Skillshort

Self-Study Preparation Pack

CMA INTERMEDIATE

Paper 5: Business Laws and Ethics (BLE)

Important Topics, Weightage & Question Frequency

For the December 2026 term · Based on ICMAI study weightage and the four latest papers (Dec 2024, June 2025, Dec 2025, June 2026)

ICMAI weightage | Frequency in 4 papers | Priority list | Theory bank

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This subject pack has 6 parts

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Prepared by Skillshort for self-study. Original explanations and questions; not an official ICAI/ICMAI/ICSI publication. Items marked VERIFY should be checked against the latest official material.

1. ICMAI study weightage

Section	Module	Weight	Approx. marks
A – Commercial laws (30%)	1 Law and legal system in India	5%	5
	2 Indian Contract Act, 1872	10%	10
	3 Sale of Goods Act, 1930	5%	5
	4 Negotiable Instruments Act, 1881	5%	5
	5–6 Partnership Act, 1932 and LLP Act, 2008	5%	5
B – Industrial laws (15%)	7–10 Factories, Gratuity, EPF, ESI	10%	10
	11 Code on Wages, 2019	5%	5
C – Corporate laws (40%)	12 Companies Act, 2013	**40%**	40
D – Business ethics (15%)	13 Business ethics and emotional intelligence	15%	15

How the paper actually distributes marks (four latest papers): Q2 – Contract Act (two 7-mark parts, every time); Q3 – Partnership/LLP/Sale of Goods/NI; Q4 – industrial laws (Code on Wages in **all four** papers); Q5–Q6 – Companies Act (28 marks); Q7 – ethics (14 marks); Q8 – two **case studies** (contract/NI + company law). The 15 MCQs spread roughly 4 commercial law, 2–3 industrial law, 5–6 Companies Act, 1–2 ethics. In practice Companies Act + ethics carry about **45–50 marks**.

2. Frequency map – descriptive questions (Q2–Q8)

Topic	Dec 2024	June 2025	Dec 2025	June 2026
Contract – formation (acceptance, e-contracts, misrepresentation, discharge)	E-contracts	Acceptance	Misrepresentation	Discharge by performance and agreement
Special contracts – indemnity, guarantee, bailment, agency	Discharge of surety; case on cheque	Indemnity holder's rights; **bailment case** (mixing goods)	Indemnity vs guarantee; **bailment case** (unauthorised use)	Bailment vs pledge; **agency case**
Sale of Goods	–	Condition vs warranty	Buyer's remedies	–
Negotiable Instruments	Types of instruments; **forged endorsement case**	–	–	International (foreign) instruments
Partnership / LLP	LLP auditor	Formation of partnership	Mutual rights of partners	Private company → LLP
Code on Wages	Claims	Fines (s. 19)	Social purpose; minimum wages	Exclusions from wages
Gratuity / EPF / ESI	Gratuity payment	ESI benefits	EPF withdrawals	Gratuity nomination
Companies Act – incorporation, name, veil	Lifting the veil	Name – publication and change	Electronic notice	Resolutions filed with ROC (s. 117)
Companies Act – directors and KMP	Remuneration; DIN; **removal case**	Duties; Board powers; **resignation case**	**Woman director case**; KMP	**Director's professional fee case**
Companies Act – accounts, audit, IFC	Board's report	Operational and financial control	s. 134; **audit committee**	Auditor's inquiry (s. 143(1)); auditor's report; shareholders' rights
Ethics and EI	Ethics vs law; kinds of ethics	CFA code; EI attributes	Nature and relevance; unethical practices	Ethics and law; value-chain themes

TREND What this tells you

- **Directors** appear in every paper – usually as a **case** (removal, resignation, woman director, remuneration). Learn s. 149, 152, 161, 164, 166–169, 173, 179, 197, 203 thoroughly.
- **Bailment and agency cases** came in three of four papers – learn s. 151–157 and s. 211–221.
- **Code on Wages** is asked every time (7 marks) – wages definition, fines, claims, minimum wages.
- **Ethics and law** was asked in Dec 2024 and June 2026, and ethics as a whole in every paper – an easy 14 marks.

3. Priority list

Priority	Topics	Why
A – must master	Directors (appointment, disqualification, removal, resignation, duties, remuneration, KMP, woman/independent directors); Board powers and meetings; s. 134 Board's report; audit committee; auditor's report and s. 143(1); bailment and agency; indemnity vs guarantee; Code on Wages; ethics and law; EI	Asked in at least 3 of 4 papers
B – important	Share capital (buy-back, bonus, s. 62); deposits; resolutions (s. 114, 117); general meetings; LLP conversion; partnership rights and dissolution; SOGA conditions and unpaid seller; NI crossing, endorsement and s. 138; gratuity; ESI benefits; EPF	Regular in MCQs and 7-mark parts
C – revise quickly	Constitution, legislative process, ADR, maxims; Factories Act numbers; prospectus; charges; dividend	Mainly 2-mark MCQs

4. Theory bank – likely 7-mark questions for December 2026

1. Disqualifications of directors (s. 164) and vacation of office (s. 167).
2. Procedure for removal of a director (s. 169) – with a case.
3. Powers exercisable only at Board meetings (s. 179(3)) and restrictions (s. 180).
4. Contents of the auditor's report (s. 143(3)) and matters to inquire (s. 143(1)).
5. Functions of the audit committee (s. 177) and the vigil mechanism.
6. Buy-back conditions (s. 68) / issue of bonus shares (s. 63).
7. Duties of a bailee and finder of goods; rights of a surety.
8. Essentials of a valid contract / free consent / quasi-contracts.
9. Rights of an unpaid seller; condition vs warranty.
10. Dishonour of cheque – s. 138 procedure and penalty.
11. Payment of gratuity – eligibility, calculation, forfeiture, nomination.
12. Code on Wages – definition of wages, deductions, fines, time limit for payment.
13. Nolan principles; ethics vs law; emotional intelligence (components, importance).
14. LLP – designated partners, conversion, winding up.