

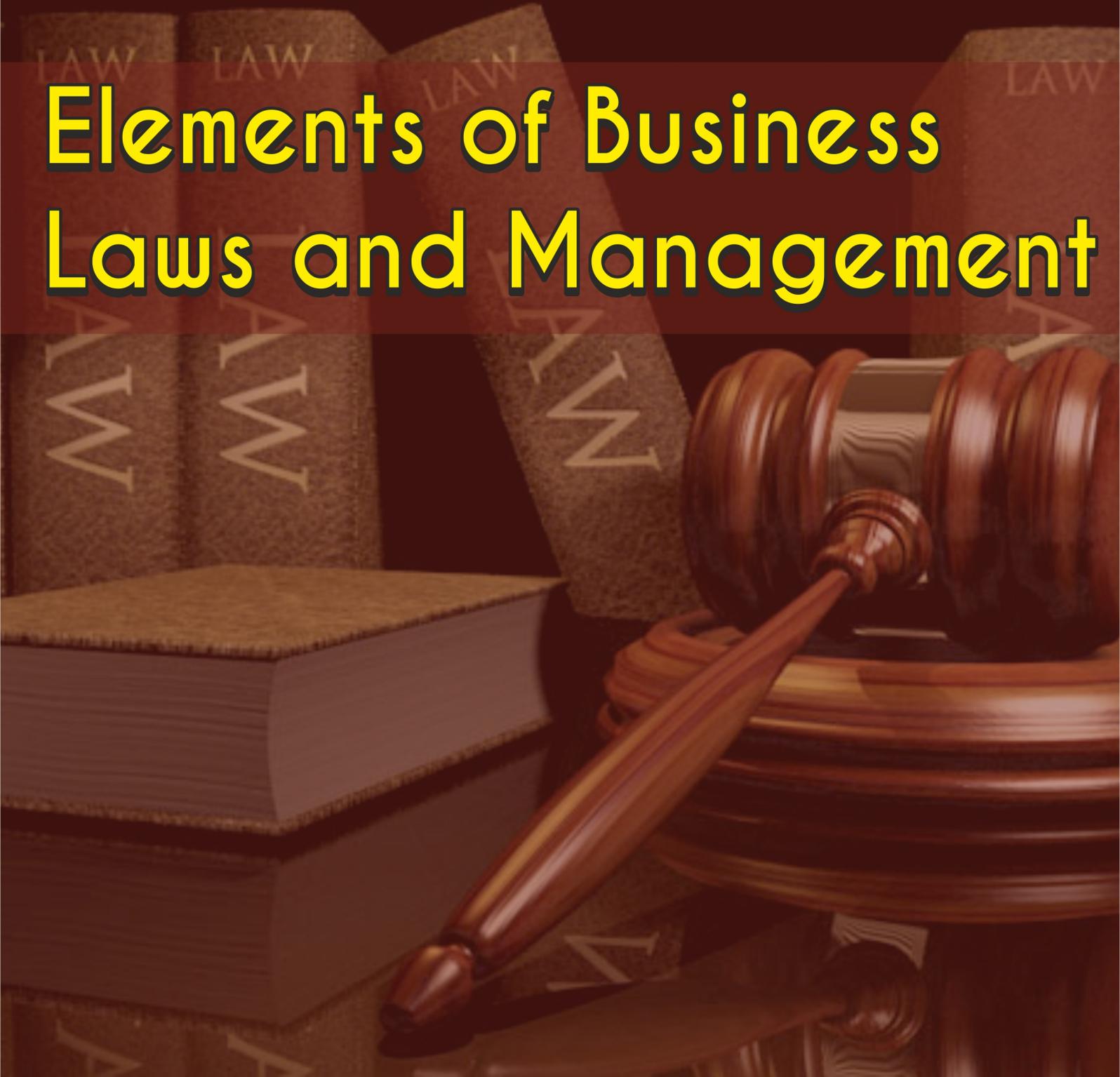
ICSI

Previous Year

Questions Papers



Elements of Business Laws and Management



Roll No.....

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 8

Total number of printed pages : 6

PART – A

(Answer Question No.1 which is compulsory
and any two of the rest from this part.)

1. (a) State, with reasons in brief, whether the following statements are correct or incorrect.

Attempt **any five** :

- (i) Wagering agreements are nothing but ordinary betting agreements.
- (ii) The person who makes or executes a promissory note promising to pay the amount stated therein is called the 'maker'.
- (iii) All essential elements of a valid contract are not necessarily be present in a contract of sale.
- (iv) Law is not static.
- (v) A voidable contract may remain valid.
- (vi) A sub-partner is liable for the debts of the firm.
- (vii) A private company is required to hold a statutory meeting.

(2 marks each)

(b) Write notes on **any two** of the following :

- (i) Principal sources of Indian law
- (ii) Persons disqualified from entering into a valid contract
- (iii) Sleeping or dormant partner
- (iv) Agency by ratification.

(5 marks each)

2. (a) Explain the difference between 'fraud' and 'misrepresentation' under the Indian Contract Act, 1872.

(5 marks)

- (b) Choose the most appropriate answer from the given options in respect of the following :
- (i) An agreement is valid under the Indian Contract Act, 1872, if –
 - (a) It creates rights of a party
 - (b) It is written on a prescribed paper and signed by the parties
 - (c) It creates legal and social obligations of the parties
 - (d) It creates legally binding rights and obligations of the parties to it.
 - (ii) The payment of negotiable instrument becomes due –
 - (a) At maturity
 - (b) Before maturity
 - (c) On 3rd day of maturity under the grace period
 - (d) After maturity.
 - (iii) The term 'goods' for the purpose of the Sale of Goods Act, 1930 does not include –
 - (a) Current money
 - (b) Actionable claims
 - (c) Immovable property
 - (d) All the above.
 - (iv) A partnership firm is compulsorily dissolved when –
 - (a) All the partners give their consent
 - (b) All the partners except one have become insolvent
 - (c) The business of the firm becomes illegal
 - (d) All the above.
 - (v) A negotiable instrument 'payable to order' can be negotiated –
 - (a) Only by mere delivery
 - (b) Only by endorsement
 - (c) Only by endorsement and delivery
 - (d) Only by registered post.

(1 mark each)

- (c) Re-write the following sentences after filling-in the blank spaces with appropriate word(s)/figure(s) :
- (i) Principle of *estoppel* _____ apply against a minor.
 - (ii) The liability of a surety is _____ with that of the principal debtor.

- (iii) If there is a breach of a condition in a contract of sale of goods, the other party gets a right to _____ the contract.
- (iv) Only an _____ can be appointed as a director of a company.
- (v) A cheque is either 'open' or _____.

(1 mark each)

3. (a) Amar offers by advertisement a reward of Rs.1,000 to any one who returns his lost bag. Bahadur finds the bag and brings it to Amar, without having knowledge of the offer of reward. Is Bahadur entitled to the reward ? Give reasons.

(5 marks)

- (b) Avdesh contracts to sell a piece of silk to Bupesh. Bupesh thinks it is Chinese silk. Avdesh knows that Bupesh thinks so, but Avdesh knows that it is English silk. Avdesh does not correct Bupesh's impression. Subsequently, Bupesh discovers that it is not Chinese silk. Can he repudiate the contract ? Discuss.

(5 marks)

- (c) Aman, Bhuvan and Chaman are partners in a partnership firm. Their firm is unregistered. After sometime, Aman and Bhuvan decide to get their firm registered. They request Chaman also to put his signature on the registration papers. Chaman refuses to do so. Now Aman and Bhuvan file a suit against Chaman for compelling him to join in the registration of firm. Will they succeed ? Give reasons.

(5 marks)

4. (a) Amrit's wife Barkha paid Rs. 5,000 to Chandan to be given as a bribe to a jailor for procuring the release of her husband from jail. The jailor failed to procure the release. Can Barkha recover the amount ? Give reasons.

(5 marks)

- (b) Explain the meaning of the term 'negotiable instrument' as per the Negotiable Instruments Act, 1881. What are its important characteristics ?

(5 marks)

- (c) Explain briefly the provisions of the Companies Act, 1956 regarding holding of an annual general meeting.

(5 marks)

P A R T – B

(Answer Question No.5 which is compulsory and any two of the rest from this part.)

5. (a) State, with reasons in brief, whether the following statements are correct or incorrect. Attempt **any five** :

- (i) Organisation is more a process than a function.
- (ii) Planning is an intellectual process.
- (iii) Functional departmentation is the best in a dynamic business environment.
- (iv) Upward communication is more participative in nature.
- (v) Delegation is dividing the work, authority and responsibility with the subordinates.
- (vi) Coordination is the essence of managership.

(2 marks each)

- (b) Write notes on **any two** of the following :

- (i) Social responsibility of business towards employees and government
- (ii) Benefits and limitations of informal organisation
- (iii) Principles of decision-making
- (iv) Traits theory of leadership.

(5 marks each)

6. (a) What is 'resistance to change' ? How can it be overcome by management ? Explain in brief.

(5 marks)

- (b) Choose the most appropriate answer from the given options in respect of the following :

- (i) The environment of a business enterprise consists of several segments which may be classified as –
 - (a) Social and economic
 - (b) Political
 - (c) Technological
 - (d) All the above.
- (ii) 'Line organisation' is related with –
 - (a) Grouping of industrial activities to six
 - (b) Vision and foresight
 - (c) Ability to accept unexpected changes
 - (d) Unity of command.

- (iii) For a good decision-making, in an organisation, committees are formed in relation to –
- (a) Written rules, regulations and official records
 - (b) Management information system
 - (c) Behavioural approach
 - (d) A democratic process.
- (iv) In a realistic sense, planning process does not comprise determination and laying down of –
- (a) Objectives and policies
 - (b) Unity of command, discipline and division of work
 - (c) Rules and regulations
 - (d) Programmes and budgets.
- (v) From the managerial point of view, policies are –
- (a) Guide to thinking in decision-making
 - (b) All the activities of management
 - (c) A series of steps to be taken
 - (d) The outlines of plan of work to be carried out in proper sequence.

(1 mark each)

- (c) Re-write the following sentences after filling-in the blank spaces with appropriate word(s)/figure(s) :

- (i) Informal communication is called _____.
- (ii) Henri Fayol is the father of _____.
- (iii) Budgeting is the tool of both planning and _____ functions of management.
- (iv) Accountability denotes _____ for accomplishment of the task.
- (v) 'Authority' may be described as the right of a manager to command _____.

(1 mark each)

7. Write notes on **any three** of the following :

- (i) Maslow's hierarchy of needs theory of motivation
- (ii) Factors determining the morale
- (iii) Transactional analysis
- (iv) Matrix organisation.

(5 marks each)

8. (a) Explain in brief the reasons for conflict between 'line' and 'staff' personnel in an organisation. *(5 marks)*
- (b) State the various steps to be taken in decision-making. *(5 marks)*
- (c) What do you mean by the term 'control' ? What are the essentials of effective control ? *(5 marks)*

-- o --

Roll No.....

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 8

Total number of printed pages : 4

P A R T – A

*(Answer Question No.1 which is compulsory
and any two of the rest from this part.)*

1. (a) State, with reasons in brief, whether the following statements are correct or incorrect. Attempt **any five** :

- (i) Performance of the terms and conditions of an offer amounts to acceptance.
- (ii) Agreement to sell is an executed contract.
- (iii) Post-dated cheque is a valid negotiable instrument.
- (iv) A sleeping partner is not liable to the third parties for the debts of the firm.
- (v) An agreement entered into with a minor may be ratified on his attaining age of majority.
- (vi) A company can be appointed as a director of another company.
- (vii) An agent is a mere connecting link between the principal and a third party.

(2 marks each)

(b) Re-write the following sentences after filling-in the blank spaces with appropriate word(s)/figure(s) :

- (i) The person who gives the guarantee is called the _____.
- (ii) When neither the bailor nor the bailee is entitled to any remuneration, such a contract is known as _____ bailment.
- (iii) A government company is one in which not less than _____ per cent of the paid-up share capital is held by the government.
- (iv) The communication of the offer may be general or _____.
- (v) Delivery of goods means _____ transfer of possession of goods from one person to another.

(1 mark each)

(c) Aman, Raman and Chaman were joint-owners of a truck and possession of the said truck was with Raman. Sudhir purchased the truck from Raman without knowing that Aman and Chaman were also co-owners of the truck. Decide in the light of the provisions of the Sale of Goods Act, 1930 whether the sale between Raman and Sudhir is valid.

(5 marks)

2. Distinguish between **any three** of the following :

- (i) 'Void agreement' and 'illegal agreement'.
- (ii) 'Negotiability' and 'assignability'.
- (iii) 'Company' and 'club'.
- (iv) 'Sale' and 'hire-purchase'.

(5 marks each)

3. Attempt **any three** of the following :

- (i) Explain the provisions of the Companies Act, 1956 relating to appointment of directors by the Board of directors.
- (ii) What is 'customary law' ? How will you classify customs ?
- (iii) Suresh, an agent, has authority from his principal Bhupesh to sell goods on credit. Suresh sells goods on credit to Chandan without making proper enquiries about Chandan's financial status. At the time of sale, Chandan was insolvent. Is Suresh under a liability to compensate his principal Bhupesh ? Why ?
- (iv) Explain the essentials of partnership.

(5 marks each)

4. Attempt **any three** of the following :

- (i) Summarise the provisions of the Companies Act, 1956 relating to an extra-ordinary general meeting of a public limited company.
- (ii) What is the concept of *quantum meruit* ?
- (iii) When must the banker refuse payment of a cheque ?
- (iv) "Registration of partnership firm is not compulsory, yet it is desirable." Comment.

(5 marks each)

P A R T – B

*(Answer Question No.5 which is compulsory
and any two of the rest from this part.)*

5. (a) State, with reasons in brief, whether the following statements are correct or incorrect.

Attempt **any five** :

- (i) Planning is removing uncertainties and risk about future.
- (ii) Informal organisations exist away and outside the formal organisations.
- (iii) Organisational structure should not be static.

- (iv) Organisation development includes management development.
- (v) Co-ordination is the essence of management.
- (vi) Recruitment means rejection of candidates.
- (vii) Decision making involves choosing the best among various alternatives.

(2 marks each)

- (b) Re-write the following sentences after filling-in the blank spaces with appropriate word(s)/figure(s) :

- (i) Management is an _____ system because it is affected by and affects environment.
- (ii) Planning is an _____ process because it involves conceptualisation of the problem, identification and selection of options and design of action programme.
- (iii) Informal communication is also known as _____.
- (iv) Two important means of directing are (a) orienting the employees, and (b) _____.
- (v) Zero base budgeting means budgeting from _____.

(1 mark each)

- (c) Explain **either** of the following :

- (i) Essential elements of controlling
- (ii) *Laissez faire* approach of leadership.

(5 marks)

6. Distinguish between the following :

- (i) 'Motivation' and 'morale'.
- (ii) 'Delegation' and 'decentralisation'.
- (iii) 'Policies' and 'procedures'.

(5 marks each)

7. Attempt **any three** of the following :

- (i) What is 'manpower planning' ? What are its main benefits ?
- (ii) Define 'span of control'. What factors influence the span of control ?
- (iii) Discuss briefly misuse of committees.
- (iv) "Effective co-ordination is a matter of judicious application of general principles." Discuss.

(5 marks each)

8. Attempt **any three** of the following :

- (i) What is 'performance appraisal' ? Explain the method of appraisal by results.
- (ii) What is 'resistance to change' ? How can it be overcome by management ?
- (iii) Explain 'financial audit' and 'management audit'.
- (iv) Discuss the steps involved in the effective communication process.

(5 marks each)

-- o --

Roll No.

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 8

Total number of printed pages : 4

PART – A

*(Answer Question No.1 which is compulsory
and any two of the rest from this part.)*

1. (a) State, with reasons in brief, whether the following statements are true or false. Attempt *any five* :
- (i) The liability of a sleeping partner is limited.
 - (ii) The Indian Contract Act, 1872 is not exhaustive on the law of contract.
 - (iii) Cheques are always payable on demand.
 - (iv) Future goods can be the subject matter of sale.
 - (v) Continuing guarantee cannot be revoked.
 - (vi) A minor cannot be a full-fledged partner in a partnership firm.
 - (vii) A foreign company cannot be incorporated in India.

(2 marks each)

- (b) Re-write the following sentences after filling-in the blank spaces with appropriate word(s)/figure(s) :

- (i) A partnership comes into existence by means of _____ between the partners.
- (ii) The entire process of the company formation may be divided into _____ distinct stages.
- (iii) Minor's _____ is liable for necessaries of life supplied to him.
- (iv) A public company must have at least _____ members.
- (v) A negotiable instrument may be transferred by negotiation or by _____.

(1 mark each)

: 2 :

- (c) Mohan, a singer agrees to sing at Twinkle's theatre for a certain period. He further agrees that during the prescribed period, he will not sing at any other theatre. Afterwards, Mohan makes a contract with Sohan to sing at his theatre during that period and refuses to sing at Twinkle's theatre. What remedies Twinkle has against Mohan ? Give reasons.

(5 marks)

2. Distinguish between *any three* of the following :

- (i) 'Negotiability' and 'assignability'.
- (ii) 'Sale' and 'bailment'.
- (iii) 'Particular lien' and 'general lien'.
- (iv) 'Manager' and 'managing director' of a company.

(5 marks each)

3. Attempt *any three* of the following :

- (i) Enumerate the sources of Indian mercantile law.
- (ii) Write a note on 'material alteration'.
- (iii) When is an 'agency' irrevocable ? Explain.
- (iv) What is *quantum meruit* ?

(5 marks each)

4. Attempt *any three* of the following :

- (i) Amit is the payee of an order cheque. Bhanu steals the cheque and forges Amit's signature and endorses the cheque in his own favour. Bhanu then endorses it to Chander who takes the same in good faith and for valuable consideration. Is Chander a holder in due course ? Give reasons.
- (ii) Sandeep is a jeweller. He deals in artificial jewellery. Sandeep sells his business to Kuldeep and also charges for the goodwill. Sandeep further agrees with Kuldeep that he will not do the business in artificial jewellery as well as in real jewellery within local limits and for a certain period of time. Is this a valid contract ? Give reasons.
- (iii) "No one can question the validity of a certificate of incorporation of a company once it is issued." Comment on this statement.
- (iv) "Promoters stand in a fiduciary relation *vis-a-vis* the company they promote." Comment on this statement.

(5 marks each)

: 3 :

PART — B

(Answer Question No.5 which is compulsory and any two of the rest from this part.)

5. (a) State, with reasons in brief, whether the following statements are true or false. Attempt *any five* :
- (i) No manager can be successful without understanding employees' motivation.
 - (ii) The process of recruitment and selection is the same.
 - (iii) Decision making involves choosing the best among various alternatives.
 - (iv) Co-ordination is the essence of management.
 - (v) Planning and controlling are complementary to each other.
 - (vi) High morale is always associated with high productivity.
 - (vii) Controls are always bad and therefore resented.

(2 marks each)

- (b) Re-write the following sentences after filling-in the blank spaces with appropriate word(s)/figure(s) :

- (i) Management is the _____ of defining organisational goals.
- (ii) Policies are _____ to objectives.
- (iii) Delegation is the _____ to get results through others.
- (iv) Staffing is the function by which managers build an organisation through the recruitment, _____ and development of individuals as capable employees.
- (v) Maslow's Theory of Need Hierarchy consists of five needs, viz., physiological needs; security needs; social needs; _____ ; and self-actualisation needs.

(1 mark each)

- (c) Explain *any one* of the following :

- (i) Principles of decision-making.
- (ii) Informal organisation.

(5 marks)

6. Distinguish between *any three* of the following :

- (i) 'Wide span of management' and 'narrow span of management'.
- (ii) 'Policies' and 'strategies'.
- (iii) 'Management development' and 'organisation development'.
- (iv) 'Financial audit' and 'management audit'.

(5 marks each)

7. Attempt *any three* of the following :

- (i) Discuss 'matrix organisation'.
- (ii) Describe 'management by objectives' as a technique of performance appraisal.
- (iii) What are the essentials of a sound motivational system ? Explain.
- (iv) "Controls must aim at performance and not at people." Comment.

(5 marks each)

8. (a) Explain basic approaches followed by managers for the direction of subordinates.

(5 marks)

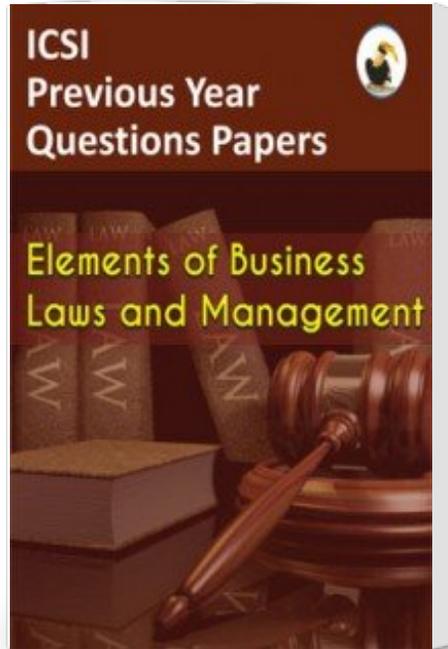
(b) Discuss the utility of planning. Are there any limitations of planning ? Explain.

(5 marks)

(c) Discuss in brief, the social responsibility of business towards community.

(5 marks)

ICSI Elements of Business Laws and Management Question Paper



Publisher : ICSI

Author : ICSI

Type the URL : <http://www.kopykitab.com/product/1280>



Get this eBook