

# INSTITUTE OF COST AND MANAGEMENT ACCOUNTANTS OF PAKISTAN



## Fall 2012 (February 2013) Examinations

Monday, the 25th February 2013

### COMMERCIAL LAWS AND PROFESSIONAL ETHICS – (LA-203) SEMESTER – 2

Time Allowed: 02 Hours 45 Minutes

Maximum Marks: 90

Roll No.:

- (i) Attempt ALL questions.
- (ii) Answers must be neat, relevant and brief.
- (iii) In marking the question paper, the examiners take into account clarity of exposition, logic of arguments, effective presentation, language and use of clear diagram / chart, where appropriate.
- (iv) Read the instructions printed inside the top cover of answer script CAREFULLY before attempting the paper.
- (v) DO NOT write your Name, Reg. No. or Roll No. anywhere inside the answer script.
- (vi) Question No.1 – “Multiple Choice Question” printed separately, is an integral part of this question paper.
- (vii) **Question Paper must be returned to invigilator before leaving the examination hall.**

- |  | <b>Marks</b> |
|--|--------------|
| <b>Q.2 (a)</b> The High Court takes the central position in terms of its functions and jurisdictions covering civil and criminal proceedings within the court structure in Pakistan. Discuss the key functions of High Court and also describe the types of ‘prerogative orders’ issued by the High Court. | <b>06</b>    |
| <b>(b)</b> The ‘Act of Parliament’ is the primary source of law and is made by the Parliament itself. List down any four purposes of ‘Act of Parliament’.  | <b>04</b>    |
| <b>Q3. (a) (i)</b> ‘There are certain relations resembling those created by a contract’. In the light of the statement discuss the nature and types of quasi contracts.  | <b>07</b>    |
| <b>(ii)</b> An offer may come to an end by revocation, lapse, rejection or termination. Specify any three modes of ‘revocation of offer’.  | <b>03</b>    |
| <b>(b)</b> Explain the rule “nemo dat quod non habet” (no one can give that which he does not have) and state any four major exceptions in relation to contract for sale of goods.   | <b>05</b>    |
| <b>(c)</b> Define ‘condition’ and ‘warranty’. Under what circumstances a ‘breach of condition’ is to be treated as ‘breach of warranty’?   | <b>07</b>    |
| <b>Q.4 (a)</b> ‘Although sharing of profits is an evidence of partnership but it is not the conclusive test of partnership’. Identify such situations where mere sharing in the profits does not constitute partnership.   | <b>05</b>    |
| <b>(b)</b> What is meant by ‘general crossing’ and ‘special crossing’ of a cheque? What is the purpose of crossing a cheque and who can cross it?  | <b>10</b>    |

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- (c)** Attempt the following cases. Substantiate your answers with reasons.
- (i)** Shahid signed a document reading as, "I promise to pay Ayub on Saeed's death, provided Saeed leaves me enough money to pay that sum". Is this document a promissory note? Elaborate. **02**
  - (ii)** Noor agrees to renovate an office for Saleem for Rs. 500,000 on the terms that no payment shall be made till the completion of the work. Is this a contingent contract? Explain. **02**
  - (iii)** Asif, Zaheer, and Sharif started a business of electronic appliances on 1<sup>st</sup> March 2009, for a period of five years. The business resulted in a loss of Rs.50,000 in the first year, Rs. 52,000 in the second year and Rs. 60,000 in the third year respectively. Asif and Zaheer wish to dissolve the firm while Sharif wants to continue the business. Advise Asif and Zaheer how can they dissolve the firm? **03**
- Q.5 (a)** Explain 'power to require from employers statements regarding fatal accidents' under the Workmen's Compensation Act, 1923. **05**
- (b)** **(i)** Recently a major fire incident occurred in the factory of Karachi. Workers could not save their lives due to inadequate precautionary measures. Discuss the provisions as per the Factories Act, 1934 related to 'precautions in case of fire'. **05**
- (ii)** Write a short note on 'wages' in the context of the Employees' Social Security Ordinance, 1965. **04**
- (c)** As per Public Procurement Regulatory Authority Rules, a procuring agency engaged in pre-qualification of suppliers and contractors may take various factors into consideration. List down those factors. **05**
- Q.6 (a)** Under the 'SAFA-Code of Ethics for Professional Accountants', discuss the following terms:
- (i)** Receiving Accountant **03**
  - (ii)** Professional Accountant in Public Practice **03**
- (b)** As per the 'SAFA-Code of Ethics for Professional Accountants' elucidate the fundamental principles which a professional accountant must follow in all professional and business relationships. **07**
- (c)** With reference to the 'SAFA- Code of Ethics for Professional Accountant' What factors should a professional accountant need to consider while resolving an ethical conflict? **04**

**THE END**