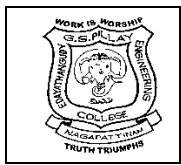
	E.G.S. PILLAY ENGINEERING COLLEGE (An Autonomous Institution, Affiliated to Anna University, Chennai) Nagore Post, Nagapattinam – 611 002, Tamilnadu.	Rev.0 COE/2017/QB
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1702BA106 LEGAL ASPECTS OF BUSINESS				
Academic Year :	2018-2019	Question Bank	Programme :	MBA
Year / Semester :	I / I		Course Coordinator:	Ms.L.Aarthi Mrs .G.Divya Bharathi

Course Objectives	Course Outcomes:
1. To instill the students an awareness of legal framework within which the businesses function. 2. To understand the basics of various direct and indirect tax regimes and their implications. 3. To gain an insight into Consumer Protection Act and cyber law.	On completion of the course, students will be able to CO1: Interpret the concepts of Commercial laws. CO2: Analyze the concept of sales goods act CO3: Understand the issue faced by the organization. CO4: Get knowledge about industrial law. CO5: Explain the concepts relevant to income tax sales and GST CO6: Summarize the cyber laws and ethical and unethical practices in organization.

PART – A (2 Mark Questions With Key)

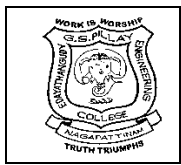
S.No	Questions	Mark	COs	BTL
UNIT I – COMMERCIAL LAW				
1	What is Law? Law is those principles applied by the state in the administration of justice.	2	1	K1
2	Define contract. “An Agreement enforceable by law”	2	1	K1
3	What are void Agreements? It is an agreement which is not enforceable by law. a) An agreement made without consideration is void. b) An agreement, the consideration of which is unlawful is void.	2	1	K1
4	List out the essential parts of formation of a contract. Offer and acceptance Consideration Competency to contract Free consent Lawful object	2	1	K1
5	What do you understand by Breach of contract? Violation or contravention with regard to fulfillment of the terms and conditions incorporated in an agreement.	2	1	K1
6	What is contract of sale? “A contract whereby the seller transfer or agrees to transfer the property in goods to the buyer for a price”.	2	1	K1
7	What is quasi contract? Quasi contract is a binding obligation that is imposed by the court to avoid injustice or unjust enrichment.	2	1	K1
8	What is Negotiable Instrument? A negotiable instrument is a written order promising to pay a sum of money. Example: promising note, bill of exchange, cheque.	2	1	K1
9	Define agency. An ‘agent’ is a person employed to do any act for another or to represent another in dealings with third persons.	2	1	K1
10	What is Agency by Estoppels? A person by his conduct or statements induced others to believe that a certain person is his agent, he is estopped from denying it.	2	1	K1
11	What is meant by valid contract? A contract is an agreement, enforceable by law, made between at least two parties by which rights are acquired by one and obligations are created on the part of another.	2	1	K1



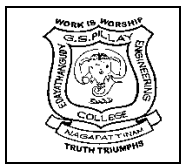
12	Differentiate condition and warranty in sales contract? A condition is a term which is essential to the main purpose of the contract and hence is the foundation of the contract. A warranty is a term which is collateral to the main purpose of the contract and hence is only a subsidiary promise.	1 1 1	1 1	K1
13	Who is a “holder in due course”? ‘Holder in due course’ means any person who for consideration and in good faith become the processor of a negotiable instrument, to order before the amount mentioned in it become payable.	2	1	K1
14	What is transfer of title? The main purpose of a contract of sales is the transfer of ownership of the goods from a seller to a buyer.	2	1	K1
15	List the remedies for breach of contract? a. Rescission of the contract b. Suit for damages c. Suit upon Quantum meruit. d. Suit for specific performance of the contract. e. Suit for Injunction.	2	1	K1

UNIT II COMPANY LAW

1	Define a company. A group of persons associated together for an attainment of a common end.	2	3	K1
2	State any two differences between a public company and a private company. Private company 1. Minimum paid-up capital is Rs. 1,00,000 2. Minimum number of persons required to form is 2 and maximum number of members is 50 Public company 1. Minimum paid up capital is Rs. 5,00,000 2. Minimum number of persons required to form a public company is 7 and maximum is no restriction	1 1	3	K1
3	What is memorandum of Association? Contains the fundamental conditions upon which the company can be incorporated.	2	3	K1
4	What are articles of Association? Govern the management of its internal affairs and the conduct of its business. They define the duties, rights, powers and authority of the shareholders and the directors.	2	3	K1
5	Define Prospectus. “Any document described or issued as a prospectus and includes any notice, circular advertisement or other document inviting deposits from the public or inviting offers or purchase of any shares”.	2	3	K1
6	Define Director. “Member of the governing body of a company and takes part in planning, conducting and controlling its affairs”.	2	3	K1
7	What are the modes of winding up? a. Compulsory winding up by the court b. Voluntary winding up by members well as creditors of the company. c. Winding up under the supervision of the court.	2	3	K1
8	Define Winding up of a company. The process whereby company life is ended and its property administrated for the benefit of its creditors and members.	2	3	K1
9	What is corporate governance? Corporate governance is the economic legal and institutional environment that allows companies diversify, grow, restructure and exist, and do everything necessary to maximize long term share holder value.	2	3	K1
10	What is voluntary winding up? Where a company is wound up by its members or creditors without inference by the court, it is known as voluntary winding up. A company may be wound up voluntary either by passing an ordinary resolution or by passing a special resolution.	2	3	K1



11	Classify the companies on the basis of liability?	2	3	K1
	a. Limited companies			
	i. Companies with limited liability.			
	ii. Companies limited by guarantee			
	b. Unlimited companies.			
12	Who can present petition for winding up?	2	3	K1
	An application to the court for the winding up of a company shall presented.			
	i Petition by company			
	ii Petition by creditors			
	iii Petition by contributories			
	iv Petition by register			
	v Petition by central Government.			
13	What do you understand from defunct company?	2	3	K1
	A company is said to be ‘defunct’ when it is not carrying on business or when it is not in operation.			
14	Give any four benefits of good governance?	2	3	K1
	a. Good governance leads to good performance			
	b. It Creates an open and transparent system			
	c. It improves Communication and breaks down systematic barriers to flow of information			
	d. Good governance allows decision making based on data.			
15	Who is promoter of a company?	2	3	K1
	A person who originates a scheme for the formation of the company			
UNIT III INDUSTRIAL LAW (REVISED/ LATEST)				
1	What is a factory?	2	4	K1
	A factory is a premises where on 10 more persons are engaged if power is used, or 20 or more persons are engaged if power is not used, in a manufacturing process.			
2	Give any three objectives of factories Act?	2	4	K1
	<ul style="list-style-type: none"> • To regulate working conditions if factories. • To ensure that basic minimum requirements for the safety, health and welfare of the factory workers are provided. • To regulate the working hours, leave, holidays, overtime, employment of children, and young persons, etc. 			
3	Define ‘Wages’ as per the payment of wages act?	2	4	K1
	Wages means all remuneration expressed in terms of money payable to a person employed in respect of his employment or work done in such employment.			
4	What are the payments to the employees which are not considered a “wages”?	2	4	K1
	<ul style="list-style-type: none"> • Any bonus • Contribution to any pension or provident fund • Any traveling allowance • Any gratuity payable on the termination of the employment • Any sum paid to the employed person to defray special expenses entailed on him by the nature of his employment 			
5	State any three permissible or authorized deductions under the payment of wages act.	2	4	K1
	<ul style="list-style-type: none"> • Deductions for absence from duty • Deduction for damage to or loss or goods or for loss of money • Deduction for house accommodation 			
6	Describe the meaning of the word ‘Bonus’	2	4	K1
	An annual payment to employees on the basis of profits or on the basis of production or productivity.			
7	What is minimum Bonus?	2	4	K1
	A minimum bonus of 8.33 percent of the wage or salary (upto Rs. 1600) of an employee is payable irrespective of the fact whether the establishment has made a profit or loss.			
8	Write notes on “Industrial Dispute”?	2	4	K1
	An “Industrial dispute” means any dispute or difference between employers and employees, or between employers and workmen, or between workmen and workmen, which is connected with the employment or non-employment.			



9	What are the modes of settlement of disputes under the Industrial dispute Act?	4	K1
	<ul style="list-style-type: none">• Voluntary settlement and conciliation• Adjudication Machinery• Arbitration	2	
10	State the provisions of the factories act regarding the employment of women.	4	K1
	<ul style="list-style-type: none">• Expose the women to risk.• Separate cotton –opener• Suitable rooms.• working hours• Dangerous operations.	2	
11	List any five provisions of the factories act relating to health of workers?	4	K1
	Cleanliness and disposal of wasted and effluents	2	
	Ventilation, temperature and Humidity.		
	Prevent Dust and fumes		
	Avoid overcrowding		
	Lighting and Drinking water		
	Latrines urinals and spittoons		
12	State any four objectives of payment of wages Act.	4	K1
	a)To ensure regular and timely payment of wages to the employed person	2	
	b) To prevent the evils of withholding wages to the employed persons		
	c)To avoid delays in paying wages		
	d) To prevent unauthorized deductions from wages		
13	What are the medium of payment of wages?	4	K1
	<ul style="list-style-type: none">• All wages shall be paid in current coin or currency notes or both.• Pay him the wages either by cheque or by crediting the wages in his bank account.	2	
14	List out the time of payment of wages.	4	K1
	1) Wages to be paid before 7 th day of the following months is less than 1000 persons are employed	2	
	2) Wages to be paid before 10 th day of the following month if more than 1000 persons are employed		
	3) If any person is terminated from his employment, his wages to be paid before the expiry of the 2 nd working day from the day on which his employment is terminated.		
	4) All wages shall be paid on a working day		
15	State the objectives of the Bonus Act.	4	
	The objectives of the payment of Bonus Act is to maintain peace and harmony between labour and capital by allowing the employees in recognition of their right, to share in the prosperity of the establishment reflected by the contributions make by capital, management and labour.	2	

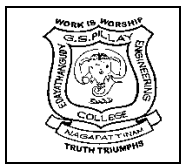
UNIT IV INCOME TAX ACT, SLAES TAX ACT & GST

1	What is Tax planning?	5	K1
	An arrangement by taking complete legitimate benefit of all deductions, to reduce the tax liability.	2	
2	Define Tax Evasion.	5	K1
	Avoiding tax by illegal mean, e.g., by suppressing facts, by not maintaining correct records, by falsifying facts.	2	
3	What is the need for corporate Tax planning?	5	K1
	Every transaction entered into by a businessman will have direct and immediate impact on the tax liability of the person carrying on the business from the angle of income tax and surtax as well as sales tax, excise duty and customs duty with increasing burden of direct taxes, like income tax, gift tax, wealth tax, etc.	2	
4	What is Income Tax?	5	K1
	It is levied on all items of income which are not exempted from tax according to income tax act 1961. Example: Salaries, Income from House Property, Business Income.	2	
5	What do you understand from direct Tax?	5	K1
	Direct taxes are those which a person pays directly from his income. Direct taxes are paid after the income or benefit reaches the hands of the person.	2	

6	<p>What is mean by CST? It imposes a levy of tax on sale of goods in the course of inter-state trade or commerce.</p>	2	5	K1		
7	<p>Define goods according to sec 2(d). Goods mean any article, thing, commodity, and which is movable, however goods does not include newspapers, actionable claims, shares.</p>	2	5	K1		
8	<p>What do you understand by value added tax? VAT is a multi-stage tax, levied only on value Added at each stage in the chain of production of goods and services with the provision of a set-off for the tax paid at earlier stages in the chain.</p>	2	5	K1		
9	<p>Differentiate VAT and Sales tax</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <p>VAT Levied on goods & services Multi point tax Tax evasion is curtailed</p> </td> <td style="width: 50%; vertical-align: top;"> <p>Sales tax Levied on goods Single point tax Chance for tax evasion</p> </td> </tr> </table>	<p>VAT Levied on goods & services Multi point tax Tax evasion is curtailed</p>	<p>Sales tax Levied on goods Single point tax Chance for tax evasion</p>	2	5	K1
<p>VAT Levied on goods & services Multi point tax Tax evasion is curtailed</p>	<p>Sales tax Levied on goods Single point tax Chance for tax evasion</p>					
10	<p>What is mean by GST? It is a destination based tax on consumption of goods and services. Proposed to be levied at all stages from manufacturer to final consumer with credit of tax paid at previous stages.</p>	2	5	K1		
11	<p>Write short note on Indirect Tax. Indirect taxes are what the consumers and buyers pay to the state, while buying goods or availing services. It is a tax attached not to the income of a person, but to goods and services consumed.</p>	2	5	K1		
12	<p>State the objectives of Tax planning</p> <ol style="list-style-type: none"> a. Increase in disposable income b. Shield Against High Taxation c. Inequity in Tax Burden d. Maximum Deductions allowed to Business persons, minimal to others 	2	5	K1		
13	<p>List out the types of Direct Taxes & Indirect Taxes Direct Tax: Personal income Tax, Corporation Tax, Wealth Tax, Gift Tax Indirect Tax: Customs Duty, Excise Duty, Value added Tax</p>	2	5	K1		
14	<p>What are the advantages of GST to the Central/State government?</p> <ol style="list-style-type: none"> a) A unified common national market to boost Foreign Investment and “Make in India” campaign b) Boost to export/manufacturing activity, generation of more employment, leading to reduced poverty and increased GDP growth c) Improving the overall investment climate in the country which will benefit the development of states 	2	5	K1		
15	<p>List the advantages of GST to citizens.</p> <ol style="list-style-type: none"> a) Simpler tax system b) Reduction in prices of goods and services due to elimination of cascading c) Uniform prices throughout the country d) Transparency in taxation system 	2	5	K1		

UNIT V CYBER LAWS, CONSUMER PROTECTION ACT & ETHICS

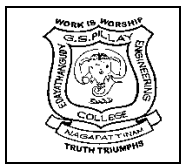
1	<p>Define Consumer protection Act? The Consumer protection Act, 1986 attempts to provide an inexpensive, Simpler and quicker access to redressal of consumer grievances. The Act has provided machinery where by consumer can file their complaints against defective goods or deficient service with consumer forums.</p>	2	6	K1
2	<p>Who is a consumer? Any person who buys goods or avails services for consideration</p>	2	6	K1
3	<p>Define unfair trade practice? For the purpose of promoting the sale, use or supply of any goods or for the provision of any services, adopts any unfair method or unfair or deceptive practices.</p>	2	6	K1
4	<p>Write short note on Copy rights. Copyrights are the exclusive rights to reproduce and sell literary, musical and artistic works.</p>	2	6	K1



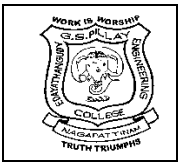
5	What is meant by patents? Patents are the exclusive rights granted by the Government enabling the holder to control the use of an invention.	2	6	K1
6	What is Information Technology Act 2000? The legal recognition for transaction carried out by means of electronic data interchange and other means of electronic communication	6	6	K1
7	Define Competition Act 2002 “ A situation in a market in which firms or sellers independently strive for the buyers patronage in order to achieve a particular business objectives for example profits, sales or market share”	6	6	K1
8	What is mean by whistle blower? A person who exposes any kind of information that is illegal or unethical or not correct in the organization.	2	6	K1
9	Write short notes on money laundering. Process of transforming the profits of crime and corruption into legitimate assets. It includes misuse of the financial system such as securities, credit cards, tax evasion.	2	6	K1
10	What is mean by unethical practice? Not doing moral or right things.	2	6	K1
11	What are the various rights of consumers recognized under the consumer protection Act? <ul style="list-style-type: none"> • Right to Safety • Right to Information • Right to Choose • Right to be Heard • Right to seek Redressel against Exploitation • Right to consumer Education 	2	6	K1
12	Give any two objective of IT Act 2000. <ul style="list-style-type: none"> • To give boost to electronic commerce e-transactions, associated with commerce and trade • To facilitate electronic governance, Co-governance by means of reliable electronic records. 	2	6	K1
13	What is meant by restrictive trade practice? “Restrictive trade practice” means a trade practice which tend to bring about manipulation of price and of its conditions of delivery or to affect flow of supplies in the market relating to goods or services in such a manner as to impose on the consumer’s unjustified costs or restrictions.	2	6	K1
14	What do you understand by Consumer protection councils? These Councils work towards the Promotion and protection of the rights of the Consumers.	2	6	K1
15	Define Ethics. “Ethics is the discipline with what is good and bad and with moral duty and obligations”.	2	6	K1



S.No	PART – B (12 Mark Questions with Key) Questions	Mark	Cos	BTL
UNIT I- COMMERCIAL LAW				
1	Discuss about the essential elements of valid contract. Meaning- “An Agreement enforceable by law” Essential elements of valid contract with explanation I. Offer & acceptance II. Intention to create legal relationship III. Lawful consideration IV. Capacity of parties - competency V. Free consent VI. Lawful object VII. Agreement not declared void VIII. Certainty and possibility of performance IX. Legal formalities	12 2 10	1	K2
2	Explain in detail about creation and termination of agency. Meaning -An agent is a person employed to do any act for another, or to represent another in dealings with third person. Creation of Agency 1. Agency by express agreement 2. Agency by implied agreement – agency by estoppels, agency by holding out, agency by necessity Agency by ratification Agency termination 1. By act of party – Agreement, revocation by principal and by agent 2. By operation of law – performance of contract, Expiry of time, Death, Destruction of subject matter, becomes enemy, dissolution of company.	12 2 5 5	1	K2
3	Explain about the types of contract. Meaning - “An Agreement enforceable by law” Types of Contract i. Classification on validity ii. Classification According to Formation iii. Classification according to performance	12 2 4 4 2	1	K2
4	Explain about the remedies for breach of contract. Meaning - Parties fail to perform any of the contract terms they may be found in breach of contract. Remedies for breach of contract ➤ Rescission of the contract ➤ Suit for damages ➤ Suit upon quantum merit ➤ Suit for specific performance ➤ Suit for injunction	12 2 10	1	K2
5	Describe about the essentials of sale of goods contract. Meaning - “A contract whereby the seller transfer or agrees to transfer the property in goods to the buyer for a price”. Essentials of sale of goods contract ➤ Two parties ➤ Goods ➤ Price ➤ Transfer of general property ➤ Essential elements of valid contract	12 2 10	1	K2
6	Explain about the types of negotiable instruments with suitable illustration Meaning - A negotiable instrument is a written order promising to pay a sum of money. Types i) promissory Notes ii) Bill of Exchange iii)cheque iv)customer receipts	12 2 10	1	K2



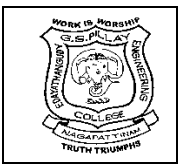
UNIT II- COMPANY LAW			
1	What are the steps involved in formation of public corporation limited ?	12	
	Step-1:Promotion of a Company		
	Step-2:Registration of a Company	12	3 K2
	Step-3:Certificate of Incorporation; and		
	Step-4:Commencement of the Business.		
2	Explain about Memorandum of Association.	12	
	Memorandum of Association - Contains the fundamental conditions upon which the company can be incorporated.	2	
	Contents of Memorandum of association		
	-Name clause		3 K2
	-Registered office clause		
	-Object clause	10	
	-Doctrine of ultra-vires		
	-Liability clause		
	-Capital clause		
3	Explain about the Models for winding up of companies.	12	
	Meaning- The process whereby company life is ended and its property administrated for the benefit of its creditors and members.	2	
	Models for winding up of companies		3
	Compulsory winding up by the court		
	Voluntary winding up by the members as well as creditors	10	
	Winding up subject to supervision of the court		
4	Explain about the duties and liabilities of Directors.	12	
	Meaning - “Member of the governing body of a company and takes part in planning, conducting and controlling its affairs”.	2	
	Duties of Director (Statutory Duties)		
	➤ To file return of allotment: Section 75 of the Companies Act, 1956 requires a company to file with the Registrar, within a period of 30 days, a return of the allotments stating the specified particulars.		
	➤ Not to issue irredeemable preference share or shares or share redeemable after 20 years	5	3 K2
	➤ To disclose interest		
	➤ To disclose receipt from transfer of property.		
	➤ To disclose receipt of compensation from transferee of shares		
	➤ Duty to attend Board meetings		
	Liabilities of Director		
	➤ To third party		
	➤ Ultra vires acts	5	
	➤ Negligence		
	➤ Liability for breach of statutory duties		
5	Enumerate the various documents to be filed with the registrar during the formation of company.	12	
	Documents to be filed with the Registrar		
	• Memorandum of association (duly signed by the subscribers)		
	• Articles of association (if any, signed by subscribers)		3 K2
	• The agreement (if any, the company proposes to enter with any individual for appointing as director or manager)	12	
	• A list of directors (who have agreed to become director)		
	• A declaration (stating all the requirements relating to registration of company under Companies Act have been complied)		
6	Explain the contents in Articles of Association	12	
	Meaning -Govern the management of its internal affairs and the conduct of its business. They define the duties, rights, powers and authority of the shareholders and the directors.	2	3 K2



Contents of article of association			
Rights of different classes of shareholder			
Use of common seal of the company			
Keeping of book of accounts and their audit			
Appointment , powers, duties, salary of MD, manager, and secretary	10		
Borrowing power of directors			
Voting rights of member			
Board meetings and proceedings			
Winding up company			
UNIT III INDUSTRIAL LAW (REVISED/ LATEST)			
1 Explain the causes of industry dispute and discuss various kinds of industry dispute act .	12		
Causes of industry dispute :			
i)Industrial Factor			
ii)Management Attitude Towards Worker	6	4	K2
iii)Government Machinery			
iv)Other Causes			
Kinds of industry dispute :			
-Strike	6		
-Lock out			
2 Discuss the provision of factories act related to employment of young persons.	12		
Meaning of young person	2		
• Certificate of fitness (fitness for work in factory)			
• Working hours (not more than 4 ½ hours in a day)		4	K2
• Notice of work (period in which the child are allowed to work)	10		
• Register of child workers (the manager of factory should maintain a register having name of child workers, nature of job, number of certificate of fitness)			
• Safety provisions			
3 Explain about payment of wages and permissible deductions from wages.	12		
Meaning	2		
Payment of wages			
• Responsibility for payment of wages			
• Fixation of wage- periods	5		
• Time of payment of wages			
• Medium of payment of wages		4	K2
Permissible deductions from wages			
• Deduction for fines			
• Deduction for amenities and services supplied	5		
• Recovery of losses			
• Loan granted for house-building or other purposes			
• Deduction for absence from duties			
4 Explain in detail about payment of Bonus Act.	12		
Meaning	2		
Eligibility for bonus			
• Every employee is eligible			
• Employee worked not less than 30 working days for a year	5		
• The employee has not worked for all the working days in any accounting year the bonus shall be proportionately reduced		4	K2
Disqualification for bonus			
• If the employee is dismissed from service for			
○ Fraud	5		
○ Violent behavior on the premises			
○ Theft			
○ Sabotage of any property			
5 Elucidate about government machineries for settlement of industrial disputes.	12		
Meaning	2	4	K2
Machinery for settlement of disputes	4		



	<ul style="list-style-type: none"> • Conciliation <ul style="list-style-type: none"> ○ Conciliation officer ○ Board of conciliation ○ Court of inquiry • Arbitration <ul style="list-style-type: none"> ○ Voluntary arbitration ○ Compulsory arbitration • Adjudication <ul style="list-style-type: none"> ○ Labor court ○ Industrial tribunals ○ National tribunals 	3		
6	Examine the provisions of factories act related to employment of women. Employment of women <ul style="list-style-type: none"> • Work on or near machinery in motion • Prohibition of employment near cotton openers • Creches • Working hours • Certificate of fitness • Prohibition of dangerous operation 	12	4	K2
UNIT IV INCOME TAX ACT, SALES TAX ACT & GST				
1	Explain in detail about Central Sales Tax Meaning Conditions for CST <ul style="list-style-type: none"> • There should be a dealer • He should be a registered dealer • He must carry on any business • Sale should take place • Sale may be to a registered or unregistered buyer • The sale should be of goods. • The sale should take place in course of inter state • The sales should not be within the same state. • The sale should not be outside India 	12		
		2		
2	Explain the method of VAT calculation with suitable illusion . Meaning Methods of VAT calculation <ul style="list-style-type: none"> • Additional method • Invoice method • Cost subtraction method 	12	5	K2
		2		
3	Explain the objective of tax planning.. Meaning: Tax Planning can be understood as the activity undertaken by the assessee to reduce the tax liability by making optimum use of all permissible allowances, deductions, concessions, exemptions, rebates, exclusions and so forth, available under the statute.	12		
		2		
	OBJECTIVE OF TAX PALNNING: <ul style="list-style-type: none"> • Reduction of Tax Liability • Minimization of Litigation: • Productive Investment:. • Economic Stability. • Increase in disposal income • Inequality tax burden • Curb on tax evasion 	10	5	K2
4	What are the reforms in indirect tax system? Explain the drawback of the GST Reforms of indirect tax system <ul style="list-style-type: none"> • Service tax • Custom duty • Excise duty • Sales tax and VAT 	12		
		6		
		6	5	K2



Drawback of GST

- Increased costs due to software purchase
- Being GST-compliant
- GST will mean an increase in operational costs
- GST came into effect in the middle of the financial year
- GST is an online taxation system
- SMEs will have a higher tax burden

5 **Explain the types and procedure for registration of dealer under CST act.** 12

Types of Registration

The registration is of two types under this Act: 4

(1) Compulsory Registration [Sec. 7(1)]

Every dealer carrying on the business of sale or purchase in the course of inter-State trade or commerce has to get himself compulsorily registered under this Act irrespective of the amount of turnover.

(2) Voluntary Registration [Sec. 7(2)]

In the following cases a dealer may get himself registered voluntarily:

- (a) Where a dealer does not carry on inter-State trade or commerce, but he is a registered dealer under a State sales -tax Law;
- (b) Where there is no State Sales-tax Law in a State or any part thereof, any dealer having a place of business in that State or part as the case may;
- (c) Where a dealer deals in exempted goods in a State or a refund or rebate of tax in admissible in respect thereof.

Procedure for Registration to be followed by the dealer •

1. The dealer must make an application to the concerned authority in the appropriate state, in Form A within 30 days of the day when he becomes liable to pay tax. The form contains the following details.

- (i) Name of the manager of business
- (ii) Name and addresses of proprietor or partner of the business. 5 K2
- (iii) Date of establishment of business.
- (iv) Date on which first inter-state sale was made.
- (v) Name of the Principal place and other places of business in the appropriate state. 8
- (vi) Particulars of any license held by the dealer.

2. Single Place of business – If a dealer has single place of business in the appropriate State and he is registered in that state, he shall apply to the sales tax authority of that state only for obtaining registration under central sales tax Act

3. More than one place of business in the same state – If a dealer has more than one place of business in the same state, he shall select one of these places as the principal place of business and, get only one certificate of registration.

4. More than one place of business in different states. If a dealer has more than one place of Business in different states, he will get a separate certificate of registration with respect to each state.

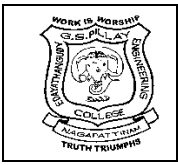
5. Fees for Registration is Rupees twenty five to be paid in cash or court fee stamp.

6. The application has to be signed by, in case of –

- Sole proprietorship, the proprietor
- Partnership firm, any one the partner
- HUF, the karta
- Company, the director
- Government, authorized officer

6 **Discuss about the impact of VAT** 12

A value-added tax (VAT) is a consumption tax placed on a product whenever value is added at each stage of the supply chain, from production to the point of sale. The amount of VAT that the user pays is on the cost of the product, less any of the costs of materials used in the product that have already been taxed. 6 5 K2



Impact of VAT for business organization

- According to VAT input credit will be availability only on the goods purchased by the industry with in the state not outside the state.
- Rebate on tax paid on capital goods only over a period of three years is too long
- As the VAT is charged on each stages of sales though there is provision of tax credit on input tax credit paid but in some situation it may enhance the price of goods beyond maximum retail price (MRP)
- VAT abolished the indirect taxes
- Computerization for VAT invoicing is inevitable .small trader who do not maintain computerized account manner .Inspite of that department is required to audit the return once every years
- The registration process under VAT law requires dealer to deposit their estimated 6 month future tax liability along with detail of partner and directors
- Punishment under VAT law is imposition of the up to Rs.1.00 lakh and 6 month imprisonment due to minor offence .

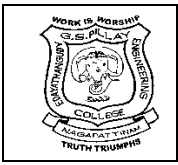
Impact of VAT for consumer

- The tax rate for most of the commodities is 8% in the existing system .It will ne increased by 12.5% under VAT.
- Increase in prices of goods and services would result in increase cost of living
- Under VAT regime different value addition by different dealer will happen .As a result customer have to pay different prices for the same goods in different shops .
- In the short run there is no possibility of full in price of goods because RNR (Revenue Neutral Rate) has been fixed at 12.5% which is very high .

6

UNIT V CYBER LAWS, CONSUMER PROTECTION ACT & ETHICS

1	Discuss about consumer protection councils	12		
	Introduction	2		
	Central consumer protection council		6	K2
	State consumer protection council			
	District consumer protection council	10		
2	Give detailed notes on Copy rights, Trade marks & Patents.	12		
	Copyrights	4		
	Trade Marks	4	6	K2
	Patents	4		
3	Explain the rights of consumer under protection act	12		
	Rights to safety			
	Rights to be informed			
	Rights to choose			
	Rights to be heard	12	6	K2
	Rights to seek redressal			
	Rights to consumer education			
4	Explain the needs for consumer protection act 1986	12		
	Meaning	2		
	Needs for consumer protection act 1986			
	• Social Responsibility			
	• Increasing Awareness		6	K2
	• Consumer Satisfaction			
	• Principle of Social Justice	10		
	• Principle of Trusteeship			
	• Survival and Growth of Business			
5	Explain about unfair trade practice with example.	12		
	Introduction			
	An unfair trade practice means a trade practice, which, for the purpose of promoting any sale, use or supply of any goods or services, adopts unfair method, or unfair or deceptive practice.	12	6	K2

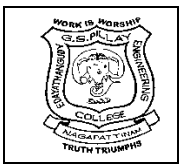


- Falsely suggests that the goods are of a particular standard quality, quantity, grade, composition, style or model;
- Falsely suggests that the services are of a particular standard, quantity or grade;
- Falsely suggests any re-built, second-hand renovated, reconditioned or old goods as new goods;
- Represents that the goods or services have sponsorship, approval, performance, characteristics, accessories, uses or benefits which they do not have;
- Represents that the seller or the supplier has a sponsorship or approval or affiliation which he does not have;
- Makes a false or misleading representation concerning the need for, or the usefulness of, any goods or services;
- Gives any warranty or guarantee of the performance, efficacy or length of life of the goods, that is not based on an adequate or proper test;
- Makes to the public a representation in the form that purports to be-
 - a. a warranty or guarantee of the goods or services,
 - b. a promise to replace, maintain or repair the goods until it has achieved a specified result.

6	Explain the cyber crime impacts of business activity .	12		
	Meaning	2		
	Intellectual property losses			
	Cost of protection			
	Lost of sales			
	Changing methods of doing business		6	K2
	Loss of consumer trust	10		
	Loss of revenue			
	Damaged reputation			
	Reduced productivity			

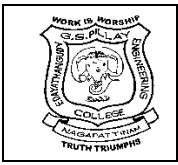
PART – C (20 Mark Questions with Key)

S.No	Questions	Mark	COs	BTL
UNIT I COMMERCIAL LAW				
1	Illustrate the special rules for cheque and discharge of negotiable instruments	20		
	Special rules for cheque			
	Always drawn on specified banker			
	Always payable on demand			
	Crossing of cheque			
	General crossing		1	K2
	Special crossing	20		
	Discharge of instrument			
	By payment in due course			
	By party primarily liable becoming holder			
	By express waiver			
	By cancellation			
	By discharge as a simple contract			
2	A is aged 17 years. He enters into an agreement with B for hiring machinery belongs to B. after the agreement was signed A back out of the agreement and B wants to enforce the same – Discuss with reasons whether B will succeed or not	20		
	B will not succeed	20	2	K3
	Reasons			

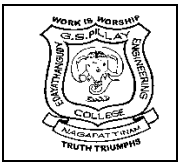


UNIT II COMPANY LAW

1	Examine the features and positive factors of corporate governance and "Companies are well managed by the good corporate governance"-discuss	20	
	Meaning		
	Corporate governance is the system of rules, practices and processes by which a firm is directed and controlled. Corporate governance essentially involves balancing the interests of a company's many stakeholders, such as shareholders, management, customers, suppliers, financiers, government and the community.	2	
	Features;		
	<ul style="list-style-type: none">○ Discipline○ Transparency○ Independence.○ Accountability○ Responsibility○ Fairness○ Social responsibility	8	
	Positive factors:		
	A) REGULATION & THEIR ENFORCEMENT		
	<ul style="list-style-type: none">○ Since corporate governance failures have proved to be harmful not just for the organizations but also for the economy and the general public at large as well, there have been public pressures on the government and regulatory authorities to reform business practices and increase transparency.○ Consequently, it has become a part of the government's duty to ensure accountability and responsibility in corporate behavior.○ Effective disposal of this responsibility basically revolves around two things: First, the designing of regulatory commands i.e. the regulations and laws to ensure good corporate governance; and Second is the enforcement of regulations.	8	
	B) RISK MANAGEMENT & EFFECTIVE GOVERNANCE		
	<ul style="list-style-type: none">○ In today's world, frauds are an undeniable fact of business life.○ Affecting all types of businesses. New technologies such as the Internet, and the development of fully automated accounting systems, have increased the opportunities for fraud to be committed.○ Once suspected or discovered, investigating fraud is a specialist task○ Requiring experience and technical skill and can be very costly. Thus, there is no doubt.	3	K2
	Explanation (Companies are well managed by the good corporate governance)	2	
2	Classify the companies based on incorporation, liability, members and control.	20	
	Meaning -A group of persons associated together for an attainment of a common end.	2	
	1.Classification on the basis of incorporation		
	Statutory companies		
	Registered companies		
	2. Classification on basis of liability		
	Companies with limited liability		
	* Limited by shares		
	* Limited by guarantee		
	*Unlimited liability		
	3. Classification on the basis of number of members	18	
	Private company		
	Public company		
	4.Classification on basis of control		
	Holding company		
	Subsidiary company		
	5. Classification on the basis of ownership		
	Government		
	Non government/ foreign company		



UNIT III- INDUSTRIAL LAW (REVISED/ LATEST)		
1	Explain in detail about factories act related to health, safety and welfare measures provided to workers.	20
	Provisions for health	
	<ul style="list-style-type: none">○ Cleanliness○ Disposal of waste and effluents○ Ventilation and temperature○ Dust and fumes○ Overcrowding○ Lighting○ Drinking water○ Latrines	4 K2
	Provisions for safety	20
	<ul style="list-style-type: none">○ Fencing of machinery○ Work on or near machines○ Precautions in case of fire○ Safety officers	
	Provisions for welfare	
	<ul style="list-style-type: none">○ Washing facilities○ Facility for sitting○ First aid facility○ Canteens, restrooms, lunchrooms○ Creches	
2	There is a dispute between a dismissed employee on the one side and the employer on other side in connection with non-employment of the employee. Is this an industrial dispute? – Discuss	20
	Meaning of dispute :	
	A dispute is an argument or disagreement between people or groups.	
	<u>Concept Of Industrial Dispute:</u>	
	According to Section 2 (k) of the Industrial Disputes Act, 1947, the term ‘industrial dispute’ means “any dispute or difference between employers and employees or between employers and workmen, or between workmen and workmen, which is connected with the employment or non- employment or the terms of employment and conditions of employment of any person”.	
	<u>Condition Of Industry Dispute :</u>	
	1.The dispute must affect a large number of workmen who have a community of interest and the rights of these workmen must be affected as a class.	4 K2
	2.The dispute must be taken up either by the industry union or by a substantial number of workmen.	20
	3. The grievance turns from individual complaint into a general complaint.	
	4. There must be some nexus between the union and the dispute.	
	5. According to Section 2A of the Industrial Disputes Act, 1947, a workman has a right to raise an industrial dispute with regard to termination, discharge, dismissal, or retrenchment of his or her service, even though no other workman or any trade union of workman or any trade union of workmen raises it or is a party to the dispute.	
	‘Dismissed employee is not considered as an employee – so it is not a industrial dispute’.	
UNIT IV- INCOME TAX ACT, SALES TAX ACT & GST		
1	Critically examine GST act 2017 with advantages and disadvantages and give your opinion about GST.	20
	The Goods and Services Tax (GST) is a value-added tax levied on most goods and services sold for domestic consumption. The GST is paid by consumers, but it is remitted to the government by the businesses selling the goods and services. In effect, GST provides revenue for the government.	2
		5 K2



Advantage of GST:

1. GST eliminates the cascading effect of tax
2. Higher threshold for registration
3. Composition scheme for small businesses
4. Simple and easy online procedure
5. The number of compliances is lesser
6. Defined treatment for E-commerce operators
7. Improved efficiency of logistics
8. Unorganized sector is regulated under GST

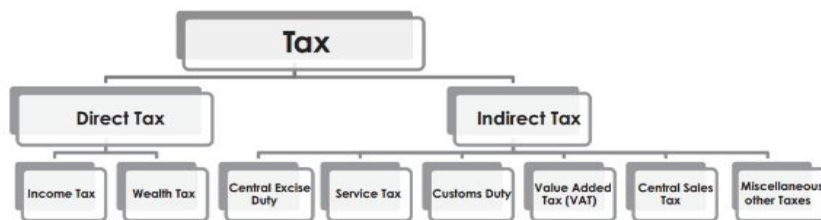
Disadvantage of GST :

1. Increased costs due to software purchase
2. Being GST-compliant
3. GST will mean an increase in operational costs
4. GST came into effect in the middle of the financial year
5. GST is an online taxation system
6. SMEs will have a higher tax burden.

Opinion :

- 2 **Explain the types taxation and discuss the common practices of taxpayer to save tax percentage in their business.**

Types Of Taxation



Common practices to save tax ;

- i) Tax planning
- ii) Tax evasion
- iii) Tax avoidance

UNIT V CYBER LAWS, CONSUMER PROTECTION ACT & ETHICS

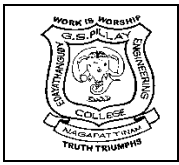
- 1 **Discuss the consumer disputes redressal agencies and its procedures .**

The Consumer Protection Act, 1986 was passed to provide better protection of the interest of consumers and for the purpose of establishing of consumer councils and other forms for the settlement of consumer disputes

District forum
 State commission
 National commission

Procedure

- Name, Description & address of the person who make complaint
- Name, description and address of opposite party
- Documents relating to complaints
- Failure to appear to national commission may dismiss the complaint
- Complaint shall be decided within 3 month from the date of notice received by the opposite party where complaint does not require analysis
- Testing of commodities requires 5 month



2 **Explain the types of cyber- crime that impact the business activity and the role of IT act in governing the cyber crime.** 20

Types of cyber crime:

- Phishing Scams
- Virus Dissemination
- Logic Bombs
- Theft
- Social Media Hack & Spamming
- Electronic Money Laundering
- Sales & Investment Fraud
- Email bombing

2

Role of IT act in governing the cyber crime .

- Digital signature has been replaced with electronic signature to make it a more technology neutral act.
- It elaborates on offenses, penalties, and breaches.
- It outlines the Justice Dispensation Systems for cyber-crimes.
- It defines in a new section that cyber café is any facility from where the access to the internet is offered by any person in the ordinary course of business to the members of the public.
- It provides for the constitution of the Cyber Regulations Advisory Committee.
- It is based on The Indian Penal Code, 1860, The Indian Evidence Act, 1872, The Bankers' Books Evidence Act, 1891, The Reserve Bank of India Act, 1934, etc.
- It adds a provision to Section 81, which states that the provisions of the Act shall have overriding effect. The provision states that nothing contained in the Act shall restrict any person from exercising any right conferred under the Copyright Act, 1957.

6 K2

18