

CWA Inter - Stage I : Business Laws and Communication Skills - June 2010

1—7(BLC) Revised Syllabus

Time Allowed : 3 Hours

Full Marks : 100

The figures in the margin on the right side indicate full marks.
Question No. 1 which is compulsory and any three from the rest
of Section I and any two from Section II.

SECTION I (Business Laws)

- | | Marks |
|---|-------|
| 1. (a) Comment on the following statements based on legal provision (no mark for wrong reasons/justification): | 2x9 |
| (i) The appropriate Government cannot withdraw any proceedings pending before a Labour Court and transfer the same to some other Labour Court. (Ind. Disputes Act). | |
| (ii) Financial year of ABC Ltd., is from 1.4.2008 to 31.3.2009 and the company paid bonus to its employees on 14.12.2009 which is valid. | |
| (iii) A person can buy his own goods. | |
| (iv) Shareholders can overrule the decisions of the Board of Directors. | |
| (v) Gratuity cannot be paid in excess of ceiling limit prescribed by the Act. | |
| (vi) Only a consumer who buys the goods can be complainant. (Consumer Protection Act, 1986) | |
| (vii) Shareholders appointed an Auditor in the Annual General Meeting and authorized the Mg. Director by another resolution to fix the Auditor's remuneration. | |
| (viii) Mr. A sells, by auction to Mr. B, a horse which Mr. A knows to be unsound. Mr. A says nothing to Mr. B about the horse's unsoundness. Hence this is case of fraud. | |
| (ix) A small depositor means a depositor who has deposited in a financial year a sum not exceeding Rs.10,000. | |
| (b) What are the consequences for offences committed under the Water (Prevention and Control of Pollution) Act? | 4 |
| 2. (a) Comment on the following statements: | 1x4 |
| (i) Form 2 i.e. return on allotment is to be filed with the Registrar of Companies within 60 days. | |
| (ii) Appeals may be made to the Supreme Court against the orders of MRTP commission within 30 days. | |

- (iii) Total managerial remuneration payable by a Private Company which is a subsidiary of a Public Company to its directors shall not exceed 10%.
- (iv) In case of issue of shares at a discount, the rate discount shall not exceed 15%.
- (b) Mr. X was promoted although he was not eligible under service rules. What type of application can be made before the High Court by Mr. Y who is senior to Mr. X and eligible before Mr. X? 2
- (c) What are the salient features of the Cost Audit (Report) Rules, 2001 (Details of annexures need not be given in your answer)? 4
- (d) What are the remedies available to the aggrieved party in case of breach of contract? 4
- (e) Can an Extra-ordinary General Meeting be held on a Public Holidays? 2
3. State the legal consequences if any in the following cases: 2x8
- (a) When XYZ Ltd. passed one Resolution in its AGM held on 30.9.2009 appointing 3 directors.
- (b) When Mr. Paul, a Director, submitted a letter dated 1.4.2010 intimating his resignation. This letter was received by the company on 3.4.2010 but he has not received acceptance of resignation nor any intimation till 30.5.2009.
- (c) When the Proxy holder in a meeting exercises vote on an item decided by show of hands.
- (d) When ABC Ltd. whose paid-up capital 50 lakhs has not yet appointed a company secretary.
- (e) An item which was not included in the Agenda and Notice of a Board Meeting was discussed and Resolution passed.
- (f) When Profit and Loss Account and Balance Sheet do not comply with the Accounting Standard.
- (g) An agreement does not create any legal relationship or obligation.
- (h) Articles of Association has not empowered the Board to make contribution to national Defence Fund but the company paid Rs.5 lakhs to the National Defence Fund during 2009-2010.
4. (a) In case of purchase under installment system, ownership of goods passes to the buyer only when last installment is paid. – Comment. 2
- (b) In connection with issue of equity shares to the public– 1x4
- (i) Prospectus shall be filed with the SEBI at least 30 days before filing the same to the ROC.
- (ii) As per SEBI guidelines, the subscription list for public issue is to be kept open for minimum 7 working days and total period shall not exceed 15 working days.

- (iii) The amount of subscription received against issue of equity shares shall be refunded within 10 days after expiry of 120 days if minimum subscription 70% of issue price is not received.
- (iv) Advertisement for proposed issue shall be made after 15 days from the date of filing of other documents with SEBI.
- (c) Is it compulsory for every company to have a Managing Director. 3
- (d) Accounts for the year ending 31.3.2009 were adopted in the Annual General Meeting held on 28.9.2009. When the next AGM can be held? 2
- (e) State the matters which can be transacted by passing circular Resolution i.e. Resolution by Circulation. 5
5. (a) From the following information, what will be quorum for Board Meeting? 2
- (i) Directors who are in office for the time being was – 8.
- (ii) Directors as per articles of association – 10.
- (iii) No. of interested Directors – 1.
- (b) Share Cert. No.14 consisting 200 equity shares are held jointly by two persons. Hence notice for AGM shall be issued to all the Joint Holders. – Offer your views. 2
- (c) Name the business for which resolutions be passed through Postal Ballot. 6
- (d) Give correct answer in respect of following: 3+1
- (i) There is no restriction in paying interim dividend.
- (ii) Payment of interim dividend can be withdrawn even after declaration.
- (e) As per N.I. Act, the cheque is required to be presented within 3 months and on receipt of dishonored cheque from Bank, the holder of cheque shall give notice demanding payment within 15 days of receipt of intimation from Bank. Answer based on rules. 2
6. Write explanatory notes on any four: 4x4
- (a) Conciliation Officer (Industrial Disputes Act);
- (b) Duties of partners in absence of agreement;
- (c) Minimum bonus;
- (d) Current Accounts transaction (FEMA 1999);
- (e) Environment (Environment Protection Act);
- (f) Nominee Director.

SECTION II
(Communication Skill)

7. (a) Prepare an advertisement material for inviting applications for registration as vendors for supply of various products like Mechanical, Electrical, Civil, Software 8

Development etc.

- (b) Write a letter to Jet Airlines and the Airport Authorities for loss of consignment. – 7
(Assume facts).
8. (a) Prepare a caution notice to be published in a Newspaper for bidding unauthorised, 8
insertions of leaflets, pamphlets, notices etc.
- (b) Draft a show cause notice to an officer who has been regularly late in attending the 7
office. Also mention the penal actions to be taken if there is no improvement.
9. (a) Write a suitable letter to a customer whose orders could not be executed in time 8
due to unforeseen circumstances prevailing in your factory with request to grant
extension of time.
- (b) Write a report to be published in the Newspapers as part of Chairman's Speech at 7
Annual General Meeting on the operating results with prospective good results
consistently.
10. (a) Draft a suitable letter to dealers to promote the sale of newly manufactured car. 8
- (b) Write a suitable reply to a shareholder, who complained about non receipt of 7
Annual Report for 2008–2009.

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