Holder- in- Due-Course?
(ii) Bharat executed a Promissory Note in favour of Bhushan for Rs. 5 Crores. The said amount was payable three days after sight. Bhushan, on maturity, presented the Promissory Note on 1st January to Bharat. Bharat made the payment on 4th January. Bhushan wants to recover interest

for one day from Bharat. Advise Bharat, in the light of provisions of the NI Act, 1881, whether he is liable to pay the interest for one day.

(b) Answer any two out of four. You are required to state whether the statement is correct or incorrect with brief reasons:

- (i) Company management has responsibility only towards its shareholders.
- (ii) Window-dressing of financial statements will not be useful in the Long Run.
- (iii) Ethics and morals are synonymous.
- (iv) Competition Act, 2002 protects the interest of consumers.

(c) What do you understand by 'Group conflicts'? How shall these be managed effectively? Explain.

4 Marks

6.

(a) 8 Marks

At a General Meeting of Members, ABC Company Ltd passed an Ordinary Resolution to buy-back 30% of its Equity Share Capital. The Company's AOA empower the Company for buy-back of Shares. The Company further decides that the payment for buy-back be made out of the proceeds of the Company's earlier issue of Equity Shares. Explain the provision of Companies Act, 2013 w.r.t the sources through which the buy-back of Companies own Shares be executed. Examine –

- Whether Company's proposal is in order.
- Would your answer to still the same in case the Company instead of 30% decided to buy-back only 20% of its Equity Share Capital?

(b) Explain the steps involved in tackling Ethical Dilemmas. 4 Marks

(c) Explain the basic principles of Interpersonal Communication. 4 Marks

7. Answer any 4 Question from the following (4 x 4 = 16 Marks)

(a) State the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 relating of transfer of accounts to new establishment.

(b) State the purposes of utilization of Securities Premium.

(c) Write a note on Green Accounting System.

(d) State nature of business and nature of resolutions for the following:-

Business in AGM	Nature of Business	Nature of Resolution
Declaration of Dividend		
Alteration of Articles		
Appointment of Auditors		

Increase of Authorized Share Capital		
--------------------------------------	--	--

(e) ABC Mobile India Ltd wanted to know, in what order the required amount of Rs.16 Crores, for issue of fully paid bonus shares can funded by analyzing each of the following :-

Nature of Reserves	Amount (Rs.)
Securities Premium realized in Cash	Rs. 8 Crs
Dividend Equalization Reserves	Rs. 2 Crs
Profit and Loss A/c	Rs. 3 Crs
General Reserves	Rs. 3 Crs
Revaluation Reserves	Rs. 4 Crs
Capital Redemption Reserve	Rs. 9 Crs