



INTERMEDIATE EXAMINATION

SET 1

MODEL QUESTION PAPER

TERM – DEC 2025

PAPER – 5

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.

SECTION – A (Compulsory)

1. Choose the correct option: [15 x 2 = 30]

- (i) When a Bill has been passed by both Houses of Parliament, what is the next step in the legislative process?
- It is sent to the Prime Minister for approval
 - It is presented to the Chief Justice of India
 - It is presented to the President for assent
 - It is enforced as law immediately
- (ii) The phrase “party-centric approach” in mediation means:
- The mediator leads the process with party consultation
 - The outcome is predetermined by the parties’ legal advisors
 - The control of the process lies with the disputing parties
 - All parties must be from the same legal jurisdiction
- (iii) What is a defining characteristic of supreme legislation?
- It cannot be controlled or checked by any authority other than the sovereign itself
 - It is subject to judicial review by subordinate courts
 - It can be repealed by executive orders
 - It must receive prior approval from the head of state
- (iv) If an Indian citizen has a legal dispute with a foreign sovereign, what is the typical outcome under Indian law?
- The Indian citizen can sue directly in civil court
 - The foreign sovereign must be deported
 - The Indian citizen cannot sue the foreign sovereign
 - The matter is automatically taken up by the UN
- (v) In bailment, the goods must be returned or otherwise disposed of according to whose directions?
- Bailee
 - Bailor
 - Creditor
 - Principal debtor



- (vi) In case of breach of warranty by the seller, the buyer can:
- Claim damages but cannot reject the goods
 - Reject the goods and refuse to pay
 - Cancel the contract
 - File for criminal proceedings
- (vii) Within how many days must the payee issue a notice to the drawer after the cheque is returned unpaid by the bank?
- 7 days
 - 30 days
 - 15 days
 - 45 days.
- (viii) Upon successful conversion into an LLP, the company or firm shall inform the concerned Registrar within:
- 7 days
 - 15 days
 - 30 days
 - 60 days
- (ix) A partner who neither contributes capital nor takes part in business but lends his name is called:
- Sleeping partner
 - Nominal partner
 - Partner in profits only
 - Sub-partner.
- (x) Which document is required to establish an LLP
- Articles of Association
 - LLP Agreement
 - Memorandum of Association
 - Certificate of Incorporation
- (xi) If an employer refuses to pay gratuity, the employee can file a complaint with the controlling authority within:
- 60 days
 - 30 days
 - 15 days
 - 90 days



- (xii) No prospectus shall be valid if it is issued more than ____ days after the date on which a copy thereof is delivered to the Registrar.
- fifteen
 - thirty
 - sixty
 - ninety
- (xiii) The appointment of an independent director shall be approved by the
- Board meeting;
 - General meeting;
 - Registrar of Companies
 - Central Government.
- (xiv) An instrument of the proxy shall be deposited with the registered office of the company _____ before the conduct of the meeting.
- 7 hours
 - 21 hours
 - 48 hours
 - 60 hours
- (xv) Moral management requires ethical
- Customer
 - Market
 - Leadership
 - Producer

Section – B

(Answer any five questions out of seven questions given. Each question carries 14 Marks)

[5 x 14 = 70]

2. (a) Explain the position of a minor under the Indian Contract Act, 1872. [7]
- (b) Enumerate the duties of bailor and care to be taken by bailee in context of bailment. [7]
3. (a) Discuss the right and liability of partners after dissolution as per Indian Partnership Act, 1932. [7]
- (b) Distinguish between a contract of sale and an agreement to sell. [7]
4. (a) Explain how the time limits for payment of wages vary depending on the type of employment and termination conditions as per Section 17. [7]
- (b) Prepare the list of benefits that are entitled to the insured persons under the Employees' State Insurance Act, 1948. [7]



5. (a) Describe the key contents of an annual return filed by a company. [7]
- (b) Prepare the list of different rights of a shareholder of a company under the Companies Act, 2013. [7]
6. (a) The members of MNO Ltd., a public company, are dissatisfied with the conduct of one of the directors, Mr. A. They decide to remove him before the expiry of his term. Mr. A was appointed by the Board and not by the shareholders. The company has 12 directors in total, including 2 appointed under Section 161 (Additional Directors). The Board is hesitant to remove Mr. A without Board approval. Can the shareholders proceed to remove Mr. A? What is the correct legal process, and what are Mr. A's rights under the Companies Act. [7]
- (b) Describe the powers of the Board of Directors. [7]
7. (a) Explain how the value chain concept supports managerial decision-making and what considerations management accountants must keep in mind while designing a management accounting system. [7]
- (b) Explain the four key attributes of Emotional Intelligence and why emotional intelligence is important in personal and professional life. [7]
8. (a) Mr. Arjun bails 120 bales of cotton marked with a particular mark to Mr. Raj for safekeeping. After receiving the cotton, Mr. Raj, without the consent of Mr. Arjun, mixes the 120 bales with other bales of his own, which bear a different mark. Two days later, Mr. Arjun urgently requests Mr. Raj to return at least 60 bales of cotton bearing the original mark. Mr. Raj refuses and informs Mr. Arjun that all the bales have been mixed in the warehouse, and to return the cotton, he would need to deploy additional labourers for separation. He also insists that Mr. Arjun must bear the labour charges for separation. Mr. Arjun is not willing to pay any charges and insists that Mr. Raj should return at least 60 bales at his own cost.
- Decide the case with reference to the Indian Contract Act, 1872. Is Mr. Raj entitled to demand labour charges? What are the rights of Mr. Arjun? [7]
- (b) Define Key Managerial Personnel as per the Companies Act. [7]