



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

BUSINESS LAWS AND ETHICS (PAPER - 5)

MCQ BANK

| SL NO | QUESTIONS | OPTION 1 | OPTION 2 | OPTION 3 | OPTION 4 |
|-------|---|---|---|---|------------------------------|
| 1 | Right to Property is a: | Fundamental Right | Fundamental Duty | Constitutional Right | None of the above |
| 2 | The Constitution of India describes India as: | A federation | Quasi-federal | A Union of states | None of the above |
| 3 | Constitution is the: | Law of the land | Administrative Law of the land | Constitutional Law of the land | None of the above |
| 4 | What is the chief source of legal authority in India? | President of India | Constitution of India | Parliament | None of the above |
| 5 | Which of the following is described as the 'Soul of the Constitution'? | Fundamental Rights | Fundamental Duties | Directive Principles of State Policy | Preamble |
| 6 | The Preamble to the Indian Constitution is based on | Philosophy of India | Objectives Resolution' drafted & moved by Pandit Nehru | Indian Culture | Religious Concept |
| 7 | The term 'We' in Preamble means | Indian Government | Supreme Courts | Indian Parliament | The People of India |
| 8 | Indian Constitution ensures 'Justice' in which of the following form | Social | Economic | Political | All of the above |
| 9 | Preamble has been amended by which Amendment Act? | 27th Constitutional Amendment | 42nd Constitutional Amendment | 44th Constitutional Amendmen | 40th Constitutional Amendmen |
| 10 | In which case, the Supreme Court specifically opined that Preamble is 'not' a part of the Constitution? | Berubari Union case | Kesavanada Bharati case | Both (a) & (b) | None of the above |
| 11 | In which case, the Supreme Court rejected the earlier opinion and held that Preamble is an integral part of the Constitution? | Berubari Union case | Kesavanada Bharati case | Both (a) & (b) | None of the above |
| 12 | The Preamble states that the Constitution derives its authority from | Indian Culture | Government of India | The People of India | Princely states |
| 13 | As per Preamble, date of adoption of the Constitution is | 26th January 1950 | 26th November 1949 | 11th December 1946 | None of the above |
| 14 | 42nd Constitutional Amendment (1976) added which of the terms to the Preamble | Socialist | Secular | Sovereign | Both (a) & (b) |
| 15 | Which part of the Indian Constitution expressly declares that India is a Sovereign Socialist Secular Democratic Republic? | Fundamental Rights | Directive Principles of State Policy | Preamble | Fundamental Duties |
| 16 | 'Economic Justice' as one of the objectives of the Indian Constitution has been provided in | the Preamble and the Fundamental Rights | the Preamble and the Directive Principles of State Policy | the Fundamental Rights and the Directive Principles of State Policy | None of the Above |
| 17 | The correct sequence of the following words in the Preamble is | Sovereign, Democratic, Socialist, Secular, Republic | Sovereign, Socialist, Secular, Democratic, Republic | Sovereign, Socialist, Democratic, Secular, Republic | None of these |
| 18 | The Constitution of which country was the first to begin with a Preamble? | USA | India | Britain | Canada |
| 19 | The ideal of Justice (Social, Economic and Political) in the Preamble draws its inspiration from | Russian Revolution | American Civil War | French Revolution | Japanese Constitution |
| 20 | The ideals of liberty, equality and fraternity in the Preamble have been taken from | French Revolution | Russian Revolution | American Civil War | None of the above |



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| 21 | Which of the following is true about Preamble? | It is a source of power to legislature and a source of prohibition upon the powers of legislature | It is justiciable | Its provisions are enforceable in courts of law. | None of the above |
| 22 | The 42nd Constitutional Amendment added which of the following 4 words in the Preamble? | Socialist | Secular | Integrity | All of the above |
| 23 | Which of the following words is not mentioned in the Preamble to the Indian Constitution? | Sovereign | Socialist | Democratic | Indians |
| 24 | The word 'Sovereign' mentioned in the Preamble implies _____ | India is an Independent State. | India is neither a dependency nor a dominion of any other nation | India is free to conduct its own affairs (both internal and external). | All of the above. |
| 25 | Which of the following statements is/are true? | India's membership of the Commonwealth of Nations does not affect India's Sovereignty in any manner. | India's membership of United Nations Organization (UNO) does not limit India's Sovereignty. | India can either acquire a foreign territory or cede a part of its territory in favor of a foreign state | All of the above. |
| 26 | In which of the following, are the basic aims and objectives of the Indian Constitution discussed? | Part -1 | Preamble | Part -II | Schedule |
| 27 | What is the meaning of 'equality' in the Indian Constitution? | Lack of opportunities | Lack of equality | Absence of special privileges to any section of the society, and provision of adequate opportunities for all individuals without any discrimination. | None of the above. |
| 28 | Which of the following terms was not included in a "union of trinity" by Dr. B. R. Ambedkar in his concluding speech in the Constituent Assembly? | Liberty | Flexibility | Equality | Fraternity |
| 29 | Acceptance to be a valid must : | Be absolute | Be unqualified | Both be absolute & unqualified | Be conditional |
| 30 | A proposal can be accepted : | By notice of acceptance | By performance of condition of proposal | By acceptance of consideration for a reciprocal promise | All of the above |
| 31 | Competency to contract relates to : | Age of parties | Soundness of mind of the parties | Both age and soundness of mind | Intelligence of the parties |
| 32 | If only a part of the consideration or object is unlawful, the contract under Section 24 shall be: | Valid | Voidable | Void | Illegal |
| 33 | When the consent is caused by undue influence, the contract under Section 19A is: | Valid | Void | Voidable | Illegal |



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| 34 | State who is competent to contracts : | A minor | A person of sound mind | A lunatic | A purdanasheen women |
| 35 | When are the essential elements of a valid contract : | Offer and acceptance | lawful consideration | Capacity of parties | All of the above |
| 36 | When one person signifies to another his willingness to do or to abstain from doing anything it is known as : | Proposal | Offer | Agreement | Contract |
| 37 | What is the effect of wagering agreements : | Agreement is void | No suit shall be filed | Void and not illegal | All of the above |
| 38 | A contract is : | a legal obligation | An agreement plus a legal obligation | Consensus ad idem | An agreement plus a legal object |
| 39 | Which of the following result/results in an offer ? | A declaration of intention | An invitation to offer | An advertisement offering reward to anyone who finds the lost dog of the advertiser | An offer made in a joke |
| 40 | A special offer can be accepted by | any person | any friend of offerer | the person to whom it is made | any friend of offeree |
| 41 | An acceptance is not according to the mode prescribed but the offerer decides to keep quiet .In such case there is | a contract | no contract | a voidable contract | an enforceable contract |
| 42 | There is a counter offer when | a the offeree gives conditions for acceptance or introduces a fresh term in acceptance | the offerer makes a fresh offer | the offeree makes some query | the offeree accepts it |
| 43 | Acceptance may be revoked by the acceptor : | at any time | before the letter of acceptance reaches the offerer | after the letter of acceptance reaches the offerer | before the death of the acceptor |
| 44 | An advertisement to sell a thing by auction is : | an offer | An invitation to offer | no offer at all | a contract |
| 45 | A makes an offer to B on 10th by a letter which reaches B on 12th. B posts letter of acceptance on 14th which reaches A on 16th. The communication of acceptance is complete as against A on : | 12th | 14th | 16th | 17th |
| 46 | An agreement made without consideration is : | Valid | illegal | voidable | void |
| 47 | A promises to subscribe to a charity. The promise is a : | valid contract | voidable contract | void contract | void agreement |
| 48 | consideration in a contract : | may be past ,present or future | may be present or future only | must be present only | must be future only |
| 49 | A promise to compensate , wholly or in part ,a person who has already voluntarily done something for he promisor is | enforceable | not enforceable because it is without consideration | void | voidable |
| 50 | Where consent is caused by fraud or misrepresentation the contract is | voidable at the option of the aggrieved party | void | enforceable | not affected in any manner |
| 51 | Where both the parties to an agreement are under a mistake as a matter of fact essential to the agreement , the agreement is | void | voidable | illegal | not affected at all |



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| 52 | What are the requisites of fraud : | A representation or assertion and it must be false | The representation or asertion must be of a fact | The representation or assertion must have been made with a knowledge of its falsity or without belief in its truth or recklessly | any of the above |
| 53 | A valuable consideration in the eyes of law may consist of : | Right, Interest, Profit or Benefit to one party | Forbearance ,detriment, loss or responsibility by other person | Either of (a) or (b) | Both (a) or (b) |
| 54 | An agreement with or by a minor is - | void | voidable at the option of the minor | Voidable at the option of the other party | valid |
| 55 | On attaining the age maturity a minor's agreement | can be ratified by him | cannot be ratified by him | becomes void | becomes valid |
| 56 | A minor enters into a contract for the purchase of certain necessaries .In such a case - | He can be sued for fraud | He cannot be sued for fraud | He is liable to return the money | None of the above |
| 57 | contracts made before war with an alien enemy which are against public policy are - | void ab initio | dissolved | no affected at all | None of the above |
| 58 | When a person positively asserts that a fact is true when his information does not warrant it to be so, though he believes it to be true, there is | misrepresentation | fraud | undue influence | coercion |
| 59 | A promise made without the intention of performing it amounts to | innocent misrepresentation | fraud | negligent misrepresentation | wrongful misrepresentation |
| 60 | A bailee has | a right of particular lien over the goods bailed | a right of generation | a right of both particulars and general lien | no lien at all over the goods bailed |
| 61 | The position of a finder of lost goods is that of a | bailor | bailee | surety | principal debtor |
| 62 | A bailee fails to return the goods according to the bailor's direction. He takes reasonable care of the goods but still the goods are lost. The loss will fall on | the bailee | the bailor | on both of them | neither of them |
| 63 | A who purchases certain goods from B by a misrepresentation pledges them with C. The pledge is | valid | void | voidable | invalid |
| 64 | A contract of indemnity is a | a contingent contract | wagering contract | quasi contract | void agreement |
| 65 | The definition of a contract of indemnity as given in the Indian Contract Act, 1872 includes | express promises to indemnity | implied promises to indemnity | cases where loss arises from accidents and events not depending on the conduct of the promisor or any other person | cases where the loss is caused by the conduct of the promisor himself or by the conduct of any other person |
| 66 | Where there are co - sureties , a release by the creditor of one of them | discharges the other co-sureties | does not discharges the other co-sureties | makes all the co-sureties immediately liable | makes the contract of guarantee void |



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| 67 | A guarantee obtained by a creditor by keeping silence as to material circumstances is | valid | voidable | enforceable | invalid |
| 68 | A quasi contract | is a contract | in an agreement | creates only a legal obligation | is none of these |
| 69 | When an agreement is discovered to be void , any person who has received any advantage under such agreement | is bound to restore it | is not bound to restore it | is not bound to return it | may retain it |
| 70 | A minor has been supplied necessaries on credit -- | he is not liable | he is personally liable | his estate is liable | He is not personally liable |
| 71 | A finder of lost goods is a | bailor | bailee | true owner | thief |
| 72 | Quantum meruit means | a non-gratuitous | an implied promise | as much as is earned | as much as is paid |
| 73 | A agreed to sell 100 shares to B at rs 75 per share , delivery to be given on 1st march, B refused to accept delivery on 1st march as price had gone down to rs 60 per share . Subsequently A sold these shares at rs 92 per share | A cannot recover any damages from B | A will have to restore to B rs 1700, i.e, the profit he made | A can recover damages to be determined by the President of the stock exchange | None of them |
| 74 | Anticipatory breach of a contract takes place | during the performance of the contract | at the time when the performance is due | before the performance is due | at the time when the contract is entered into |
| 75 | Specific performance may be ordered by the court when | the contract is voidable | damages are an adequate remedy | damages are not an adequate remedy | the contract is uncertain |
| 76 | A undertakes to paint a picture of B.He dies before he paints the picture. The contract | is discharged by death | becomes voidable at the option of B | becomes voidable at the option of the legal representatives of A | will have to be performed by the legal representatives of A |
| 77 | A creditor agrees with his debtor and a third to accept that third party as his debtor | performance | alteration | waiver | remission |
| 78 | A lends rs 500 to B .He later tells B that he need not repay the amount , the contract is discharged by | breach | waiver | novation | performance |
| 79 | If a new contract is substituted in place of an existing contract , it is called | alteration | rescission | novation | waiver |
| 80 | Which of the following are contingent contracts ? | contracts of insurance | Contracts of guarantee | wagering agreements | (a) and (b) |
| 81 | An agreement to do impossible act is | void | voidable | illegal | enforceable under certain circumstances |
| 82 | A wagering agreement is | forbidden by law | immoral | opposed to public policy | None of these |
| 83 | The collateral transactions to an illegal agreement are | void | illegal | voidable | not affected at all |
| 84 | A person enters into an agreement whereby he is bound to do something which is against his public or professional duty . The agreement is | void on the ground of public policy | valid | voidable | Illegal |
| 85 | The Negotiable Instruments Act, 1881 is an Act to define and amend the law relating to: | cheques | bills of exchange | promissory notes, | All of the above |
| 86 | “banker” includes: | Any person acting as an employee of any bank and any post office saving bank. | Any person acting as a banker and any post office saving bank | Any person acting as an agent of any bank and any post office saving bank. | Any person acting as a Managing Director of any bank and any post office saving bank |



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| 87 | Which is NOT an example of "Promissory Note": | I acknowledge myself to be indebted to B in ` 1,000, to be paid on demand, for value received." | Mr B, I.O.U ` 1,000." | "I promise to pay B or order ` 500" | None of the above |
| 88 | In a Promissory Note, how many parties are involved: | 1 | 2 | 3 | 4 |
| 89 | Which is NOT correct about the "Promissory Note" | It contains a conditional undertaking. | It contains the amount mentioned on it | It is an instrument in writing. | It is signed by the maker |
| 90 | The Negotiable Instruments Act, 1881 extends to: | Only to Capital cities of the States. | The whole of India. | The whole of India except the State of Jammu and Kashmir. | The whole of India except the Union Territories. |
| 91 | The Negotiable Instruments Act makes specific mention of three instruments namely cheque, bill of exchange and | Promissory note | hundi | bank draft | customary note |
| 92 | Which one of the following is not the characteristic of a negotiable instruments ? | it must be in writing | it must be freely transfereable | it must be registered | It must contain definite amount of money |
| 93 | A bill of exchange is treated as dishonoured due to non-acceptance ,where the drawee | does not accept within 48 hours of presentment | is incompetent to contract | gives a conditional acceptance | in all the above cases |
| 94 | A person becomes a ' holder in due course' of a negotiable instrument if he receives it | in good faith | for value | before maturity | by satisfying all these |
| 95 | A negotiable instrument payable to order can be transferred by | simple delivery | indorsement | indorsement and delivery | registered post |
| 96 | In case , back of a negotiable instrument is full of indorsements a slip of paper may be attached to the instrument for signing indorsements. Such a slip is legally known as | Allonge | Escrow | Zikri chit | peth |
| 97 | Material alteration of a negotiable instrument, without the consent of the parties discharges the parties who have become liable | after such alteration | prior to such alteration | because of alteration | without such alteration |
| 98 | After receiving an uncrossed cheque ,its holder can make on it | General crossing | special crossing | either (a) or (b) | neither (a) nor (b) |
| 99 | The payment of a cheque , containing special crossing can be obtained | at the counter | by depositing in account | by the payee only | both (a) and © |
| 100 | A negotiable instrument made without any consideration at all ,is | void between all parties | voidable between all parties | void between immediate parties | voidable between immediate parties |
| 101 | Inchoate instrument is | An instrument incomplete in some respect | An ambiguous instrument | A clean bill | Drawn conditionally as collateral security |
| 102 | A failure to present a negotiation instrument should be presented for payment to the party who is | primarily liable | secondarily liable | willing to make payment | capable of making payment |
| 103 | A negotiation instrument is said to be discharged when the liability of which of the following parties comes to an end? | primarily liable party | secondarily liable party | subsequently liable party | none of the parties |
| 104 | The undertaking contained in a promissory note, to pay a certain sum of money is-- | Conditional | Unconditional | May be conditional or unconditional depending upon the circumstances | None of the above. |
| 105 | Which of the following negotiable instrument is not entitled to days of grace ? | a bill of exchange payable on specified date | a promisory note payable on specified date | a promisory note payable 'after sight' | a cheque , is always payable on demand |



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| 106 | After the dishonour of a negotiable instrument, the holder may get the fact of dishonour authenticated by a Notary Public. The 'noting' may be done in case of | Promissory note | bills of exchange | cheque | both (a) and (b) |
| 107 | A cheque is said to contain a special crossing when two parallel lines are drawn across the face of the cheque and writing between the lines the | name of some bank | name of some bank and '& Co' | a/c payee only | in (a) and (b) cases |
| 108 | A Promissory Note must be | in writing | unconditional | signed by the maker | all of the above |
| 109 | A bill is discharged when its acceptor by negotiation back, becomes its holder | at maturity | after maturity | before maturity | either (a) or (b) |
| 110 | The presentment for sight is required only in case of a promissory note. Which of the following note must be presented for sight? | a note payable at sight | a note payable after sight | a note payable on demand | all of the above |
| 111 | A bill of exchange payable to bearer on demand is | valid | voidable | invalid | none of these |
| 112 | The term 'customer' in relation to a banker, means a person who keeps with a banker | current account for six months | deposit account for six months | both accounts for six months | either account irrespective of duration |
| 113 | The payment of a negotiable instrument becomes due | at maturity | before maturity | after maturity | on 3rd day of maturity |
| 114 | In case, the rate of interest is not specified in the instrument, the interest payable is calculated at per annum rate of | six percent | nine percent | twelve percent | eighteen percent |
| 115 | An act of a firm means: | Any partner or agent of the firm which gives rise to a right enforceable by or against the firm | Any act by all the partners | Any omission by all the partners | All of the above |
| 116 | Partnership is the relation between persons who have agreed to share the profits of a business carried on by all or any of them acting for all. Does it mean that losses are not shared? | A minor may be admitted in partnership, only for the profits, but he cannot share in losses. | It also depends on the partnership agreement. A person may share the profits but may not share in losses. | Sharing of profits also include losses (negative profits) | All of the above. |
| 117 | Where no provision is made by contract between the partners for the duration of their partnership, or for the determination of their partnership, the partnership is called as: | Particular partnership | Partnership for a fixed term | partnership at will | None of the above |
| 118 | What information shall be given to the Registrar of Firms by a registered partnership firm: | New opening/closing of the existing branch, if any. | Change in the name of and address of the partner (s)/change in the constitution of the firm | What there is change in the name of the firm or in location of the principal place of business | All of the above. |
| 119 | Who can inspect the Register and filed documents at the office of the Registrar: | Any Government servant | The Partners of the firm | The partners of the other firms | Any person |
| 120 | What are the rights of partners after dissolution: | To have the surplus distributed among the partners or their representatives according to their rights | To have business wound up after dissolution | To have the property of the firm applied in payment of the debts and liabilities of the firm | All of the above |



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| 121 | Where any member of a firm has died or otherwise ceased to be a partner, and the surviving or continuing partners carry on the business of the firm with the property of the firm without any final settlement of accounts as between them and the outgoing partner or his estate, then, in the absence of a contract to the contrary, the outgoing partner or his estate is entitled at the option of himself or his representatives to such share of the profits made since he ceased to be a partner as may be attributable to the use of his share of the property of the firm or to interest at the rate of on the amount of his share in the property of the firm: | 9% p.a. | 18% p.a | 6% p.a. | 12% p.a. |
| 122 | The dissolution of partnership means: | It means the dissolution of partnership between all the partners of a firm | It means the change in the relations of the partners | It means the reconstitution of the firm. | None of the above. |
| 123 | In what circumstances a partner may retire: | In accordance with an express agreement by the partners | Where the partnership is at will, by giving notice in writing to all the other partners of his intention to retire. | With the consent of all the other partners | All of the above. |
| 124 | What would be the position, where a minor elect not to become a partner: | He shall be entitled to sue the partners for his share of the property and profits | His rights and liabilities shall continue to be those of a minor under this section up to the date on which he gives public notice. | His share shall not be liable for any acts of the firm done after the date of the notice. | All of the above |
| 125 | The maximum number of partners in a firm carrying on banking business cannot exceeds | 5 | 10 | 15 | 20 |
| 126 | There is no provision in the partnership deed regarding the duration of partnership .This is | partnership at will | partnership for an indefinite period | partnership by ostoppel | partnership not recognised by law |
| 127 | registration of a firm under the partnership act , 1932 | compulsory | not optional | not necessary | inevitable |
| 128 | A nominal partner is | liable for the debts of the firm | not liable for the debts of the firm | liable for a nominal sum | one whose liability is primary |
| 129 | If a minor chooses to become a partner on attaining the age of majority, he will be liable for the debts of the firm | from the date of his attaining majority | from the date of his admission to the benefits of the partnership | from the date of his election to become a partner of the firm | from the date of his attaining majority or election which is earlier |
| 130 | Public notice is not given on the death of a partner but the firm continues the business .for the acts of the firm done after his death | the estate of the deceased partner is liable | the estate of the deceased partner is not liable | his legal representatives are personally liable | None of these |
| 131 | The position of a minor partner is dealt with in the Indian Partnership Act ,1932 in | Sec. 25 | Sec. 29. | Sec. 30 | Sec. 35 |
| 132 | Where a partner is entitled to interest on capital subscribed by him such interest will be payable | only out of profit | only out of capital | out of profits or out of capital | None of these |



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| 133 | A change in the nature of the business of a firm can be made if | the majority of the partners agree | the senior partners agree | all the partners agree | the working partners agree |
| 134 | In the absence of any agreement, interest on advances by a partner is | allowed at 15% | allowed at 6% | allowed at market rate of interest | not allowed at all |
| 135 | An act of a firm means: | Any partner or agent of the firm which gives rise to a right enforceable by or against the firm | Any act by all the partners | Any omission by all the partners | All of the above |
| 136 | Partnership is the relation between persons who have agreed to share the profits of a business carried on by all or any of them acting for all. Does it mean that losses are not shared: | A minor may be admitted in partnership, only for the profits, but he cannot share in losses. | It also depends on the partnership agreement. A person may share the profits but may not share in losses. | Sharing of profits also include losses (negative profits) | All of the above. |
| 137 | Who can inspect the Register and filed documents at the office of the Registrar: | Any Government servant | The Partners of the firm | The partners of the other firms | Any person |
| 138 | What are the rights of partners after dissolution: | To have the surplus distributed among the partners or their representatives according to their rights. | To have business wound up after dissolution | To have the property of the firm applied in payment of the debts and liabilities of the firm. | All of the above |
| 139 | Where any member of a firm has died or otherwise ceased to be a partner, and the surviving or continuing partners carry on the business of the firm with the property of the firm without any final settlement of accounts as between them and the outgoing partner or his estate, then, in the absence of a contract to the contrary, the outgoing partner or his estate is entitled at the option of himself or his representatives to such share of the profits made since he ceased to be a partner as may be attributable to the use of his share of the property of the firm or to interest at the rate of on the amount of his share in the property of the firm: | nine per cent, per annum | eighteen per cent, per annum | six per cent per annum | twelve per cent, per annum |
| 140 | The dissolution of partnership means: | It means the dissolution of partnership between all the partners of a firm | It means the change in the relations of the partners | It means the reconstitution of the firm. | None of the above. |
| 141 | In what circumstances a partner may retire: | In accordance with an express agreement by the partners | Where the partnership is at will, by giving notice in writing to all the other partners of his intention to retire. | With the consent of all the other partners | All of the above. |



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| 142 | What would be the position, where a minor elects not to become a partner: | He shall be entitled to sue the partners for his share of the property and profits. | His rights and liabilities shall continue to be those of a minor under this section up to the date on which he gives public notice. | His share shall not be liable for any acts of the firm done after the date of the notice. | All of the above |
| 143 | After a partner's death the business is continued in the old firm name. Whether the legal heirs of the deceased partner are liable for any acts of the firm: | The continued use of the name or of the deceased partner's name as a part thereof shall not of itself make his legal representative or his estate liable for any act of the firm done after his death. | If the estate of the deceased person's property is insufficient to make good, the personal assets of the legal heirs will be liable for any of the acts done by the firm. | The estate of the deceased person is liable for any of the act done by the firm. | The legal heirs of the deceased partners shall be liable for any of the act done by the firm after the demise of the partner |
| 144 | The partners in a firm may, by contract between the partners: | restrict the implied authority of any partner | extend the implied authority of any partner | None of the above | Both A and B are correct |
| 145 | Whether a notice given to a partner, who habitually acts in the business of the firm of any matter relating to the affairs of the firm, will be deemed as notice to the firm: | It will deemed as personal information to that partner | Yes, it operates as notice to the firm, except in the case of a fraud on the firm committed by or with the consent of that partner | It depends on the nature of the concerned partner whether he inform so to other partners | No, it will not deemed as notice to the firm. |
| 146 | What would be the position where a minor elects to become a partner. | His share in the property and profits of the firm shall be the share to which he was entitled as a minor | His rights and liabilities as a minor continue up to the date on which he becomes a partner | He also becomes personally liable to third parties for all acts of the firm done since he was admitted to the benefits of partnership | All of the above |
| 147 | Where a partner has paid a premium on entering into partnership of a fixed term, and the firm is dissolved before the expiration of that term otherwise than by the death of a partner, whether any repayment of the premium is permissible: | He will not be entitled for repayment of the premium if the dissolution is mainly due to his own misconduct | He will not be entitled for repayment of the premium if the dissolution is in pursuance of an agreement containing no provision for the return of the premium or any part of it | He shall be entitled to repayment of the premium or of such part thereof as may be reasonable, regard being had to the terms upon which he became a partner and to the length of time during which he was a partner | All of the above |



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| SL NO | QUESTIONS | OPTION 1 | OPTION 2 | OPTION 3 | OPTION 4 |
|-------|---|---|---|---|---|
| 148 | Whether a partner after dissolution of the partnership firm, carry on the business in the erstwhile business name of the firm | He can use the business name of the dissolved firm name, if he has brought the goodwill of the firm. | He can't use the business name of the dissolved firm. | He can use the business name of the dissolved firm, provided there was a contract between the partners of the dissolved firm | Both the points mentioned at A and C are correct |
| 149 | The State Government may appoint Registrars of Firms for the purposes of this Act, every Registrar shall be deemed | To be a Central Government Servant. | To be a public servant within the meaning of section 21 of the Indian Penal Code | To be State Government Servant | To be a private servant |
| 150 | Non-registration of a firm will not affect: | The right of the partner to sue for the dissolution of the firm, or for the accounts of the dissolved firm, or for share of the property of the dissolved firm. | The right to any suit or claim of set-off not exceeding Rs. 100 in value | The right of a firm or partners of a firm having no place of business in India. | All of the above |
| 151 | How a firm may be dissolved | A firm may be dissolved by the Court order. | A firm may be dissolved by the certain contingencies | A firm may be dissolved in accordance with a contract between the partners | All of the above |
| 152 | Where a partner has become of unsound mind the court may dissolved | on the petition of any partner | not dissolve the firm | order the other partners to continue | none of these |
| 153 | If the assets of a firm are insufficient to discharge to debts and liabilities of the firm, the partners shall bear the deficiency | in the profit -sharing ratio | in the capital - ratio | equally | as determined by the court |
| 154 | On attaining the majority, the minor partner has to decide and give a public notice within the prescribed period, whether he will continue as partner in the firm or will quit. What is that prescribed period: | Within twelve months of his attaining majority or of his obtaining knowledge that he had been admitted to the benefits of partnership, whichever date is later | Within three months of his attaining majority or of his obtaining knowledge that he had been admitted to the benefits of partnership, whichever date is later | Within six months of his attaining majority or of his obtaining knowledge that he had been admitted to the benefits of partnership, whichever date is later | Within nine month of his attaining majority or of his obtaining knowledge that he had been admitted to the benefits of partnership, whichever date is later |
| 155 | In which conditions a person may be deemed as partner by estoppels or holding out: | When he by his conduct represents himself to be a partner in a firm | When knowingly permits himself to be represented, to be a partner in a firm. | When he expressly by words spoken or written let the others that he is a partner in a firm. | All of the above |



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|-------|--|--|---|--|--|
| 156 | M/s XYZ is partnership firm and X, Y and Z are the partners. During the course of business travel, partner X recovered a sum of Rs. 15000 in cash from the debtor of the firm and credit in his personal bank account. The act of X will amounts to: | After utilising the amount for few days, he returned back the money to the firm, so it will not come under the mis-appropriation of the funds. | Nothing wrong in it, since he has personally made efforts in realising the dues from the debtor. | Mis-appropriating the funds of the firm and utilisation of the same for the personal gain. | None of the above. |
| 157 | What is the liability of a retiring partner, after the date of his retirement'. | He shall not be liable for the act done by other partners during his tenure in the partnership firm. | He and the partners continue to be liable as partners to third parties for any act done by any of them which would have been an act of the firm if done before the retirement, until public notice is given of the retirement | He shall be liable for the acts done by him only on behalf of the firm during his tenure, towards the third party. | Only A and B are correct. |
| 158 | A limited liability partnership is: | Not a separate entity from that of its partners | A legal entity separate from that of its partners | A body corporate | Only B and C are correct |
| 159 | A LLP shall be governed by the provisions of: | The Companies Act, 2013 | The Limited Liability Partnership Act, 2008 | The Co-operative Societies Act, 1912 | The Indian Partnership Act, 1932 |
| 160 | Whether a HUF can become partner in LLP: | HUF may become partner of LLP provided the Registrar may grant permission in this behalf. | No, HUF can't become partner in the LLP . | Yes, HUF may become partner of LLP. | None of the above. |
| 161 | How many designated partners are required in LLP: | At least two designated partners | Seven designated partners | Two designated partners | At least seven designated partners |
| 162 | The LLP shall file the Statement of Account and Solvency in the prescribed form. Which is this Form: | Form 8 | Form 7 | Form 6 | Form 5 |
| 163 | Who is the authority to grant compounding of offence under the LLP Act: | The Registrar of Firms | The Central Government | The Registrar | The Registrar of Co-operatives |
| 164 | What is the time limit within which LLP shall file Annual Return with the Registrar: | Within 30 days of closure of its financial year. | Within 45 days of closure of its financial year. | Within 60 days of closure of its financial year. | Within 15 days of closure of its financial year. |
| 165 | Which of the following is true about a Limited Liability Partnership? | A Limited Liability Partnership is not a distinct entity from its partners | A Limited Liability Partnership is a legal entity separate from its partners | A Limited Liability Partnership is a body corporate | Both b and c are correct |
| 166 | Which of the following is true about the number of designated partners required in a Limited Liability Partnership? | A Limited Liability Partnership can have at least two designated partners | A Limited Liability Partnership can have at least three designated partners | A Limited Liability Partnership can have at least seven designated partners | A Limited Liability Partnership can have at least four designated partners |



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|-------|---|--|--|--|--|
| 167 | Every Limited Liability Partnership must maintain its books of accounts diligently. Those books of accounts should maintain . | Particulars of the receipts and expenditures at the Limited Liability Partnership with the details of those transactions | An inventory of the cost of goods purchased, work in progress, inventories, finished goods as well as the cost of goods sold | A complete record of the assets and liabilities of the Limited Liability Partnership | All of the above |
| 168 | As per Sale of Goods Act, this is not included: | A Limited Liability Partnership should maintain its accounts at the branch office | A Limited Liability Partnership should maintain its accounts at the corporate office | A Limited Liability Partnership should maintain its accounts at the head office | A Limited Liability Partnership should maintain its accounts at the registered office |
| 169 | As per Sale of Goods Act, this is not included: | A Limited Liability Partnership should maintain its books of accounts on the accrual basis | A Limited Liability Partnership should maintain its books of accounts on the cash basis | A Limited Liability Partnership should maintain its books of accounts based on the double-entry system of accounting | All of the above |
| 170 | LLP shall file its Annual Return in which form: | Form 12 | Form 11 | Form 10 | Form 9 |
| 171 | The audit of accounts of every LLP is not compulsory if its: | Turnover does not exceed in any financial year, Rs 40 lakh or whose contribution does not exceed Rs 25 lakh | Turnover does not exceed, in any financial year, Rs 30 lakh, or whose contribution does not exceed Rs 25 lakh | Turnover does not exceed, in any financial year, Rs 20 lakh, or whose contribution does not exceed Rs 25 lakh | Turnover does not exceed, in any financial year, Rs 10 lakh, or whose contribution does not exceed Rs 25 lakh |
| 172 | The Limited Liability Partnership Act, 2008 came into force on _____ | 21st March 2009 | 23rd March 2009 | 31st March 2009 | 30th March 2009 |
| 173 | Which of the following cannot be converted into LLP? | Partnership firm | Private company | Listed company | unlisted company |
| 174 | The approved name of LLP shall be valid for a period of ___ from the date of approval: | 1 Month | 2 Months | 3 months | 6 months |
| 175 | For the purpose of LLP, Resident in India means: | Person who has stayed in India for a period of not less than 182 days during the current year. | Person who has stayed in India for a period of not less than 180 days during the immediately preceding one year. | Person who has stayed in India for a period of not less than 181 days during the immediately preceding one year. | Person who has stayed in India for a period of not less than 182 days during the immediately preceding one year. |
| 176 | In which kind of partnership one partner has unlimited liability and other partner have limited liability? | Partnership-at-will | Limited liability partnership | General partnership | Particular partnership |
| 177 | Any change in the partners of a limited liability partnership: | May be made only with the permission of the Registrar. | Shall not affect the existence, rights or liabilities of the limited liability partnership. | Shall affect its existence. | Shall affect the rights or liabilities of the limited liability partnership. |
| 178 | What is the filing fee for LLP in case where the contribution of LLP exceed Rs Five lakh but does not exceeds Rs Ten lakh: | Rs.150. | Rs. 200 | Rs.100. | Rs. 50. |



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|-------|---|--|--|---|--|
| 179 | A limited liability partnership shall, where a person becomes or ceases to be a partner and where there is any change in the name and address of the partner, file a notice with the Registrar: | Within thirty days from the date he becomes or ceases to be a partner. | Within sixty days from the date he becomes or ceases to be a partner | Within fifteen days from the date he becomes or ceases to be a partner. | Within forty five days from the date he becomes or ceases to be a partner. |
| 180 | Every limited liability partnership shall have atleast two designated partners who are individuals and at least one of them shall be: | An Indian resident | A person of foreign national | A resident in India | A person having Indian Passport |
| 181 | In terms of section 23 (2) of the LLP Act, 2008, every LLP shall file information with regard to the LLP agreement in the prescribed form, with the Registrar within thirty days of the date of information. What is the prescribed Form No.: | Form No.2 | Form No.3 | Form No. 4 | Form No. 1 |
| 182 | maximum no. of persons in a LLP is | 50 | 100 | 20 | No limit |
| 183 | duration of LLP | is limited | depends on the partnership agreement | extends upto proper dissolution (perpetual succession) | None of the above. |
| 184 | The Is responsible for doing all acts, matters and things as are required to be done by LLP as per the Act. | designated partner | active partner | designated director | All the partners |
| 185 | Which of the following enjoys separate legal entity status ? | Partnership firm | LLP | Company | Both b and c are correct |
| 186 | What is the primary advantage of a limited liability partnership (LLP) ? | Limited liability for all partners | Unlimited liability for all partners | tax advantages for partners | Ease of formulation |
| 187 | In an LLP , which of the following is true regarding the personal assets of partners ? | Personal assets are fully protected from business liabilities | Personal assets are liable for business debts | Personal assets are partially liable for business debts | Personal assets are only liable if there is fraud |
| 188 | Which document is required to establish an LLP | Articles of Association | LLP Agreement | Memorandum of Association | Certificate of Incorporation |
| 189 | Who is responsible for the day-to-day management of an LLP | All partners equally | The managing partner(s) | An appointment board of directors | A hired management team |
| 190 | In an LLP, which partner is typically responsible for signing contract and legal documents on behalf of the partnership? | silent partner | active partner | Managing partner | Limited partner |
| 191 | What type of professions are often required to form a Limited Liability Partnership (LLP) in certain jurisdictions? | Medical professionals | Lawyers | Chartered Accountants | All of the above |
| 192 | In an LLP , which partners are typically not involved in the day-to-day operations and decision making | Limited partners | General partners | Managing partner | silent partners |
| 193 | What is the primary disadvantage of an LLP compared to a corporation? | Limited Liability for partners | ease of formation | taxation | lack of perpetual existence |
| 194 | How many schedules are available in LLP act ? | 2 schedules | 4 schedules | 1 schedules | schedule not prescribed |
| 195 | Age of adolescent worker is- | 10 | 14 | 18 | 21 |
| 196 | Certificate of fitness to be young worker is to be granted by- | Occupier of the factory | Inspector of the factory | Certifying surgeon | None of the above |
| 197 | White wash or color wash should be carried out atleast once in every period of- | 14 months | a) 24 months; | 48 months; | 60 months |
| 198 | Where more than _____ workers are employed provision shall be made for cool drinking water during hot weather. | 100 | 250 | 500 | 1000 |
| 199 | Shelter rooms with suitable lunch rooms are to be provided, if more than _____ workers are employed. | 100 | 250 | 500 | None of the above |



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|-------|---|---|---|---------------------------------------|-------------------------------|
| 200 | No female child shall be allowed to work in any factory except between- | 8 a.m., and 7 p.m.; | 6 p.m., and 6 a.m., | 6 a.m., and 7 p.m., | 10 p.m. and 5 a.m., |
| 201 | Compensatory holidays are to be availed within month. | 1-month | 2 months | 6 months | 9 months |
| 202 | Which one of the following amounts to safety measure? | Artificial humidification; | Ventilation; | Fencing of factory; | First aid appliances |
| 203 | Identify from the following which is the power of Inspector of Factory. | Enter into any place of a factory | Make inquiry into any accident; | Seize or take copies of any document; | All the above. |
| 204 | Which does not amount to retirement? | Retrenchment; | Resignation; | Dismissal; | Superannuation. |
| 205 | Gratuity is payable to an employee- | On his superannuation; | Retirement; | Retrenchment; | In all the above cases. |
| 206 | The gratuity is payable to an employee shall not exceed- | 12 months pay; | 16 months pay; | 20 months pay | 24 months pay. |
| 207 | The employer shall display an abstract of the Act and the Rules in Form No- | U | H | O | N |
| 208 | If sufficient cause is shown the appropriate Government may condone the delay in filing appeal against the order of the Controlling Authority, for- | 30 days; | 60 days; | 90 days; | No time limit. |
| 209 | Nomination is to be made by an employee- | Immediately on his appointment | After completion of one year service; | After he is made permanent; | None of the above |
| 210 | Which one of the following is to be included in the definition of 'wage'? | Dearness allowance | Overtime allowance | Commission; | House rent allowance. |
| 211 | If an employer intends to close the business he is to send notice to the Controlling Authority within _____ before the intended closure. | 10 days; | 30 days; | 60 days; | 90 days. |
| 212 | Nomination is to be filed in _____ | Single form | Duplicate | Triplicate | Quadruplicate. |
| 213 | Which will not amount to service of notice under the rule? | Personal service; | By registered post; | By courier; | Both a and b. |
| 214 | Which one of the following will not include in the definition of basic wages as per the Employee Provident Fund and Miscellaneous Provisions Act, 1952? | Dearness allowance; | Overtime; | Cash value for consideration | All the above. |
| 215 | The contribution of employer to insurance fund is- | 1% | 10% | 12% | None of the above. |
| 216 | Contribution of 10% to PF is applicable to- | Any establishment in which less than 20 employees are employed; | Any establishment declared as sick industrial company | Jute company; | All of the above. |
| 217 | The minimum administrative charge payable by the employer to the fund is- | Rs. 75 | Rs. 500 | Rs. 1,000 | None of the above |
| 218 | The maximum penalty recoverable from the employer who makes the default in payment of any contribution to the fund is- | 5% | 10% | 15% | 25% |
| 219 | Withdrawal from PF may not be allowed for- | Marriage of the employer; | Post matriculation education of children; | For the purchase of a dwelling place; | For illness in certain cases. |
| 220 | The Employees' Pension Scheme provides for- | Superannuation pension; | Orphanage pension; | Both (a) and (b); | None of (a) or (b). |
| 221 | Contribution of the employer to employees' pension scheme is- | 8.33% | 10% | 12% | None of the above |
| 222 | The following cannot be nominated for the purposes of EPF Act- | Wife; | Sons of a deceased sons who have attained majority; | Father in law; | Unmarried daughter. |



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|-------|--|--|--|---|--|
| 223 | While filing appeal to EPF Appellate Tribunal the employer has to deposit _____ of the amount due from him. | 25% | 50% | 75% | None of the above |
| 224 | The contribution shall be paid in a bank within _____ days of the last day of the calendar month in which the contribution fall due for any wage period. | 7 | 14 | 21 | 15 |
| 225 | An appeal shall lie to High Court from the orders of ESI within _____ days from the date of order of the ESI Court. | 30 | 60 | 90 | None of the above. |
| 226 | A member of the Corporation shall cease to be a member if he fails to attend consecutive meeting | 3 | 5 | 7 | None of the above. |
| 227 | ESI Fund consists of- | Contribution; | Grants from governments; | Donations; | All the above |
| 228 | The Corporation may with the approval of _____ establish and maintain in a State, hospitals, dispensaries etc., | Central Government; | State Government; | Local Authority; | None of the above. |
| 229 | Who among the following will not be considered as an employee? | Canteen workers | Casual workers; | Partners; | Part time employee |
| 230 | Who, among the following, is not the Principal Employer? | Occupier of the factory; | Owner of the factory; | Legal representative of the owner; | Legal representative of the contractor. |
| 231 | Seasonal factory is the one which is engaged for a period not exceeding _____ in a year. | 7 months | 6 months; | 3 months | None of the above. |
| 232 | Which, among the following, will not be included in the definition of 'wages'? | Payment made on authorized leave; | Travelling allowance; | Payment made on lock out; | Payment made for lay off. |
| 233 | ESI Corporation is a- | Partnership firm; | Limited Liability Partnership; | Body Corporate; | Hindu Undivided Family. |
| 234 | The minimum rate of wages on time work basis may be fixed in accordance with _____ | by the hour; or | by the day; or | by the month | all of the above |
| 235 | Section _____ deal with Eligibility for Bonus. | 6 | 8 | 18 | 20 |
| 236 | Every Inspector-cum-Facilitator appointed under sub-section (1) shall be deemed to be public servant within the meaning of section _____ of the Indian Penal Code. | 15 | 18 | 21 | 26 |
| 237 | Section 56 talks about the _____. | composition of offences | offences by companies. | penalties for offences | power of officers |
| 238 | Which one of the following is not correct in regard to share certificate? | The Company Secretary shall issue the share certificate. | The share certificate shall be issued in pursuance of a resolution of the Board; | Every share certificate shall be distinguished to its distinctive number. | The shares may be in the dematerialized form |
| 239 | If a company does not have a common seal, the share certificate shall be signed by- | Two directors | One director and Company Secretary; | Either (a) or (b); | None of the above. |
| 240 | In case of unlisted company the duplicate share certificate shall be issued within a period of- | 45 days | 3 months | 6 months | None of the above. |
| 241 | The Bonus shares may be issued out of the- | Free reserves; | Securities premium account; | Capital redemption reserve account; | Any of the above. |



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|-------|--|---|---|---|--|
| 242 | For which purposes securities premium account can be utilized? | In writing off the preliminary expenses; | Buy back of shares; | Issue of bonus shares | Any of the above. |
| 243 | The quorum for a public company having the number of members more than 5000 is- | 2 | 5 | 15 | 30 |
| 244 | 7. 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. |
| 245 | In case of e-voting notice shall be sent as attachment in – | PDF | word file | excel | access |
| 246 | 9. In the case of an adjourned meeting the company shall give not less than _____ notice to the members | 1 days | 3 days | 7 days | None of the above. |
| 247 | Which one of the following is not correct? | The articles of the company shall provide for the appointment of Chairman in a meeting; | The members personally present at the meetings shall elect one of themselves to be Chairman on a show of hands, if the article does not provide for the same; | Managing Director is the Chairman of the meeting. | The member selected as Chairman as a result of poll, continue the Chairman, who is elected by show of hands. |
| 248 | Which of the following is the method of voting? | Voting by show of hands; | Voting through electronic means; | Voting by poll | All of the above; |
| 249 | A poll demanded on any question shall be taken within _____ from the time when the demand was made. | Immediately | 12 hours; | 24 hours; | 48 hours. |
| 250 | Which one cannot be transacted through postal ballot? | Appointment of auditor; | Election of a Director; | Buy back of shares by a company; | Change in place of registered office outside the local limits of any city, town or village. |
| 251 | The assent or dissent received after _____ days in postal ballot, from the date of issue of notice, shall be treated as if no reply has been received from the member. | 3 | 7 | 30 | 45 |
| 252 | If any inspection is refused or if any copy required is not furnished within the specified time, the company shall be liable to a penalty of _____ | Rs.10000 | Rs.25000 | Rs.50000 | Rs.100000 |
| 253 | The minimum number of directors for a public company is- | 1 | 2 | 3 | 7 |
| 254 | What is the paid up share capital fixed for the appointment of a woman director? | Rs. 100 crores | Rs.300 crores; | Rs.500 crores | None of the above. |
| 255 | The appointment of an independent director shall be approved by the | Board meeting; | General meeting; | Registrar of Companies | Central Government. |
| 256 | The tenure of director appointed by small share holders shall be- | Up to the date of next AGM; | 1 year; | 3 years | 5 years. |



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|-------|---|--|---|--|---|
| 257 | No independent director shall hold office for more than consecutive terms. | 2; | 3 | 4 | 5 |
| 258 | Which public company is required to appoint independent director?" | The public company having turnover of 100 crores or more; | The public company having paid up share capital of ` 10 crores or more; | The public companies which have, in aggregate, outstanding loans, debentures and deposits exceeding ` 50 crores; | Any of the above. |
| 259 | Which one of the following is not the criterion for the appointment of independent director? | He shall not be a promoter of the company | He shall relate to the promoters of the company; | He shall not have any pecuniary relationship with the company or their promoters or directors during two immediately preceding financial year. | His relatives have not held any pecuniary relationship with the company amounting to 2% or more of its gross turnover |
| 260 | A director may be elected by small share holders upon a notice by- | Not less than 1000 small shareholders; | One tenth of the total number of shareholders; | Not less than 1000 small shareholders or one tenth of such shareholders, whichever is lower; | None of the above. |
| 261 | At every AGM, not less than of the total number of directors shall retire by rotation. | One third; | Two third; | Three fourths; | Half. |
| 262 | The minimum age prescribed for the appointment of Managing Director is- | 18 years; | 21 years; | 30 years; | 70 years |
| 263 | The relationship between laws and ethics is: | Complex | Simple | Inexplicable | None of the above |
| 264 | Many laws are _____ to ethics of time: | Complimentary | Supplementary | Representative | None of the above |
| 265 | Law gives us a certain right because all humans are born : | Equal | Unequal | Subordinate | None of the above |
| 266 | The role of accounting in problem solving is to provide information useful in _____ alternatives: | finding | Evaluating | dismissing | None of the above |
| 267 | Ethics are the set of moral principles that guide a person's | Behaviour | Philosophy | Religion | Profession |
| 268 | The following is the disadvantage of business ethics: | Through increasing morale and trust business can increase their market share | Publicity due to well and ethical performance | Acceptance of products of the company by the public | Diversity in achievements |
| 269 | A sale is complete when the following is transferred from one. | Money | Ownership | Usage | None of the above |
| 270 | The Consideration in contract of sale must be: | Immovable | Movable | Price | None of the above |
| 271 | The subject matter of the contract must be: | Sale | Product | Service | None of the above |
| 272 | On which date was the Sale of Goods enforced? | 1948 | 1930 | 1932 | 1951 |
| 273 | As per Sale of Goods Act, this is not included: | Growing crop | Money | Table | Goodwill |



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|-------|---|--|---|--|---|
| 274 | The term property as used in the sale of goods act ,1930 means | possession | Ownership | ownership and possession both | the subject matter of contract of sale |
| 275 | The doctrine of caveat emptor applies----- | in case of implied conditions and warranties | when the buyer does not intimate the purpose to the seller and depends upon his own skill and judgement | when goods are sold by sample | when goods are sold by description |
| 276 | Under Sale of Goods Act, which of the delivery of goods is called as delivery by attornment? | Actual | Symbolic | Constructive | Physical |
| 277 | Where the price of the goods under a contract of sale is to be fixed by the valuation of a third party who fails to fix the valuation, but goods are supplied to the buyer, under section 10 of the Sale of Goods Act, 1930, the buyer is | liable to pay the reasonable price of the goods. | liable to pay the minimum price of the goods. | not liable to pay any price until fixed by the value | liable to pay the maximum retail price. |
| 278 | In case of breach of warranty the buyer can | repudiate the contract | Claim damages only | return the goods | refuse to pay the price |
| 279 | The main objective of a contract of sale is | transfer of possession of goods | transfer of property in goods | delivery of goods | payment of price |
| 280 | Risks follows ownership | only when goods have been delivered | only when price has been paid | whether delivery has been made or not | even when price has not been paid |
| 281 | In an agreement to sell , the seller can sue for price if | the goods have been delivered to the buyer | the goods have not been delivered to the buyer | there is a specific agreement | None of the above |
| 282 | Where there is an unconditional contract for the sale of specific goods in a deliverable state, the property in the goods passes to the buyer when | the goods are delivered to the buyer | the price is paid by the buyer | the contract is made | the buyer accepts the goods |
| 283 | If the contract is silent as to the party who is to appropriate the goods | the buyer is to appropriate | goods seller is to appropriate | the party who under the contract is first to act is to appropriate | any party may appropriate |
| 284 | Where there is no specific agreement as to place , the goods sold are to be delivered at the place | at which they are at the time of sale | of the buyer | desired by the buyer | to be determined by the seller |
| 285 | A seller delivers goods in excess of the quantity ordered for. The buyer may | accept the whole | reject the whole | accept the goods ordered for and return the excess | Any of the above |
| 286 | Where the neglect or refusal of the buyer to take delivery of goods amounts to a repudiation of the contract ,the seller may sue for the | price or damages | price only | damages only | both for price and damages |
| 287 | The lien of an unpaid seller depends on | possession | title | ownership | Whether the buyer has paid the price or not |
| 288 | An unpaid seller has not given notice of resale to the buyer there is a profit. The unpaid seller | is bound to hand it over to the buyer | is not bound to hand it over to the buyer | The buyer can recover it from the unpaid seller | The buyer must compensate the unpaid seller |
| 289 | An unpaid seller can exercise the right of stoppage in transit when the carrier holds the goods | as seller's agent | as buyer's agent | as agent of both of them | in his own name |
| 290 | An auction sale is complete on the. | fall of hammer | delivery of goods | payment of price. | both (b) and (c) .. |
| 291 | Auction sale is also known as | public sale | private sale | cash sale | none of the above |
| 292 | Consideration and object of an agreement is unlawful if it | is fraudulent | is possible | is impossible | all of the above |



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|-------|---|--|--|---|--|
| 293 | Where the seller appoints his person to bid at the auction sale without informing to bidder, it is called as | prepared bidding | pretend bidding | power bidding | both (a) & © |
| 294 | An unlawful act by which an intending purchaser is prevented from bidding or raising the price at an auction sale is known as | decoy ducking | puffing | damping | none of these |
| 295 | In a sale , there is an implied condition on the part of the seller that he | has a right to sell the goods | is in possession of the goods | will have the right to sell | will acquire the goods |
| 296 | In a contract of sale , unless goods are ascertained , there is | a sale | an agreement to sale | a void agreement | an unenforceable agreement |
| 297 | There is a constructive delivery of goods - | when the seller hands over to the buyer the key of the warehouse where the goods are lying | where a third person in possession of the goods acknowledges to the buyer that he holds them on his behalf | when the seller physically delivers the goods to the buyer | when the seller asks the buyers to take delivery of the goods |
| 298 | Unless otherwise agreed , where goods are delivered to the buyer and he rejects them | he is not bound to return them to the seller | it is sufficient if he intimates to the seller that he has rejected the goods | he is bound to deliver them to the seller | he may keep them with him |
| 299 | if a seller makes use of pretended bidding at an auction to raise the price ,the sale is | voidable at the option of the buyer | void | valid | illegal |
| 300 | What does the principle of Double Jeopardy protect against? | Being tried for multiple crimes at once | Being punished too harshly for a crime | Being prosecuted and punished for the same offence more than once | Being arrested without a warrant |
| 301 | What is the time limit for the Council of States to return a Money Bill with its recommendations? ✓ <u>14.</u> | 7 days | 14 days | 10 days | 21 days |
| 302 | Settlement of disputes outside the court is aimed at: | Delaying the legal process | Enforcing strict penalties | Eliminating the need for laws | Avoiding court procedures and finding mutually agreeable solutions |
| 303 | The phrase "party-centric approach" in mediation means: <u>22.</u> | 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 |
| 304 | Which law governs the functioning of Lok Adalats when a case is referred to them by a civil court? <u>24.</u> | Legal Services Authorities Act, 1987 | Arbitration Act, 1940 | Consumer Protection Act, 1986 | Indian Evidence Act, 1872 |
| 305 | What is a defining characteristic of supreme legislation? <u>16.</u> | It can be repealed by executive orders | It is subject to judicial review by subordinate courts | It cannot be controlled or checked by any authority other than the sovereign itself | It must receive prior approval from the head of state |
| 306 | What does ratio decidendi refer to in a judicial decision? | The judge's personal opinion | The final verdict or punishment | The principle or reason underlying the decision | The summary of the case facts |



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

BUSINESS LAWS AND ETHICS (PAPER - 5)

MCQ BANK

| SL NO | QUESTIONS | OPTION 1 | OPTION 2 | OPTION 3 | OPTION 4 |
|-------|--|--|---|---|--|
| 307 | What is the legal assumption when parties enter into an agreement related to a trade? 14. | They are unaware of legal obligations | They reject all customary practices | They need explicit permission from the court | They contract according to the established conventions or usages of that trade |
| 308 | What has led to the rise of e-contracts? | Changes in technology and legal requirements | Reduction in legal procedures | The growth of population | Increase in court cases |
| 309 | How are e-contracts generally created and deployed? | By a notary public using scanned documents | Through postal correspondence between parties | By a software system that models, specifies, and executes the contract | Only by government-authorized websites |
| 310 | If an Indian citizen has a legal dispute with a foreign sovereign, what is the typical outcome under Indian law? 36. | 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 |
| 311 | Rohan, a 17-year-old boy, approached a car dealership and expressed interest in buying a second-hand car. He falsely claimed that he was 21 years old and showed a fake ID to support his claim. The dealership, relying on his representation, sold him the car on credit. After a few months, Rohan refused to pay the remaining amount, claiming he was a minor when the contract was made. The dealership sued Rohan, arguing that he should be estopped from denying his age due to his earlier misrepresentation. Can Rohan be held liable for the payment based on the law of estoppel? | Yes, because he misrepresented his age and acted fraudulently. | No, because the law of estoppel does not apply against a minor. | Yes, because he benefited from the contract. | No, because the dealership failed to verify his identity. |
| 312 | Which of the following best defines 'ratification' in contract law? | Terminating a contract due to breach | Approval or confirmation of a previous act or agreement | Entering into a contract under coercion | Cancelling a contract made by mutual consent |
| 313 | Who is considered an 'alien enemy' under Indian contract law? | A foreigner visiting India during peacetime | A citizen of a friendly country residing in India | A citizen of a country at war with India | A person who breaks Indian laws |
| 314 | Which of the following statements is TRUE regarding an agreement with an alien enemy? | It is void unless permitted by the Indian Government. | It is valid and enforceable in Indian courts. | It is voidable at the option of the alien enemy. | It is valid only during peacetime and automatically resumes during wartime. |
| 315 | Under Indian law, a contract must be performed within: | Any time the parties feel is reasonable | A period fixed by the Supreme Court | A fixed or reasonable time as per the terms or nature of the contract | At the discretion of the promisor |
| 316 | What does 'merger' in contract law refer to? | Two contracts being combined to form a joint venture | Cancellation of both contracts between the same parties | Absorption of inferior contractual rights into superior rights under a new contract | Addition of new clauses to an existing contract |
| 317 | What does the legal maxim "ex nudo pacto non oritur actio" mean in contract law? | No action arises from a bare (nude) promise | A contract made without intention is void | Every promise creates a legal obligation | Only written contracts are enforceable |



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BUSINESS LAWS AND ETHICS (PAPER - 5)

MCQ BANK

| SL NO | QUESTIONS | OPTION 1 | OPTION 2 | OPTION 3 | OPTION 4 |
|-------|---|---|--|--|---|
| 318 | Which statement best describes a tripartite agreement? | An agreement between two parties with a third-party witness | An agreement involving three parties, each with specific roles | An agreement that must be in writing | An agreement involving the government and two individuals |
| 319 | In bailment, the goods must be returned or otherwise disposed of according to whose directions? | Bailee | Bailor | Creditor | Principal debtor |
| 320 | A borrower received goods gratuitously for use for 6 months. The lender demands early return after 3 months. The borrower has made investments relying on the 6 months' use causing loss if returned early. What is the lender's liability? | No liability | Must pay damages equal to the borrower's total loss | Must indemnify the borrower for loss exceeding the benefit derived | Must cancel the contract |
| 321 | The finder of goods can sue the owner for compensation only if: | The goods are perishable | A specific reward was publicly offered for returning the goods | The owner cannot be found | The finder informs the police |
| 322 | What is the term for a tacit or implied agreement among prospective bidders to limit competition by refraining from bidding against each other in an auction? | Damping | Knock-out Agreement | Puffers | By-Bidders |
| 323 | What does "deliverable state" mean in the context of a contract of sale? | Goods must be delivered to the buyer's home | Goods are ready for delivery, and the buyer is bound to take delivery under the contract | Goods are packed and stored for inspection | Goods are under transportation |
| 324 | In the case of an agreement to sell, the seller is expected to have the right to sell the goods: | Immediately upon signing the contract | At the time the agreement is signed | At the time when property is to pass | After receiving full payment |
| 325 | Under Section 29, a person in possession of goods under a voidable contract can transfer good title to the buyer if: | The contract has already been rescinded | The buyer purchases the goods in good faith and without notice of the defect in title | The buyer is a relative of the seller | The buyer pays double the price |
| 326 | What is the effect if a voidable contract is rescinded before the sale of goods? | The seller can still transfer good title | The seller becomes the rightful owner | The buyer cannot get a good title | The contract becomes valid automatically |
| 327 | Under Section 24, when does the property not pass to the buyer, even though the buyer is in possession of the goods? | Buyer rejects the goods within the stipulated time | Buyer resells the goods | Buyer pledges the goods | Buyer uses the goods as per their intended purpose |
| 328 | If an unpaid seller resells the goods after exercising the right of lien or stoppage in transit, what kind of title does the new buyer acquire? | No title, as the resale is not authorized | A limited title, revocable by the original buyer | Title passes only if the original buyer consents | A good title, even if the resale is not justified |
| 329 | In a non-severable contract, the buyer has accepted part of the goods. What is the legal effect of a breach of condition by the seller? | Buyer may reject the goods entirely | Buyer can only treat it as a breach of warranty | Buyer must pay full price regardless of defects | Seller becomes liable for criminal charges |
| 330 | Under what condition can a seller or someone on their behalf bid at an auction? | Always | Only when expressly reserved | Only if the auctioneer agrees | Never |
| 331 | When goods are put up for sale in lots at an auction, what is the legal status of each lot? | All lots are part of one single contract | It depends on the value of each lot | Each lot is deemed a separate contract of sale | The auctioneer decides whether it's one or multiple contracts |



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BUSINESS LAWS AND ETHICS (PAPER - 5)

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| SL NO | QUESTIONS | OPTION 1 | OPTION 2 | OPTION 3 | OPTION 4 |
|-------|--|---|---|---|---|
| 332 | The acquisition of which is contingent upon happening or non-happening of certain events will be treated as | Future goods | Unascertained goods | Contingent goods | Forward commodities |
| 333 | Mr. X has obtained a laptop from Mr. Y by fraud. Mr. X has a voidable title at the option of Mr. Y. Before Mr. Y could rescind the contract, Mr. X sold the same laptop to Mr. Z who purchased it in good faith and without knowledge of the fraud by Mr. X and paid for it. In this case: | Mr. Z has a good title to the goods | Mr. Y has a good title | Mr. Z has no right | None of the above |
| 334 | The rule as to passing of property as laid down in Sec 20 of Sale of the Sale of Goods Act, shall happen when, | The time of payment of price is postponed | The time of delivery of the goods is postponed | The contract is made | Neither the time of payment of price nor the time of delivery of the goods is postponed |
| 335 | Which of the following is true regarding instalment delivery under Section 38? | Buyer must always accept instalments | Every breach of instalment is a breach of the whole contract | Seller can make defective deliveries in instalments | Whether a breach repudiates the contract depends on its severity and context |
| 336 | In the absence of a lien over the goods, what is the seller required to do? | Return the goods to the Official Receiver or Assignee | Keep the goods until full payment is made | Sell the goods to recover full payment | Destroy the goods to avoid loss |
| 337 | Fixing of a definite price in a contract of sale is considered a: | Non-essential element | Voidable condition | Sine qua non (essential requirement) | General trade custom |
| 338 | A cheque in electronic form is drawn using: | A mobile app only | A computer resource and digital/electronic signature | A handwritten signature scanned digitally | A printed cheque scanned into the system |
| 339 | Who is always the drawee in a cheque transaction? | The person receiving the cheque | The bank on which the cheque is drawn | The person issuing the cheque | The RBI |
| 340 | The promissory note is defined under which section of the Negotiable Instruments Act, 1881? | Section 3 | Section 4 | Section 5 | Section 6 |
| 341 | What type of liability does the maker of a promissory note have? | Conditional and secondary | Secondary and limited | Joint and several | Primary and absolute |
| 342 | An inland instrument is one that is: | Made in India but payable outside India | Made and payable in India, or drawn upon a person resident in India | Made outside India but payable in India | Made anywhere but drawn upon a foreign bank |
| 343 | Which of the following are considered inland instruments? | Only promissory notes | Only cheques | Promissory notes, bills of exchange, or cheques drawn or made in India payable in India | Only bills of exchange drawn internationally |
| 344 | What is an 'allonge' in the context of negotiable instruments? | A type of signature | A bank's approval stamp | A clause restricting transfer | A slip of paper attached to the instrument for endorsement |
| 345 | A bill of exchange is drawn by Ram in Germany (interest rate 20%) and accepted by Rahul, payable in France (interest rate 5%). After being endorsed in India, the bill is dishonoured. If the holder files a case against Rahul in India, what rate of interest should the court apply? | 5% | 20% | RBI's notified rate | Rate as per Indian Contract Act |



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BUSINESS LAWS AND ETHICS (PAPER - 5)

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| SL NO | QUESTIONS | OPTION 1 | OPTION 2 | OPTION 3 | OPTION 4 |
|-------|--|---|---|---|---|
| 346 | When is a bill of exchange considered to be accepted? | When the drawer signs it | When the payee acknowledges it | When the drawee signs it and delivers it or notifies the holder | When it is endorsed by the bank |
| 347 | How can a partnership at will be dissolved? | Automatically after 5 years | By mutual agreement only | By court order only | By notice from any partner |
| 348 | A secret partner is: | Not known to the firm | Not known to the public | Not known to the partners | Known to the government only |
| 349 | The liability of a secret partner is: | Limited to the amount of capital contributed | Limited and private | Unlimited, like other partners | Not applicable, as he is not publicly known |
| 350 | Which of the following is true regarding remuneration to a partner? | Every partner is entitled to fixed monthly remuneration | A partner is not entitled to remuneration for participating in business conduct | Only senior partners get remuneration | Remuneration is paid out of capital |
| 351 | When must a firm indemnify a partner? | For payments or liabilities incurred in ordinary business or in emergencies | For any personal expense | For business-related losses only when profits are high | Only when partner is managing partner |
| 352 | According to Section 34, when a partner is adjudicated insolvent, he: | Continues as a partner until the firm is dissolved | Ceases to be a partner from the date of the adjudication order | Ceases to be a partner from the date the partnership was formed | Can continue in the firm with limited liability |
| 353 | After attaining majority, the minor must: | File a case in court to stay in the firm | Give notice to the Registrar regarding his decision | Notify only the other partners | Do nothing; the law decides for him |
| 354 | According to Section 48, losses, including capital deficiencies, are to be paid: | Only by the managing partner | Out of profits, then capital, then by partners individually | Equally by all partners regardless of profit-sharing | Only out of capital |
| 355 | The residue, if any remains after all payments, is: | Transferred to government revenue | Paid to senior partner only | Distributed equally among partners | Divided in profit-sharing ratios |
| 356 | Which of the following best describes the legal nature of an LLP? | Not a legal entity, only a contractual arrangement | Separate legal entity from its partners | Extension of a partner's personal business | Same as a proprietorship |
| 357 | Which of the following is not considered a body corporate under the LLP Act? | Company incorporated outside India | Co-operative society | LLP registered under the Act | Company under Companies Act, 1956 |
| 358 | Which of the following disqualifies a person from becoming a partner in an LLP? | Being a retired government employee | Being an undischarged insolvent | Being a partner in another LLP | Being a non-resident Indian |
| 359 | According to Rule 9, a person cannot be appointed as a designated partner if: | He is already a partner in another LLP | He is under 25 years of age | He has been adjudged insolvent within the last five years | He has more than one source of income |
| 360 | Who must sign the Statement of Account and Solvency of an LLP? | Any one of the partners | Auditor of the LLP | All shareholders | Designated partners |

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X

X



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BUSINESS LAWS AND ETHICS (PAPER - 5)

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| SL NO | QUESTIONS | OPTION 1 | OPTION 2 | OPTION 3 | OPTION 4 |
|-------|---|--|--|---|---|
| 361 | Which of the following is NOT a valid ground recognized for lifting the corporate veil according to the passage? | Simplifying financial reporting requirements | Preventing fraud and improper conduct | Determining the true character of a company in wartime | Preventing tax evasion |
| 362 | If a person is already a nominee in one OPC and becomes a member in another OPC due to the death of its member, how long does the person have to restore eligibility? | 90 days | 120 days | 180 days | 365 days |
| 363 | As per Section 32, when must the Red Herring Prospectus be filed with the Registrar? | At least 7 days before the offer opens | After the offer is closed | At least 3 days before the opening of the subscription list and the offer | Simultaneously with the final prospectus |
| 364 | Which of the following must be highlighted in the final prospectus when compared to the Red Herring Prospectus? | All financial ratios | Variations between the RHP and the final prospectus | Director resignations | Auditor's observations |
| 365 | What must be printed or stamped prominently on a duplicate share certificate? | "Original Share Certificate" | "Certified Copy" | "Duplicate Issued in Lieu of Share Certificate No. " | "Valid Copy" |
| 366 | Under Section 41 of the Companies Act, 2013, a company can issue Global Depository Receipts (GDRs) in: | Indian Rupees only | Foreign currency only | Either Indian or foreign currency | Cryptocurrency |
| 367 | As per Section 92 of the Companies Act, 2013, every company is required to prepare its Annual Return in which form? | AOC-4 | MGT-9 | MGT-7 | PAS-3 |
| 368 | In a public company with 4999 members, what is the minimum quorum required? | 5 members personally present | 15 members personally present | 30 members personally present | 50 members personally present |
| 369 | As per Section 153 of the Companies Act, 2013, no individual shall be appointed as a director of a company unless: | He holds at least 1% shares in the company | He is a resident of India | He has completed a course from the Indian Institute of Corporate Affairs | He has been allotted a Director Identification Number (DIN) or such other number as may be prescribed |
| 370 | Both Financial Controllers and Operational Controllers are involved in: | Legal compliance and contract negotiation | Budgeting, forecasting, and financial reporting | Customer relationship management | Product development |
| 371 | Which of the following attributes of Emotional Intelligence involves the ability to control impulsive feelings and behaviors? | Social awareness | Self-awareness | Relationship management | Self-management |
| 372 | Corporate responsibility refers to a business's responsibilities towards: | Only government regulations | Its employees, customers/clients, and sometimes board of directors | Only its shareholders | Its marketing and branding strategy |
| 373 | Which of the following is not typically considered a Key Success Factor (KSF)? | Cost | Innovation | Time | Tax depreciation |
| 374 | Which of the following best reflects integrity in decision-making? | Making decisions based on popularity | Acting to gain material benefit from every opportunity | Taking decisions fairly, free from personal gain motives | Avoiding responsibilities to maintain neutrality |



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BUSINESS LAWS AND ETHICS (PAPER - 5)

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| SL NO | QUESTIONS | OPTION 1 | OPTION 2 | OPTION 3 | OPTION 4 |
|-------|--|--|---|--|--|
| 375 | Which of the following activities does not fall under the definition of a "manufacturing process" under Section 2(k)? | Conducting a market survey | Printing by lithography | Constructing a ship | Oiling or packing an article for sale |
| 376 | If the employer finds the gratuity claim admissible, which form must be issued to the applicant? | Form J | Form L | Form M | Form G |
| 377 | Gratuity is calculated for every completed year of service or part thereof in excess of how many months, at the rate of wages last drawn? | Three months | Four months | Six months | Nine months |
| 378 | Under Section 6, who has the authority to fix the minimum rate of wages? | Trade Union | Central Advisory Board | Appropriate Government | Labour Commissioner |
| 379 | According to Section 58, no suit or prosecution shall lie against the appropriate government or its officers if the act was: | Done without any official permission | Done negligently | Done with malafide intention | Done in good faith under the Code |
| 380 | The minimum bonus must be paid to an employee who has worked for at least how many days in an accounting year? | 15 days | 30 days | 45 days | 60 days |
| 381 | Which of the following is not included in the definition of Key Managerial Personnel under Section 2(51) of the Companies Act, 2013? | Chief Executive Officer | Chief Financial Officer | Independent Director | Company Secretary |
| 382 | Which section of the Companies Act, 2013 provides a member the right to requisition an extraordinary general meeting? | Section 111 | Section 105 | Section 100 | Section 94 |
| 383 | According to Section 2(55) of the Companies Act, 2013, who are deemed to be the first members of a company? | The directors appointed on incorporation | Subscribers to the Memorandum of the company | The auditors of the company | The first employees of the company |
| 384 | Which of the following is essential for a person to be considered a member of a company under Section 2(55)? | Being a shareholder without entry in the register of members | Agreeing orally to become a member | Agreeing in writing and having the name entered in the register of members | Having a verbal agreement with the company |
| 385 | A premises where a manufacturing process is carried on without the aid of power and where how many or more workers are employed is considered a factory? | 5 or more workers | 10 or more workers | 15 or more workers | 20 or more workers |
| 386 | Which of the following is excluded from the definition of factory as per Section 2(m)? | Mobile unit belonging to the armed forces of the Union | Premises where 15 workers carry out manufacturing with power | Premises where 25 workers carry out manufacturing without power | Factory with continuous production process |
| 387 | Under Section 11 of the Factories Act, every factory must be kept clean and free from: | Noise pollution | Excessive lighting | Effluvia from drains, privies, or other nuisances | Fire hazards |
| 388 | How often must the floors of every workroom be cleaned as per Section 11? | Daily | Once a month | Once in every week | Once in every six months |
| 389 | As per Section 11, effective _____ must be provided to remove water from the premises. | Drainage | Air conditioning | Lighting | Plumbing |
| 390 | Latrines and urinals should be located so that they are: | Hidden from supervisors | In the basement only | Conveniently situated and accessible to workers at all times | Placed near the canteen only |
| 391 | As per Section 19 of the Factories Act, every factory must provide: | Separate lunch rooms for workers | Sufficient latrine and urinal accommodation of prescribed types | Medical beds in restrooms | Personal hygiene kits for all workers |



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BUSINESS LAWS AND ETHICS (PAPER - 5)

MCQ BANK

| SL NO | QUESTIONS | OPTION 1 | OPTION 2 | OPTION 3 | OPTION 4 |
|-------|---|----------------------------------|-----------------------------------|--------------------------|---------------------|
| 392 | Under Section 105 of the Companies Act, 2013, a proxy can be appointed by a: | Director | Member | Creditor | Auditor |
| 393 | Which section of the Companies Act, 2013 deals specifically with proxies? | Section 101 | Section 107 | Section 106 | Section 105 |
| 394 | Which of the following businesses is generally considered an "ordinary business" at an AGM? | Appointment of statutory auditor | Change in Articles of Association | Issue of bonus shares | Approval of mergers |
| 395 | Which of the following companies is not required to hold an AGM? | Private Company | Public Company | One Person Company (OPC) | Listed Company |



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

BUSINESS LAWS AND ETHICS (PAPER - 5) ANSWERS TO MCQ BANK

| SL NO | QUESTIONS | CORRECT ANSWER | ANSWER CODE |
|-------|---|--|-------------|
| 1 | Right to Property is a: | Constitutional Right | 3 |
| 2 | The Constitution of India describes India as: | A Union of states | 3 |
| 3 | Constitution is the: | Law of the land | 1 |
| 4 | What is the chief source of legal authority in India? | Constitution of India | 2 |
| 5 | Which of the following is described as the 'Soul of the Constitution'? | Preamble | 4 |
| 6 | The Preamble to the Indian Constitution is based on | 'Objectives Resolution' drafted & moved by Pandit Nehru | 2 |
| 7 | The term 'We' in Preamble means | The People of India | 4 |
| 8 | Indian Constitution ensures 'Justice' in which of the following form | All of the above | 4 |
| 9 | Preamble has been amended by which Amendment Act? | 42nd Constitutional Amendment | 2 |
| 10 | In which case, the Supreme Court specifically opined that Preamble is 'not' a part of the Constitution? | Berubari Union case | 1 |
| 11 | In which case, the Supreme Court rejected the earlier opinion and held that Preamble is an integral part of the Constitution? | Kesavanada Bharati case | 2 |
| 12 | The Preamble states that the Constitution derives its authority from | The People of India | 3 |
| 13 | As per Preamble, date of adoption of the Constitution is | 26th November 1949 | 2 |
| 14 | 42nd Constitutional Amendment (1976) added which of the terms to the Preamble | Both (a) & (b) | 4 |
| 15 | Which part of the Indian Constitution expressly declares that India is a Sovereign Socialist Secular Democratic Republic? | Preamble | 3 |
| 16 | 'Economic Justice' as one of the objectives of the Indian Constitution has been provided in | the Preamble and the Directive Principles of State Policy | 2 |
| 17 | The correct sequence of the following words in the Preamble is | Sovereign, Socialist, Secular, Democratic, Republic | 2 |
| 18 | The Constitution of which country was the first to begin with a Preamble? | USA | 1 |
| 19 | The ideal of Justice (Social, Economic and Political) in the Preamble draws its inspiration from | Russian Revolution | 1 |
| 20 | The ideals of liberty, equality and fraternity in the Preamble have been taken from | French Revolution | 1 |
| 21 | Which of the following is true about Preamble? | None of the above | 4 |
| 22 | The 42nd Constitutional Amendment added which of the following 4 words in the Preamble? | All of the above | 4 |
| 23 | Which of the following words is not mentioned in the Preamble to the Indian Constitution? | Indians | 4 |
| 24 | The word 'Sovereign' mentioned in the Preamble implies _____ | All of the above. | 4 |
| 25 | Which of the following statements is/are true? | All of the above. | 4 |
| 26 | In which of the following, are the basic aims and objectives of the Indian Constitution discussed? | Preamble | 2 |
| 27 | What is the meaning of 'equality' in the Indian Constitution? | Absence of special privileges to any section of the society, and provision of adequate opportunities for all individuals without any discrimination. | 3 |
| 28 | Which of the following terms was not included in a "union of trinity" by Dr. B. R. Ambedkar in his concluding speech in the Constituent Assembly? | Flexibility | 2 |
| 29 | Acceptance to be a valid must : | Both be absolute & unqualified | 3 |
| 30 | A proposal can be accepted : | All of the above | 4 |
| 31 | Competency to contract relates to : | Both age and soundness of mind | 3 |
| 32 | If only a part of the consideration or object is unlawful, the contract under Section 24 shall be: | Void | 3 |
| 33 | When the consent is caused by undue influence, the contract under Section 19A is: | Voidable | 3 |



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BUSINESS LAWS AND ETHICS (PAPER - 5) ANSWERS TO MCQ BANK

| SL NO | QUESTIONS | CORRECT ANSWER | ANSWER CODE |
|-------|--|--|-------------|
| 34 | State who is competent to contracts : | A person of sound mind | 2 |
| 35 | When are the essential elements of a valid contract : | All of the above | 4 |
| 36 | When one person signifies to another his willingness to do or to abstain from doing anything it is known as : | Proposal | 1 |
| 37 | What is the effect of wagering agreements : | All of the above | 4 |
| 38 | A contract is : | An agreement plus a legal obligation | 2 |
| 39 | Which of the following result/results in an offer ? | An advertisement offering reward to anyone who finds the lost dog of the advertiser | 3 |
| 40 | A special offer can be accepted by | the person to whom it is made | 3 |
| 41 | An acceptance is not according to the mode prescribed but the offerer decides to keep quiet .In such case there is | a contract | 1 |
| 42 | There is a counter offer when | a the offeree gives conditions for acceptance or introduces a fresh term in acceptance | 1 |
| 43 | Acceptance may be revoked by the acceptor : | before the letter of acceptance reaches the offerer | 2 |
| 44 | An advertisement to sell a thing by auction is : | An invitation to offer | 2 |
| 45 | A makes an offer to B on 10th by a letter which reaches B on 12th. B posts letter of acceptance on 14th which reaches A on 16th. The communication of acceptance is complete as against A on : | 14th | 2 |
| 46 | An agreement made without consideration is : | void | 4 |
| 47 | A promises to subscribe to a charity.The promise is a : | void agreement | 4 |
| 48 | consideration in a contract : | may be past ,present or future | 1 |
| 49 | A promise to compensate , wholly or in part ,a person who has already voluntarily done something for he promisor is | enforceable | 1 |
| 50 | Where consent is caused by fraud or misrepresentation the contract is | voidable at the option of the aggrieved party | 1 |
| 51 | Where both the parties to an agreement are under a mistake as a matter of fact essential to the agreement , the agreement is | void | 1 |
| 52 | What are the requisites of fraud : | any of the above | 4 |
| 53 | A valuable consideration in the eyes of law may consist of : | Both (a) or (b) | 4 |
| 54 | An agreement with or by a minor is - | void | 1 |
| 55 | On attaining the age maturity a minor's agreement | cannot be ratified by him | 2 |
| 56 | A minor enters into a contract for the purchase of certain necessaries .In such a case - | He is liable to return the money | 3 |
| 57 | contracts made before war with an alien enemy which are against public policy are - | dissolved | 2 |
| 58 | When a person positively asserts that a fact is true when his information does not warrant it to be so, though he believes it to be true,there is | misrepresentation | 1 |
| 59 | A promise made without the intention of performing it amounts to | fraud | 2 |
| 60 | A bailee has | a right of particular lien over the goods bailed | 1 |
| 61 | The position of a finder of lost goods is that of a | bailee | 2 |
| 62 | A bailee fails to return the goods according to the bailor's direction.He takes reasonable care of the goods but still the goods are lost.The loss will fall on | the bailee | 1 |
| 63 | A who purchases certain goods from B by a misrepresentation pledges them with C. The pledge is | valid | 1 |
| 64 | A contract of indemnity is a | a contingent contract | 1 |
| 65 | The definition of a contract of indemnity as given in the Indian Contract Act, 1872 includes | express promises to indemnity | 1 |
| 66 | Where there are co - sureties , a release by the creditor of one of them | does not discharge the other co-sureties | 2 |
| 67 | A guarantee obtained by a creditor by keeping silence as to material circumstances is | invalid | 1 |
| 68 | A quasi contract | creates only a legal obligation | 3 |
| 69 | When an agreement is discovered to be void , any person who has received any advantage under such agreement | is bound to restore it | 1 |
| 70 | A minor has been supplied necessaries on credit -- | his estate is liable | 3 |



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BUSINESS LAWS AND ETHICS (PAPER - 5) ANSWERS TO MCQ BANK

| SL NO | QUESTIONS | CORRECT ANSWER | ANSWER CODE |
|-------|--|---|-------------|
| 71 | A finder of lost goods is a | bailee | 2 |
| 72 | Quantum meruit means | as much as is earned | 3 |
| 73 | A agreed to sell 100 shares to B at rs 75 per share , delivery to be given on 1st march, B refused to accept delivery on 1st march as price had gone down to rs 60 per share . Subsequently A sold these shares at rs 92 per share | A can recover damages to be determined by the President of the stock exchange | 3 |
| 74 | Anticipatory breach of a contract takes place | before the performance is due | 3 |
| 75 | Specific performance may be ordered by the court when | damages are not an adequate remedy | 3 |
| 76 | A undertakes to paint a picture of B.He dies before he paints the picture. The contract | is discharged by death | 1 |
| 77 | A creditor agrees with his debtor and a third to accept that third party as his debtor | waiver | 3 |
| 78 | A lends rs 500 to B .He later tells B that he need not repay the amount , the contract is discharged by | waiver | 2 |
| 79 | If a new contract is substituted in place of an existing contract , it is called | novation | 3 |
| 80 | Which of the following are contingent contracts ? | (a) and (b) | 4 |
| 81 | An agreement to do impossible act is | voidable | 2 |
| 82 | A wagering agreement is | forbidden by law | 1 |
| 83 | The collateral transactions to an illegal agreement are | void | 1 |
| 84 | A person enters into an agreement whereby he is bound to do something which is against his public or professional duty . The agreement is | voidable | 3 |
| 85 | The Negotiable Instruments Act, 1881 is an Act to define and amend the law relating to: | All of the above | 4 |
| 86 | “banker” includes: | Any person acting as a banker and any post office saving bank | 1 |
| 87 | Which is NOT an example of “Promissory Note”: | Mr B, I.O.U ` 1,000.” | 2 |
| 88 | In a Promissory Note, how many parties are involved: | 2 | 2 |
| 89 | Which is NOT correct about the “Promissory Note” | It contains a conditional undertaking. | 1 |
| 90 | The Negotiable Instruments Act, 1881 extends to: | The whole of India. | 2 |
| 91 | The Negotiable Instruments Act makes specific mention of three instruments namely cheque, bill of exchange and | Promissory note | 1 |
| 92 | Which one of the following is not the characteristic of a negotiable instruments ? | it must be registered | 1 |
| 93 | A bill of exchange is treated as dishonoured due to non-acceptance ,where the drawee | in all the above cases | 4 |
| 94 | A person becomes a ' holder in due course' of a negotiable instrument if he receives it | by satisfying all these | 4 |
| 95 | A negotiable instrument payable to order can be transferred by | indorsement and delivery | 3 |
| 96 | In case , back of a negotiable instrument is full of indorsements a slip of paper may be attached to the instrument for signing indorsements. Such a slip is legally known as | Allonge | 1 |
| 97 | Material alteration of a negotiable instrument, without the consent of the parties discharges the parties who have become liable | prior to such alteration | 2 |
| 98 | After receiving an uncrossed cheque ,its holder can make on it | either (a) or (b) | 3 |
| 99 | The payment of a cheque , containing special crossing can be obtained | by depositing in account | 2 |
| 100 | A negotiable instrument made without any consideration at all ,is | void between immediate parties | 1 |
| 101 | Inchoate instrument is | An instrument incomplete in some respect | 1 |
| 102 | A failure to present a negotiation instrument should be presented for payment to the party who is | primarily liable | 1 |
| 103 | A negotiation instrument is said to be discharged when the liability of which of the following parties comes to an end? | primarily liable party | 1 |
| 104 | The undertaking contained in a promissory note, to pay a certain sum of money is-- | Unconditional | 2 |
| 105 | Which of the following negotiable instrument is not entitled to days of grace ? | a cheque , is always payable on demand | 1 |



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|-------|--|---|-------------|
| 106 | After the dishonour of a negotiable instrument, the holder may get the fact of dishonour authenticated by a Notary Public. The 'noting' may be done in case of | both (a) and (b) | 4 |
| 107 | A cheque is said to contain a special crossing when two parallel lines are drawn across the face of the cheque and writing between the lines the | in (a) and (b) cases | 4 |
| 108 | A Promissory Note must be | in writing | 4 |
| 109 | A bill is discharged when its acceptor by negotiation back, becomes its holder | either (a) or (b) | 4 |
| 110 | The presentment for sight is required only in case of a promissory note. Which of the following note must be presented for sight? | a note payable after sight | 2 |
| 111 | A bill of exchange payable to bearer on demand is | none of these | 4 |
| 112 | The term 'customer' in relation to a banker, means a person who keeps with a banker | either account irrespective of duration | 4 |
| 113 | The payment of a negotiable instrument becomes due | on 3rd day of maturity | 4 |
| 114 | In case, the rate of interest is not specified in the instrument, the interest payable is calculated at per annum rate of | eighteen percent | 4 |
| 115 | An act of a firm means: | All of the above | 4 |
| 116 | Partnership is the relation between persons who have agreed to share the profits of a business carried on by all or any of them acting for all. Does it mean that losses are not shared? | All of the above. | 4 |
| 117 | Where no provision is made by contract between the partners for the duration of their partnership, or for the determination of their partnership, the partnership is called as: | partnership at will | 3 |
| 118 | What information shall be given to the Registrar of Firms by a registered partnership firm: | All of the above. | 4 |
| 119 | Who can inspect the Register and filed documents at the office of the Registrar: | Any person | 4 |
| 120 | What are the rights of partners after dissolution: | All of the above | 4 |
| 121 | Where any member of a firm has died or otherwise ceased to be a partner, and the surviving or continuing partners carry on the business of the firm with the property of the firm without any final settlement of accounts as between them and the outgoing partner or his estate, then, in the absence of a contract to the contrary, the outgoing partner or his estate is entitled at the option of himself or his representatives to such share of the profits made since he ceased to be a partner as may be attributable to the use of his share of the property of the firm or to interest at the rate of on the amount of his share in the property of the firm: | 6% p.a. | 3 |
| 122 | The dissolution of partnership means: | It means the change in the relations of the partners | 2 |
| 123 | In what circumstances a partner may retire: | All of the above. | 4 |
| 124 | What would be the position, where a minor elects not to become a partner: | All of the above | 4 |
| 125 | The maximum number of partners in a firm carrying on banking business cannot exceed | 10 | 2 |
| 126 | There is no provision in the partnership deed regarding the duration of partnership. This is | partnership at will | 1 |
| 127 | registration of a firm under the Partnership Act, 1932 | not necessary | 3 |
| 128 | A nominal partner is | liable for the debts of the firm | 1 |
| 129 | If a minor chooses to become a partner on attaining the age of majority, he will be liable for the debts of the firm | from the date of his admission to the benefits of the partnership | 2 |
| 130 | Public notice is not given on the death of a partner but the firm continues the business. For the acts of the firm done after his death | the estate of the deceased partner is not liable | 2 |
| 131 | The position of a minor partner is dealt with in the Indian Partnership Act, 1932 in | Sec. 30 | 3 |
| 132 | Where a partner is entitled to interest on capital subscribed by him such interest will be payable | only out of profit | 2 |
| 133 | A change in the nature of the business of a firm can be made if | all the partners agree | 3 |
| 134 | in the absence of any agreement, interest on advances by a partner is | allowed at 6% | 2 |
| 135 | An act of a firm means: | All of the above | 4 |



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| 136 | Partnership is the relation between persons who have agreed to share the profits of a business carried on by all or any of them acting for all. Does it mean that losses are not shared: | All of the above. | 4 |
| 137 | Who can inspect the Register and filed documents at the office of the Registrar: | Any person | 4 |
| 138 | What are the right of partners after dissolution: | All of the above | 4 |
| 139 | Where any member of a firm has died or otherwise ceased to be a partner, and the surviving or continuing partners carry on the business of the firm with the property of the firm without any final settlement of accounts as between them and the outgoing partner or his estate, then, in the absence of a contract to the contrary, the outgoing partner or his estate is entitled at the option of himself or his representatives to such share of the profits made since he ceased to be a partner as may be attributable to the use of his share of the property of the firm or to interest at the rate of on the amount of his share in the property of the firm: | six per cent per annum | 3 |
| 140 | The dissolution of partnership means: | It means the change in the relations of the partners | 2 |
| 141 | In what circumstances a partner may retire: | All of the above. | 4 |
| 142 | What would be the position, where a minor elects not to become a partner: | All of the above | 4 |
| 143 | After a partner's death the business is continued in the old firm name. Whether the legal heirs of the deceased partner are liable for any acts of the firm: | The continued use of the name or of the deceased partner's name as a part thereof shall not of itself make his legal representative or his estate liable for any act of the firm done after his death. | 1 |
| 144 | The partners in a firm may, by contract between the partners: | Both A and B are correct | 4 |
| 145 | Whether a notice given to a partner, who habitually acts in the business of the firm of any matter relating to the affairs of the firm, will be deemed as notice to the firm: | Yes, it operates as notice to the firm, except in the case of a fraud on the firm committed by or with the consent of that partner | 2 |
| 146 | What would be the position where a minor elects to become a partner. | All of the above | 4 |
| 147 | Where a partner has paid a premium on entering into partnership of a fixed term, and the firm is dissolved before the expiration of that term otherwise than by the death of a partner, whether any repayment of the premium is permissible: | All of the above | 4 |
| 148 | Whether a partner after dissolution of the partnership firm, carry on the business in the erstwhile business name of the firm | Both the points mentioned at A and C are correct | 4 |
| 149 | The State Government may appoint Registrars of Firms for the purposes of this Act, every Registrar shall be deemed | To be a public servant within the meaning of section 21 of the Indian Penal Code | 2 |
| 150 | Non-registration of a firm will not affect: | All of the above | 4 |
| 151 | How a firm may be dissolved | All of the above | 4 |
| 152 | Where a partner has become of unsound mind the court may dissolved | on the petition of any partner | 1 |
| 153 | If the assets of a firm are insufficient to discharge to debts and liabilities of the firm, the partners shall bear the deficiency | in the profit -sharing ratio | 1 |
| 154 | On attaining the majority, the minor partner has to decide and give a public notice within the prescribed period, whether he will continue as partner in the firm or will quit. What is that prescribed period: | Within six months of his attaining majority or of his obtaining knowledge that he had been admitted to the benefits of partnership, whichever date is later | 3 |
| 155 | In which conditions a person may be deemed as partner by estoppels or holding out: | All of the above | 4 |
| 156 | M/s XYZ is partnership firm and X, Y and Z are the partners. During the course of business travel, partner X recovered a sum of Rs. 15000 in cash from the debtor of the firm and credit in his personal bank account. The act of X will amounts to: | Mis-appropriating the funds of the firm and utilisation of the same for the personal gain. | 3 |



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|-------|--|---|-------------|
| 157 | What is the liability of a retiring partner, after the date of his retirement'. | He and the partners continue to be liable as partners to third parties for any act done by any of them which would have been an act of the firm if done before the retirement, until public notice is given of the retirement | 2 |
| 158 | A limited liability partnership is: | Only B and C are correct | 4 |
| 159 | A LLP shall be governed by the provisions of: | The Limited Liability Partnership Act, 2008 | 2 |
| 160 | Whether a HUF can become partner in LLP: | No, HUF can't become partner in the LLP . | 2 |
| 161 | How many designated partners are required in LLP: | At least two designated partners | 1 |
| 162 | The LLP shall file the Statement of Account and Solvency in the prescribed form. Which is this Form: | Form 8 | 1 |
| 163 | Who is the authority to grant compounding of offence under the LLP Act: | The Central Government | 2 |
| 164 | What is the time limit within which LLP shall file Annual Return with the Registrar: | Within 30 days of closure of its financial year. | 1 |
| 165 | Which of the following is true about a Limited Liability Partnership? | Both b and c are correct | 4 |
| 166 | Which of the following is true about the number of designated partners required in a Limited Liability Partnership? | A Limited Liability Partnership can have at least two designated partners | 4 |
| 167 | Every Limited Liability Partnership must maintain its books of accounts diligently. Those books of accounts should maintain . | All of the above | 4 |
| 168 | As per Sale of Goods Act, this is not included: | A Limited Liability Partnership should maintain its accounts at the corporate office | 2 |
| 169 | As per Sale of Goods Act, this is not included: | All of the above | 4 |
| 170 | LLP shall file its Annual Return in which form: | Form 11 | 2 |
| 171 | The audit of accounts of every LLP is not compulsory if its: | Turnover does not exceed in any financial year, Rs 40 lakh or whose contribution does not exceed Rs 25 lakh | 1 |
| 172 | The Limited Liability Partnership Act, 2008 came into force on ____ | 31st March 2009 | 3 |
| 173 | Which of the following cannot be converted into LLP? | Listed company | 3 |
| 174 | The approved name of LLP shall be valid for a period of ___ from the date of approval: | 3 months | 3 |
| 175 | For the purpose of LLP, Resident in India means: | Person who has stayed in India for a period of not less than 182 days during the immediately preceding one year. | 4 |
| 176 | In which kind of partnership one partner has unlimited liability and other partner have limited liability? | Limited liability partnership | 2 |
| 177 | Any change in the partners of a limited liability partnership: | Shall not affect the existence, rights or liabilities of the limited liability partnership. | 2 |
| 178 | What is the filing fee for LLP in case where the contribution of LLP exceed Rs Five lakh but does not exceeds Rs Ten lakh: | Rs.150. | 1 |
| 179 | A limited liability partnership shall, where a person becomes or ceases to be a partner and where there is any change in the name and address of the partner, file a notice with the Registrar: | Within thirty days from the date he becomes or ceases to be a partner. | 1 |
| 180 | Every limited liability partnership shall have atleast two designated partners who are individuals and at least one of them shall be: | A resident inIndia | 3 |
| 181 | n terms of section 23 (2) of the LLP Act, 2008, every LLP shall file information with regard to the LLP agreement in the prescribed form, with the Registrar within thirty days of the date of information. What is the prescribed Form No.: | Form No.3 | 2 |
| 182 | maximum no. of persons in a LLP is | 50 | 1 |



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| SL NO | QUESTIONS | CORRECT ANSWER | ANSWER CODE |
|-------|---|--|-------------|
| 183 | duration of LLP | extends upto proper dissolution (perpetual succession) | 3 |
| 184 | The Is responsible for doing all acts, matters and things as are required to be done by LLP as per the Act. | designated partner | 1 |
| 185 | Which of the following enjoys separate legal entity status ? | Both b and c are correct | 4 |
| 186 | What is the primary advantage of a limited liability partnership (LLP) ? | tax advantages for partners | 3 |
| 187 | In an LLP , which of the following is true regarding the personal assets of partners ? | Personal assets are only liable if there is fraud | 4 |
| 188 | Which document is required to establish an LLP | LLP Agreement | 2 |
| 189 | Who is responsible for the day-to-day management of an LLP | All partners equally | 1 |
| 190 | In an LLP, which partner is typically responsible for signing contract and legal documents on behalf of the partnership? | Managing partner | 3 |
| 191 | What type of professions are often required to form a Limited Liability Partnership (LLP) in certain jurisdictions? | All of the above | 4 |
| 192 | In an LLP , which partners are typically not involved in the day-to-day operations and decision making | Limited partners | 1 |
| 193 | What is the primary disadvantage of an LLP compared to a corporation? | ease of formation | 2 |
| 194 | How many schedules are available in LLP act ? | 4 schedules | 2 |
| 195 | Age of adolescent worker is- | 14 | 2 |
| 196 | Certificate of fitness to be young worker is to be granted by- | Certifying surgeon | 3 |
| 197 | White wash or color wash should be carried out atleast once in every period of- | 14 months | 1 |
| 198 | Where more than _____ workers are employed provision shall be made for cool drinking water during hot weather. | 250 | 2 |
| 199 | Shelter rooms with suitable lunch rooms are to be provided, if more than _____ workers are employed. | None of the above | 4 |
| 200 | No female child shall be allowed to work in any factory except between- | 8 a.m., and 7 p.m.; | 1 |
| 201 | Compensatory holidays are to be availed within _____ month. | 2 months | 2 |
| 202 | Which one of the following amounts to safety measure? | Fencing of factory; | 3 |
| 203 | Identify from the following which is the power of Inspector of Factory. | All the above. | 4 |
| 204 | Which does not amount to retirement? | Superannuation. | 4 |
| 205 | Gratuity is payable to an employee- | In all the above cases. | 4 |
| 206 | The gratuity is payable to an employee shall not exceed- | 20 months pay | 3 |
| 207 | The employer shall display an abstract of the Act and the Rules in Form No- | U | 1 |
| 208 | If sufficient cause is shown the appropriate Government may condone the delay in filing appeal against the order of the Controlling Authority, for- | 60 days; | 2 |
| 209 | Nomination is to be made by an employee- | After completion of one year service; | 2 |
| 210 | Which one of the following is to be included in the definition of 'wage'? | Dearness allowance | 1 |
| 211 | If an employer intends to close the business he is to send notice to the Controlling Authority within _____ before the intended closure. | 60 days; | 3 |
| 212 | Nomination is to be filed in _____ | Duplicate | 2 |
| 213 | Which will not amount to service of notice under the rule? | By courier; | 3 |
| 214 | Which one of the following will not include in the definition of basic wages as per the Employee Provident Fund and Miscellaneous Provisions Act, 1952? | All the above. | 4 |
| 215 | The contribution of employer to insurance fund is- | 1% | 1 |
| 216 | Contribution of 10% to PF is applicable to- | All of the above. | 4 |
| 217 | The minimum administrative charge payable by the employer to the fund is- | Rs.500 | 2 |
| 218 | The maximum penalty recoverable from the employer who makes the default in payment of any contribution to the fund is- | 25% | 4 |
| 219 | Withdrawal from PF may be allowed for- | Marriage of the employer; | 1 |
| 220 | The Employees' Pension Scheme provides for- | Both (a) and (b); | 3 |
| 221 | Contribution of the employer to employees' pension scheme is- | 8.33% | 1 |
| 222 | The following cannot be nominated for the purposes of EPF Act- | Sons of a deceased sons who have attained majority; | 2 |



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|-------|--|--|-------------|
| 223 | While filing appeal to EPF Appellate Tribunal the employer has to deposit _____ of the amount due from him. | 75% | 3 |
| 224 | The contribution shall be paid in a bank within _____ days of the last day of the calendar month in which the contribution fall due for any wage period. | 21 | 4 |
| 225 | An appeal shall lie to High Court from the orders of ESI within _____ days from the date of order of the ESI Court. | 60 | 2 |
| 226 | A member of the Corporation shall cease to be a member if he fails to attend consecutive meeting _____ | 3 | 1 |
| 227 | ESI Fund consists of- | All the above | 4 |
| 228 | The Corporation may with the approval of _____ establish and maintain in a State, hospitals, dispensaries etc., | State Government; | 2 |
| 229 | Who will not the following be considered as an employee? | Partners; | 3 |
| 230 | Who, among the following, is not the Principal Employer? | Legal representative of the contractor. | 4 |
| 231 | Seasonal factory is the one which is engaged for a period not exceeding _____ in a year. | 7 months | 1 |
| 232 | Which, among the following, will not be included in the definition of 'wages'? | Travelling allowance; | 2 |
| 233 | ESI Corporation is a- | Body Corporate; | 3 |
| 234 | The minimum rate of wages on time work basis may be fixed in accordance with _____ | all of the above | 4 |
| 235 | Section _____ deal with Eligibility for Bonus. | 20 | 4 |
| 236 | Every Inspector-cum-Facilitator appointed under sub-section (1) shall be deemed to be public servant within the meaning of section _____ of the Indian Penal Code. | 21 | 3 |
| 237 | Section 56 talks about the _____. | composition of offences | 1 |
| 238 | Which one of the following is not correct in regard to share certificate? | The Company Secretary shall issue the share certificate. | 1 |
| 239 | If a company does not have a common seal, the share certificate shall be signed by- | Either (a) or (b); | 3 |
| 240 | In case of unlisted company the duplicate share certificate shall be issued within a period of- | 3 months | 2 |
| 241 | The Bonus shares may be issued out of the- | Any of the above. | 4 |
| 242 | For which purposes securities premium account can be utilized? | Any of the above. | 4 |
| 243 | The quorum for a public company having the number of members more than 5000 is- | 30 | 4 |
| 244 | An instrument of the proxy shall be deposited with the registered office of the company _____ before the conduct of the meeting. | 48 hours | 3 |
| 245 | In case of e-voting notice shall be sent as attachment in – | PDF | 1 |
| 246 | 9. In the case of an adjourned meeting the company shall give not less than _____ notice to the members | 3 days | 2 |
| 247 | Which one of the following is not correct? | Managing Director is the Chairman of the meeting. | 3 |
| 248 | Which of the following is the method of voting? | All of the above; | 4 |
| 249 | A poll demanded on any question shall be taken within _____ from the time when the demand was made. | 48 hours. | 4 |
| 250 | Which one cannot be transacted through postal ballot? | Appointment of auditor; | 1 |
| 251 | The assent or dissent received after _____ days in postal ballot, from the date of issue of notice, shall be treated as if no reply has been received from the member. | 30 | 3 |
| 252 | If any inspection is refused or if any copy required is not furnished within the specified time, the company shall be liable to a penalty of _____ | Rs.25000 | 2 |
| 253 | The minimum number of directors for a public company is- | 3 | 3 |
| 254 | What is the paid up share capital fixed for the appointment of a woman director? | Rs.100 crores | 1 |
| 255 | The appointment of an independent director shall be approved by the _____ | General meeting; | 2 |



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| SL NO | QUESTIONS | CORRECT ANSWER | ANSWER CODE |
|-------|---|---|-------------|
| 256 | The tenure of director appointed by small share holders shall be- | 3 years | 3 |
| 257 | No independent director shall hold office for more than consecutive terms. | 2; | 2 |
| 258 | Which public company is required to appoint independent director” | Any of the above. | 4 |
| 259 | Which one of the following is not the criterion for the appointment of independent director? | He shall relate to the promoters of the company; | 2 |
| 260 | A director may be elected by small share holders upon a notice by- | Not less than 1000 small shareholders or one tenth of such shareholders, whichever is lower; | 3 |
| 261 | At every AGM, not less than of the total number of directors shall retire by rotation. | Two third; | 2 |
| 262 | The minimum age prescribed for the appointment of Managing Director is- | 21 years; | 2 |
| 263 | The relationship between laws and ethics is: | Complex | 1 |
| 264 | Many laws are to ethics of time: | Representative | 3 |
| 265 | Law gives us a certain right because all humans are born : | Equal | 1 |
| 266 | The role of accounting in problem solving is to provide information useful in alternatives: | Evaluating | 2 |
| 267 | Ethics are the set of moral principles that guide a person’s | Behaviour | 1 |
| 268 | The following is the disadvantage of business ethics: | Diversity in achievements | 4 |
| 269 | A sale is complete when the following is transferred from one. | Ownership | 2 |
| 270 | The Consideration in contract of sale must be: | Price | 3 |
| 271 | The subject matter of the contract must be: | Sale | 1 |
| 272 | On which date was the Sale of Goods enforced? | 1930 | 2 |
| 273 | As per Sale of Goods Act, this is not included: | Money | 2 |
| 274 | The term property as used in the sale of goods act ,1930 means | Ownership | 2 |
| 275 | The doctrine of caveat emptor applies----- | when the buyer does not intimate the purpose to the seller and depends upon his own skill and judgement | 2 |
| 276 | Under Sale of Goods Act, which of the delivery of goods is called as delivery by attornment? | Constructive | 3 |
| 277 | Where the price of the goods under a contract of sale is to be fixed by the valuation of a third party who fails to fix the valuation, but goods are supplied to the buyer, under section 10 of the Sale of Goods Act, 1930, the buyer is | liable to pay the reasonable price of the goods. | 1 |
| 278 | In case of breach of warranty the buyer can | Claim damages only | 2 |
| 279 | The main objective of a contract of sale is | transfer of property in goods | 2 |
| 280 | Risks follows ownership | whether delivery has been made or not | 3 |
| 281 | In an agreement to sell , the seller can sue for price if | there is a specific agreement | 3 |
| 282 | Where there is an unconditional contract for the sale of specific goods in a deliverable state, the property in the goods passes to the buyer when | the contract is made | 3 |
| 283 | If the contract is silent as to the party who is to appropriate the goods | the party who under the contract is first to act is to appropriate | 3 |
| 284 | Where there is no specific agreement as to place , the goods sold are to be delivered at the place | at which they are at the time of sale | 1 |
| 285 | A seller delivers goods in excess of the quantity ordered for. The buyer may | Any of the above | 4 |
| 286 | Where the neglect or refusal of the buyer to take delivery of goods amounts to a repudiation of the contract ,the seller may sue for the | price or damages | 1 |
| 287 | The lien of an unpaid seller depends on | possession | 1 |
| 288 | An unpaid seller has not given notice of resale to the buyer there is a profit. The unpaid seller | is bound to hand it over to the buyer | 1 |
| 289 | An unpaid seller can exercise the right of stoppage in transit when the carrier holds the goods | in his own name | 4 |
| 290 | An auction sale is complete on the. | fall of hammer | 1 |
| 291 | Auction sale is also known as | public sale | 1 |
| 292 | Consideration and object of an agreement is unlawful if it | is fraudulent | 1 |
| 293 | Where the seller appoints his person to bid at the auction sale without informing to bidder, it is called as | pretend bidding | 2 |



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|-------|--|--|-------------|
| 294 | An unlawful act by which an intending purchaser is prevented from bidding or raising the price at an auction sale is known as | damping | 3 |
| 295 | In a sale , there is an implied condition on the part of the seller that he | has a right to sell the goods | 1 |
| 296 | In a contract of sale , unless goods are ascertained , there is | an agreement to sale | 2 |
| 297 | There is a constructive delivery of goods - | where a third person in possession of the goods acknowledges to the buyer that he holds them on his behalf | 2 |
| 298 | Unless otherwise agreed , where goods are delivered to the buyer and he rejects them | it is sufficient if he intimates to the seller that he has rejected the goods | 2 |
| 299 | if a seller makes use of pretended bidding at an auction to raise the price ,the sale is | voidable at the option of the buyer | 1 |
| 300 | What does the principle of Double Jeopardy protect against? | Being prosecuted and punished for the same offence more than once | 3 |
| 301 | What is the time limit for the Council of States to return a Money Bill with its recommendations? | 14 days | 2 |
| 302 | Settlement of disputes outside the court is aimed at: | Avoiding court procedures and finding mutually agreeable solutions | 4 |
| 303 | The phrase “party-centric approach” in mediation means: | The control of the process lies with the disputing parties | 3 |
| 304 | Which law governs the functioning of Lok Adalats when a case is referred to them by a civil court? | Legal Services Authorities Act, 1987 | 1 |
| 305 | What is a defining characteristic of supreme legislation? | It cannot be controlled or checked by any authority other than the sovereign itself | 3 |
| 306 | What does ratio decidendi refer to in a judicial decision? | The principle or reason underlying the decision | 3 |
| 307 | What is the legal assumption when parties enter into an agreement related to a trade? | They contract according to the established conventions or usages of that trade | 4 |
| 308 | What has led to the rise of e-contracts? | Changes in technology and legal requirements | 1 |
| 309 | How are e-contracts generally created and deployed? | By a software system that models, specifies, and executes the contract | 3 |
| 310 | If an Indian citizen has a legal dispute with a foreign sovereign, what is the typical outcome under Indian law? | The Indian citizen cannot sue the foreign sovereign | 3 |
| 311 | Rohan, a 17-year-old boy, approached a car dealership and expressed interest in buying a second-hand car. He falsely claimed that he was 21 years old and showed a fake ID to support his claim. The dealership, relying on his representation, sold him the car on credit. After a few months, Rohan refused to pay the remaining amount, claiming he was a minor when the contract was made. The dealership sued Rohan, arguing that he should be estopped from denying his age due to his earlier misrepresentation. Can Rohan be held liable for the payment based on the law of estoppel? | No, because the law of estoppel does not apply against a minor. | 2 |
| 312 | Which of the following best defines 'ratification' in contract law? | Approval or confirmation of a previous act or agreement | 2 |
| 313 | Who is considered an 'alien enemy' under Indian contract law? | A citizen of a country at war with India | 3 |
| 314 | Which of the following statements is TRUE regarding an agreement with an alien enemy? | It is void unless permitted by the Indian Government. | 1 |
| 315 | Under Indian law, a contract must be performed within: | A fixed or reasonable time as per the terms or nature of the contract | 3 |
| 316 | What does 'merger' in contract law refer to? | Absorption of inferior contractual rights into superior rights under a new contract | 3 |



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BUSINESS LAWS AND ETHICS (PAPER - 5) ANSWERS TO MCQ BANK

| SL NO | QUESTIONS | CORRECT ANSWER | ANSWER CODE |
|-------|--|--|-------------|
| 317 | What does the legal maxim “ex nudo pacto non oritur actio” mean in contract law? | No action arises from a bare (nude) promise | 1 |
| 318 | Which statement best describes a tripartite agreement? | An agreement involving three parties, each with specific roles | 2 |
| 319 | In bailment, the goods must be returned or otherwise disposed of according to whose directions? | Bailor | 2 |
| 320 | A borrower received goods gratuitously for use for 6 months. The lender demands early return after 3 months. The borrower has made investments relying on the 6 months' use causing loss if returned early. What is the lender's liability? | Must indemnify the borrower for loss exceeding the benefit derived | 3 |
| 321 | The finder of goods can sue the owner for compensation only if: | A specific reward was publicly offered for returning the goods | 2 |
| 322 | What is the term for a tacit or implied agreement among prospective bidders to limit competition by refraining from bidding against each other in an auction? | Knock-out Agreement | 2 |
| 323 | What does “deliverable state” mean in the context of a contract of sale? | Goods are ready for delivery, and the buyer is bound to take delivery under the contract | 2 |
| 324 | In the case of an agreement to sell, the seller is expected to have the right to sell the goods: | At the time when property is to pass | 3 |
| 325 | Under Section 29, a person in possession of goods under a voidable contract can transfer good title to the buyer if: | The buyer purchases the goods in good faith and without notice of the defect in title | 2 |
| 326 | What is the effect if a voidable contract is rescinded before the sale of goods? | The buyer cannot get a good title | 3 |
| 327 | Under Section 24, when does the property not pass to the buyer, even though the buyer is in possession of the goods? | Buyer rejects the goods within the stipulated time | 1 |
| 328 | If an unpaid seller resells the goods after exercising the right of lien or stoppage in transit, what kind of title does the new buyer acquire? | A good title, even if the resale is not justified | 4 |
| 329 | In a non-severable contract, the buyer has accepted part of the goods. What is the legal effect of a breach of condition by the seller? | Buyer can only treat it as a breach of warranty | 2 |
| 330 | Under what condition can a seller or someone on their behalf bid at an auction? | Only when expressly reserved | 2 |
| 331 | When goods are put up for sale in lots at an auction, what is the legal status of each lot? | Each lot is deemed a separate contract of sale | 3 |
| 332 | The acquisition of which is contingent upon happening or non-happening of certain events will be treated as | Contingent goods | 3 |
| 333 | Mr. X has obtained a laptop from Mr. Y by fraud. Mr. X has a voidable title at the option of Mr. Y. Before Mr. Y could rescind the contract, Mr. X sold the same laptop to Mr. Z who purchased it in good faith and without knowledge of the fraud by Mr. X and paid for it. In this case: | Mr. Z has a good title to the goods | 1 |
| 334 | The rule as to passing of property as laid down in Sec 20 of Sale of the Sale of Goods Act, shall happen when, | The contract is made | 3 |
| 335 | Which of the following is true regarding instalment delivery under Section 38? | Whether a breach repudiates the contract depends on its severity and context | 4 |
| 336 | In the absence of a lien over the goods, what is the seller required to do? | Return the goods to the Official Receiver or Assignee | 1 |
| 337 | Fixing of a definite price in a contract of sale is considered a: | Sine qua non (essential requirement) | 3 |
| 338 | A cheque in electronic form is drawn using: | A computer resource and digital/electronic signature | 2 |
| 339 | Who is always the drawee in a cheque transaction? | The bank on which the cheque is drawn | 2 |
| 340 | The promissory note is defined under which section of the Negotiable Instruments Act, 1881? | Section 4 | 2 |
| 341 | What type of liability does the maker of a promissory note have? | Primary and absolute | 4 |
| 342 | An inland instrument is one that is: | Made and payable in India, or drawn upon a person resident in India | 2 |



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|-------|---|---|-------------|
| 343 | Which of the following are considered inland instruments? | Promissory notes, bills of exchange, or cheques drawn or made in India payable in India | 3 |
| 344 | What is an 'allonge' in the context of negotiable instruments? | A slip of paper attached to the instrument for endorsement | 4 |
| 345 | A bill of exchange is drawn by Ram in Germany (interest rate 20%) and accepted by Rahul, payable in France (interest rate 5%). After being endorsed in India, the bill is dishonoured. If the holder files a case against Rahul in India, what rate of interest should the court apply? | 5% | 1 |
| 346 | When is a bill of exchange considered to be accepted? | When the drawee signs it and delivers it or notifies the holder | 3 |
| 347 | How can a partnership at will be dissolved? | By notice from any partner | 4 |
| 348 | A secret partner is: | Not known to the public | 2 |
| 349 | The liability of a secret partner is: | Unlimited, like other partners | 3 |
| 350 | Which of the following is true regarding remuneration to a partner? | A partner is not entitled to remuneration for participating in business conduct | 2 |
| 351 | When must a firm indemnify a partner? | For payments or liabilities incurred in ordinary business or in emergencies | 1 |
| 352 | According to Section 34, when a partner is adjudicated insolvent, he: | Ceases to be a partner from the date of the adjudication order | 2 |
| 353 | After attaining majority, the minor must: | Give notice to the Registrar regarding his decision | 2 |
| 354 | According to Section 48, losses, including capital deficiencies, are to be paid: | Out of profits, then capital, then by partners individually | 2 |
| 355 | The residue, if any remains after all payments, is: | Divided in profit-sharing ratios | 4 |
| 356 | Which of the following best describes the legal nature of an LLP? | Separate legal entity from its partners | 2 |
| 357 | Which of the following is not considered a body corporate under the LLP Act? | Co-operative society | 2 |
| 358 | Which of the following disqualifies a person from becoming a partner in an LLP? | Being an undischarged insolvent | 2 |
| 359 | According to Rule 9, a person cannot be appointed as a designated partner if: | He has been adjudged insolvent within the last five years | 3 |
| 360 | Who must sign the Statement of Account and Solvency of an LLP? | Designated partners | 4 |
| 361 | Which of the following is NOT a valid ground recognized for lifting the corporate veil according to the passage? | Simplifying financial reporting requirements | 1 |
| 362 | If a person is already a nominee in one OPC and becomes a member in another OPC due to the death of its member, how long does the person have to restore eligibility? | 180 Days | 3 |
| 363 | As per Section 32, when must the Red Herring Prospectus be filed with the Registrar? | At least 3 days before the opening of the subscription list and the offer | 3 |
| 364 | Which of the following must be highlighted in the final prospectus when compared to the Red Herring Prospectus? | Variations between the RHP and the final prospectus | 2 |
| 365 | What must be printed or stamped prominently on a duplicate share certificate? | "Duplicate Issued in Lieu of Share Certificate No. " | 3 |
| 366 | Under Section 41 of the Companies Act, 2013, a company can issue Global Depository Receipts (GDRs) in: | Foreign currency only | 2 |
| 367 | As per Section 92 of the Companies Act, 2013, every company is required to prepare its Annual Return in which form? | MGT-7 | 3 |
| 368 | In a public company with 4999 members, what is the minimum quorum required? | 15 members personally present | 2 |
| 369 | As per Section 153 of the Companies Act, 2013, no individual shall be appointed as a director of a company unless: | He has been allotted a Director Identification Number (DIN) or such other number as may be prescribed | 4 |
| 370 | Both Financial Controllers and Operational Controllers are involved in: | Budgeting, forecasting, and financial reporting | 2 |



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|-------|--|--|-------------|
| 371 | Which of the following attributes of Emotional Intelligence involves the ability to control impulsive feelings and behaviors? | Self-management | 4 |
| 372 | Corporate responsibility refers to a business's responsibilities towards: | Its employees, customers/clients, and sometimes board of directors | 2 |
| 373 | Which of the following is not typically considered a Key Success Factor (KSF)? | Tax depreciation | 4 |
| 374 | Which of the following best reflects integrity in decision-making? | Taking decisions fairly, free from personal gain motives | 3 |
| 375 | Which of the following activities does not fall under the definition of a "manufacturing process" under Section 2(k)? | Conducting a market survey | 1 |
| 376 | If the employer finds the gratuity claim admissible, which form must be issued to the applicant? | Form L | 2 |
| 377 | Gratuity is calculated for every completed year of service or part thereof in excess of how many months, at the rate of wages last drawn? | Six months | 3 |
| 378 | Under Section 6, who has the authority to fix the minimum rate of wages? | Appropriate Government | 3 |
| 379 | According to Section 58, no suit or prosecution shall lie against the appropriate government or its officers if the act was: | Done in good faith under the Code | 4 |
| 380 | The minimum bonus must be paid to an employee who has worked for at least how many days in an accounting year? | 30 days | 2 |
| 381 | Which of the following is not included in the definition of Key Managerial Personnel under Section 2(51) of the Companies Act, 2013? | Independent Director | 3 |
| 382 | Which section of the Companies Act, 2013 provides a member the right to requisition an extraordinary general meeting? | Section 100 | 3 |
| 383 | According to Section 2(55) of the Companies Act, 2013, who are deemed to be the first members of a company? | Subscribers to the Memorandum of the company | 2 |
| 384 | Which of the following is essential for a person to be considered a member of a company under Section 2(55)? | Agreeing in writing and having the name entered in the register of members | 3 |
| 385 | A premises where a manufacturing process is carried on without the aid of power and where how many or more workers are employed is considered a factory? | 20 or more workers | 4 |
| 386 | Which of the following is excluded from the definition of factory as per Section 2(m)? | Mobile unit belonging to the armed forces of the Union | 1 |
| 387 | Under Section 11 of the Factories Act, every factory must be kept clean and free from: | Effluvia from drains, privies, or other nuisances | 3 |
| 388 | How often must the floors of every workroom be cleaned as per Section 11? | Once in every week | 3 |
| 389 | As per Section 11, effective _____ must be provided to remove water from the premises. | Drainage | 1 |
| 390 | Latrines and urinals should be located so that they are: | Conveniently situated and accessible to workers at all times | 3 |
| 391 | As per Section 19 of the Factories Act, every factory must provide: | Sufficient latrine and urinal accommodation of prescribed types | 2 |
| 392 | Under Section 105 of the Companies Act, 2013, a proxy can be appointed by a: | Member | 2 |
| 393 | Which section of the Companies Act, 2013 deals specifically with proxies? | Section 105 | 4 |
| 394 | Which of the following businesses is generally considered an "ordinary business" at an AGM? | Appointment of statutory auditor | 1 |
| 395 | Which of the following companies is not required to hold an AGM? | One Person Company (OPC) | 3 |