Code On Wages

Q.1) Under the Code on Wages, 2019, for which of the following establishments would the Central Government act as the "Appropriate Government"?

(a) A private textile mill employing 50 workers in Gujarat
(b) A shop registered under a State Shops and Establishments Act
(c) An oil field engaged in extraction of petroleum
(d) A State Government secretariat department

Q.2) A firm engages a contractor to supply raw materials and finished components, without supplying any workers. Can this firm's arrangement make the supplier a "contractor" under the Code?

(a) Yes, any person supplying goods to an establishment is a contractor
(b) No, mere supply of goods or articles is expressly excluded from the definition of contractor
(c) Yes, but only if the goods are manufactured on the establishment's premises
(d) No, because only registered companies can be contractors

Q.3) Ramesh has been working for a contractor for several years on a permanent basis, receives periodical pay increments and is covered under social security schemes. Is Ramesh "contract labour" under the Code?

(a) Yes, since he was hired through a contractor
(b) No, because such a worker is specifically excluded from the definition of contract labour
(c) Yes, but only if he is a part-time employee
(d) No, because only inter-State migrant workers can be contract labour

Q.4) Which of the following is NOT included within the definition of "corporation" under the Code on Wages, 2019?

(a) A body corporate established under a Central Act
(b) A body corporate established under a State Act
(c) A company
(d) A statutory board created by an Act of Parliament

Q.5) Consider the following taxes:

1) Income-tax under the Income-tax Act, 1961
2) Goods and Services Tax
3) Corporate Tax
4) Agricultural income-tax

Which of the above qualify as "Direct Tax" for the purposes of the Code on Wages, 2019?

(a) 1 and 2 only
(b) 1, 3 and 4 only
(c) 2, 3 and 4 only
(d) 1, 2, 3 and 4

Q.6) Which of the following persons is excluded from the definition of "employee" under the Code on Wages, 2019?

(a) A supervisory employee drawing a high salary
(b) A person declared an employee by the Appropriate Government
(c) A member of the Armed Forces of the Union
(d) A person performing clerical work for hire

Q.7) In a factory where a manager has been named under the Factories Act, who is treated as the "employer" for the purposes of the Code on Wages, 2019?

(a) The occupier of the factory only, irrespective of any named manager
(b) The named manager under the Factories Act
(c) The Chief Executive of the local authority
(d) The legal representative of the occupier

Q.8) A dispute arises solely between two individual workers of the same establishment over their respective terms of employment, with the employer not being a party. Would this qualify as an "industrial dispute" under the Code on Wages, 2019?

(a) No, an industrial dispute must always involve the employer as a party
(b) Yes, because a dispute between worker and worker connected with terms of employment is included
(c) No, because only disputes about non-employment are covered
(d) Yes, but only if a Trade Union takes up the matter

Q.9) The Cost-of-Living Allowance in minimum wages is intended to account for changes in:

(a) Employment conditions
(b) Cost of living due to inflation
(c) Productivity of workers
(d) Profitability of the employer

Q.10) Which of the following components is explicitly INCLUDED within the meaning of "wages" under the Code on Wages, 2019?

(a) House rent allowance
(b) Overtime allowance
(c) Retaining allowance, if any
(d) Gratuity payable on termination of employment

Q.11) An employee's total monthly remuneration is ₹25,000, of which ₹16,000 falls under categories excluded from the definition of wages (such as HRA, conveyance allowance and overtime). What amount, if any, must be added back to

wages under the 50% rule?

(a) Nothing needs to be added back
(b) ₹3,500
(c) ₹4,000
(d) ₹16,000

Q.12) An employee's wages payable are ₹30,000 per month, and he receives remuneration in kind worth ₹6,000. What amount from this remuneration in kind will be counted as wages under the Code?

(a) The full ₹6,000
(b) ₹4,500, being 15% of ₹30,000
(c) Nothing, since remuneration in kind is never counted as wages
(d) ₹3,000, being 10% of ₹30,000

Q.13) Under the definition of "worker" in the Code on Wages, 2019, a person employed in a supervisory capacity is excluded if drawing wages exceeding:

(a) ₹10,000 per month
(b) ₹15,000 per month
(c) ₹21,000 per month
(d) ₹25,000 per month

Q.14) Under Section 3 of the Code on Wages, 2019, discrimination in matters of wages is prohibited on the ground of gender for:

(a) Only identical work performed in identical establishments
(b) The same work or work of a similar nature
(c) Work performed by employees having the same educational qualifications
(d) Work performed only within the organised sector

Q.15) An employer discovers that male employees are paid more than female employees for the same work. To comply with the Code on Wages, 2019, which of the following actions is legally permissible?

(a) Reduce the wages of male employees to match those of female employees
(b) Increase the wages of female employees to match those of male employees
(c) Maintain the wage gap since it was fixed before the Code came into force
(d) Reclassify the female employees' designation to justify the gap

Q.16) Under Section 3, discrimination on the ground of sex while recruiting employees for the same work or work of a similar nature is prohibited, except where:

(a) The employer prefers male candidates for administrative convenience
(b) The employment of women in such work is prohibited or restricted by law
(c) The establishment has fewer than 10 employees
(d) The work involves night shifts

Q.17) Under Section 14, work performed by an employee beyond the prescribed hours of a normal working day must be compensated at:

(a) Equal to the normal rate of wages
(b) One-and-a-half times the normal rate of wages
(c) At least twice the normal rate of wages
(d) Thrice the normal rate of wages

Q.18) A key feature of the Code on Wages, 2019, as compared to the earlier Minimum Wages Act, is that:

(a) Minimum wages apply only to scheduled employments listed by the government
(b) Minimum wages must be paid for all types of employment, irrespective of the organised or unorganised sector
(c) Minimum wages apply only to employees earning less than ₹21,000 per month
(d) Minimum wages are fixed exclusively by the Central Government for the entire country

Q.19) Under Section 6, for time work, the Appropriate Government may fix minimum wages by all of the following EXCEPT:

(a) By the hour
(b) By the day
(c) By the year
(d) By the month

Q.20) For employees engaged in certain arduous or hazardous categories of work, which additional factors may the Appropriate Government consider while fixing minimum wages under Section 6?

(a) Marital status of the worker and number of dependents
(b) Arduous nature of work (including temperature/humidity), hazardous occupations and underground work
(c) Educational qualifications of the worker
(d) Trade union membership of the worker

Q.21) Under Section 7, which of the following is NOT one of the recognised methods of composing a minimum wage?

(a) Basic rate plus cost-of-living allowance
(b) Basic rate plus cash value of concessions for essential commodities
(c) An all-inclusive rate covering basic rate, cost-of-living allowance and cash value of concessions
(d) A rate based purely on the employer's annual profitability

Q.22) While constituting a committee under Section 8 to fix or revise minimum wages, what is the maximum permissible proportion of independent persons on the committee?

(a) One-fourth of the total members

(b) One-third of the total members
(c) One-half of the total members
(d) There is no such ceiling

Q.23) When the Appropriate Government proposes to fix minimum wages by publishing a notification inviting views, the date fixed for considering representations must be at least how many months from the date of the notification?

(a) 1 month
(b) 2 months
(c) 3 months
(d) 6 months

Q.24) Ordinarily, minimum wages fixed by the Appropriate Government should be reviewed or revised at intervals not exceeding:

(a) 1 year
(b) 2 years
(c) 3 years
(d) 5 years

Q.25) The Central Government fixes a floor wage under Section 9. If a State's existing minimum wage is already higher than this floor wage, what happens?

(a) The State must reduce its minimum wage to match the floor wage
(b) The State's higher minimum wage cannot be reduced merely because a floor wage has been fixed
(c) The floor wage automatically overrides the State minimum wage
(d) The matter must be referred to the Industrial Tribunal

Q.26) Before fixing the floor wage under Section 9, the Central Government may:

(a) Obtain advice from the Central Advisory Board and consult State Governments
(b) Seek prior approval of the Supreme Court
(c) Obtain consent of all registered trade unions in the country
(d) Refer the matter to the Inspector-cum-Facilitator

Q.27) Under Section 10, an employee who works less than the normal working hours on a given day is generally entitled to wages for a full normal working day. In which of the following situations would this full-day wage NOT be payable?

(a) The employer directed the employee to leave early for a client meeting
(b) The employee was unwilling to work for the full day, though the employer was willing to provide work
(c) The factory suffered a power cut for two hours
(d) The employee was on approved medical leave

Q.2) An employee performs two types of work in an establishment. The minimum monthly wage for the first type of work is ₹18,000, while that for the second type is ₹24,000. If the employee works for 15 days in each type of work during a month, what minimum wage should the employee receive for that month?

(a) ₹18,000
(b) ₹20,000
(c) ₹21,000
(d) ₹24,000

Q.29) Under Section 12, if only a minimum time rate (and not a piece rate) has been fixed for a particular kind of piece work, an employee engaged in that piece work must be paid:

(a) Wages not less than the minimum time rate
(b) Twice the minimum time rate
(c) A rate fixed solely by mutual agreement, disregarding the time rate
(d) No wages until a piece rate is separately notified

Q.30) Under Section 13, in addition to fixing the number of hours for a normal working day, the Appropriate Government may also provide for:

(a) Compulsory annual bonus for all workers
(b) One day of rest in every 7 days with payment, and payment at not less than the overtime rate for work on the rest day
(c) Mandatory shift rotation every fortnight
(d) A ceiling on the number of employees per shift

Q.31) The bonus provisions of the Code on Wages, 2019 apply to an establishment where:

(a) At least 10 persons are employed on any day during the accounting year
(b) 20 or more persons are employed or were employed on any day during the accounting year
(c) The annual turnover exceeds ₹1 crore, regardless of number of employees
(d) The establishment is registered under the Factories Act only

Q.32) Under Section 16, what is the maximum permissible wage period that an employer can fix?

(a) 15 days
(b) One month
(c) 45 days
(d) Two months

Q.33) Under Section 17, for employees paid on a weekly wage period, wages must be paid:

(a) Within 7 days of the end of the week
(b) On the last working day of the week, before the weekly holiday
(c) Within 2 working days of the week ending
(d) Before the 7th day of the succeeding week

Q.34) Under Section 17, for employees paid on a monthly wage period, the outer time limit for payment of wages is:

(a) Before the 2nd day of the succeeding month
(b) Before the 7th day of the succeeding month

(c) Before the 15th day of the succeeding month
(d) Before the last day of the succeeding month

Q.35) An employee is retrenched due to closure of the establishment. Within what time must the employer pay his outstanding wages under Section 17?

(a) Within 2 working days
(b) Within 7 working days
(c) Within 30 days
(d) Within 90 days

Q.36) Under Section 18, which of the following situations is treated as a "loss of wages" rather than a "deduction" from wages?

(a) Fine imposed for misconduct
(b) Withholding of an increment for good and sufficient cause
(c) Deduction for absence from duty
(d) Recovery of an advance

Q.37) Consider the following statements regarding deductions permissible under Section 18 of the Code on Wages, 2019:

1) Deductions may be made for absence from duty.
2) Deductions may be made for damage to goods entrusted to the employee, only if attributable to his neglect or default.
3) Deductions for trade union subscriptions require the employee's written authorisation.
4) Deductions can be made freely for any personal loan taken by the employee from a private moneylender.

Which of the above statements are correct?

(a) 1, 2 and 3 only
(b) 1, 3 and 4 only
(c) 2 and 4 only
(d) 1, 2, 3 and 4

Q.38) Under Section 18, the total deductions made from an employee's wages in any wage period shall not exceed:

(a) 25% of the wages
(b) 50% of the wages
(c) 75% of the wages
(d) There is no upper limit

Q.39) An employer deducts amounts from an employee's wages towards a provident fund contribution but fails to deposit the amount with the fund. Who bears responsibility for this default under Section 18?

(a) The employee, since the deduction was made from his wages
(b) The employer alone; the employee is not held responsible for the employer's default
(c) Both employer and employee equally
(d) The Inspector-cum-Facilitator

Q.40) Under Section 19, no fine can be imposed on an employee who is below what age?

(a) 14 years
(b) 15 years
(c) 18 years
(d) 21 years

Q.41) Under Section 19, the total fine imposed on an employee in any one wage period cannot exceed:

(a) 1% of the wages payable for that wage period
(b) 2% of the wages payable for that wage period
(c) 3% of the wages payable for that wage period
(d) 5% of the wages payable for that wage period

Q.42) Under Section 19, a fine imposed on an employee cannot be recovered:

(a) In a lump sum
(b) In installments, or after 90 days from the date it was imposed
(c) From wages at all, only from a separate bank deposit
(d) By the Inspector-cum-Facilitator

Q.43) Under Section 19, the amount realised from fines imposed on employees may be used only for:

(a) General administrative expenses of the establishment
(b) Purposes beneficial to the employees of the establishment, as approved by the prescribed authority
(c) Payment of the employer's statutory dues
(d) Distribution as bonus to managerial staff

Q.44) Under Section 20, if 15 employees, acting in combination, absenthemselves from duty without due notice and without reasonable cause, what is the maximum deduction the employer may impose in lieu of the notice period?

(a) An amount not exceeding wages for 4 days
(b) An amount not exceeding wages for 8 days
(c) An amount not exceeding wages for 15 days
(d) There is no ceiling in cases of collective absence

Q.45) Under Section 20, an employee who is physically present at his workplace but refuses to work as part of a stay-in strike is treated as:

(a) Present and entitled to full wages
(b) Deemed absent from the place of work
(c) On authorised leave
(d) Suspended automatically

Q.46) Under Section 21, before making a deduction for damage or loss caused by an employee, the employer must:

(a) Report the matter to the police
(b) Give the employee an opportunity to show cause against the deduction, following the prescribed procedure
(c) Obtain prior approval of the Central Advisory Board
(d) Deduct the amount immediately and inform the employee later

Q.47) Under Section 22, a deduction for house-accommodation or amenities supplied by the employer is permissible

only if:

(a) The employer unilaterally decides to provide the accommodation
(b) The employee has accepted it as a term of employment and the deduction does not exceed its value
(c) The employee is a permanent worker of at least 5 years' standing
(d) The Inspector-cum-Facilitator certifies the amenity's value annually

Q.48) Under Section 23, for an advance given to an employee before his employment began, recovery must be made:

(a) In equal monthly installments over one year
(b) From the first payment of wages for a complete wage period, except for advances given for travelling expenses
(c) Only after the employee completes one year of service
(d) Immediately in cash before employment starts

Q.49) Under Section 25, do the provisions of the Payment of Wages chapter automatically apply to Government establishments?

(a) Yes, they apply automatically and uniformly to all Government establishments
(b) No, they do not automatically apply; they apply only if the Appropriate Government specifically notifies them
(c) No, they never apply to Government establishments under any circumstances
(d) Yes, but only to establishments under the Central Government

Q.50) An employee is paid on a monthly basis. If the wages for April are due, by when must they ordinarily be paid?

(a) By the last working day of April
(b) By the 7th day of April
(c) By the 7th day of May
(d) By the 10th day of May

Q.51) An employee has worked for 35 days in an accounting year, and the Appropriate Government's notified wage ceiling is not exceeded. Under Section 26, he is entitled to a minimum annual bonus of:

(a) 8⅓% of wages earned or ₹100, whichever is lower
(b) 20% of wages earned, irrespective of profits
(c) 8⅓% of wages earned or ₹100, whichever is higher
(d) No bonus, since he must work at least 60 days

Q.52) An employee is imposed a fine on 1st June. The employer decides to recover the fine in five monthly installments, starting from June. Which of the following is correct?

(a) The fine may be recovered in installments if completed within 90 days
(b) The fine may be recovered only in two installments
(c) The fine cannot be recovered in installments
(d) The fine can be recovered after 90 days with government approval

Q.53) Under Section 26, where the allocable surplus exceeds the amount required for minimum bonus, the employer must pay bonus proportionate to wages, subject to a maximum of:

(a) 8⅓% of such wages
(b) 20% of such wages
(c) 15% of such wages
(d) 25% of such wages

Q.54) A new manufacturing establishment is set up and completes its 3rd accounting year, during which it earned no profit. Under Section 26, is it liable to pay bonus for that year?

(a) Yes, it must pay the minimum statutory bonus regardless of profit
(b) Yes, but only 50% of the minimum bonus
(c) No, during the first five accounting years, bonus is payable only for years in which the employer earns profit
(d) No, new establishments are permanently exempt from paying bonus

Q.55) An employee was suspended pending inquiry but was later reinstated with full back wages, covering the suspension period. Regarding his eligibility for bonus for the suspension period, which statement is correct?

(a) He is not eligible for bonus for the suspension period since he did not actually work
(b) He is eligible only if the employer voluntarily agrees
(c) He is eligible for only half the bonus for that period
(d) He remains eligible for bonus for the suspension period, since he is treated as having worked those days

Q.56) Under Section 27, proportionate reduction in the minimum bonus applies when:

(a) An employee has worked overtime during the year
(b) The employer's gross profits have decreased
(c) The employee has taken maternity leave
(d) An employee has not worked all the working days in the accounting year and the 8⅓% calculation yields a higher amount than payable under Section 26

Q.57) Under Section 28, which of the following is NOT treated as a day "worked" for computing bonus entitlement?

(a) Lay-off under an agreement or standing orders
(b) Leave with salary or wages
(c) Maternity leave with salary or wages
(d) Unpaid leave taken voluntarily by the employee

Q.58) Under Section 29, an employee dismissed from service for which of the following reasons is disqualified from receiving bonus?

(a) Habitual lateness to work
(b) Poor performance appraisal
(c) Conviction for sexual harassment
(d) Refusal to work overtime

Q.59) An establishment has a branch with a separate balance sheet and profit and loss account, maintained as such since before the beginning of the relevant accounting year. Under Section 30, how is this branch generally treated for bonus computation?

(a) It is always merged with the main establishment for bonus purposes
(b) It may be treated as a separate establishment for that accounting year's bonus calculation
(c) It is exempted altogether from paying bonus
(d) It is treated as a new establishment every year

Q.60) Under Section 31, bonus must be paid out of the allocable surplus, which is fixed at what percentage of the available surplus for a banking company?

(a) 50%
(b) 60%
(c) 67%
(d) 75%

Q.61) An establishment has 50 employees. On a particular day, 12 employees, acting together, absent themselves from work without giving due notice and without reasonable cause. Each of them earns ₹1,000 per day. What is the maximum amount that may be deducted from each employee's wages in lieu of the required notice period?

(a) ₹1,000
(b) ₹4,000
(c) ₹8,000
(d) ₹12,000

Q.6) A new establishment has completed 8 accounting years. Which rule applies for determining bonus from the 8th accounting year onwards?

(a) Bonus is payable only in profitable years
(b) Set-on and set-off rules alone apply
(c) The normal provisions relating to bonus apply
(d) Bonus provisions do not apply

Q.63) Under Section 36, the excess amount ("set-on") can be carried forward for use in bonus payments up to which subsequent accounting year ?

(a) Up to the 4th accounting year
(b) Up to the 2nd accounting year
(c) Up to the 6th accounting year
(d) Indefinitely, with a ceiling of 50% of total wages

Q.64) Under Section 36, when there is no available surplus or it is insufficient to pay minimum bonus, this deficiency ("set-off") is:

(a) Written off permanently and never recovered
(b) Recovered directly from employee wages
(c) Converted into an interest-bearing loan to employees
(d) Carried forward and adjusted against surplus in subsequent years, up to the 4th accounting year

Q.65) Under Section 37, if an employer has already paid a customary "puja bonus" during the accounting year, what happens to that amount when calculating the statutory bonus due under the Code?

(a) It is ignored entirely and the full statutory bonus must still be paid in addition
(b) It must be refunded by the employee to the employer
(c) It automatically doubles the employee's entitlement
(d) It can be deducted from the bonus payable under the Code for that year, with the employee entitled only to the balance

Q.66) Under Section 38, if an employee is found guilty of misconduct causing financial loss to the employer, the employer may:

(a) Terminate the employee's service without any inquiry
(b) Deduct the amount of the financial loss from the bonus payable to that employee for the accounting year
(c) Withhold the bonus of all employees in that department
(d) Report the matter only to the Inspector-cum-Facilitator, without any recovery

Q.67) Under Section 39, bonus must ordinarily be paid within how many months from the close of the accounting year, and what is the maximum total extension permissible?

(a) 8 months, extendable further by up to 8 months, subject to a total cap of 2 years
(b) 6 months, extendable to a total of 1 year
(c) 12 months, extendable indefinitely
(d) 3 months, with no possibility of extension

Q.68) Under Section 40, the bonus provisions apply to a public sector establishment only where:

(a) It employs more than 100 persons
(b) It is wholly owned by the State Government
(c) It sells goods or renders services in competition with a private sector establishment, and such income is 20% or more of its gross income for that year
(d) It has been in operation for more than 10 years

Q.69) Which of the following categories of employees is specifically exempted from the bonus provisions under Section 41 of the Code on Wages, 2019?

(a) Employees of private manufacturing companies
(b) Employees of the Reserve Bank of India
(c) Employees of IT services companies
(d) Employees of private banks

Q.7) In the calculation of the amount payable as bonus, which step comes immediately after calculating Direct Tax Payable?

(a) Calculate Gross Profits
(b) Deduct Specified Items
(c) Compute Available Surplus
(d) Compute Allocable Surplus

Q.71) Under Section 45, authorities appointed to hear and determine claims arising under the Code must not be below the rank of:

(a) A Sub-Inspector of Police
(b) A Gazetted Officer
(c) A District Judge
(d) A Cabinet Secretary

Q.72) Under Section 45, in addition to the claim amount determined, the authority may order compensation extending up to:

(a) 10 times the claim determined
(b) 2 times the claim determined
(c) 5 times the claim determined
(d) There is no ceiling on compensation

Q.73) Under Section 45, which of the following persons is/are entitled to file a claim application?

1) The employee concerned
2) A registered Trade Union of which the employee is a member
3) The Inspector-cum-Facilitator
4) Any member of the public unconnected with the establishment

Select the correct answer using the code below:

(a) 1 and 3 only
(b) 2 and 4 only
(c) 1, 2, 3 and 4
(d) 1, 2 and 3 only

Q.74) Under Section 45, within what period must a claim application ordinarily be filed from the date the claim arose?
(a) 1 year
(b) 2 years
(c) 5 years
(d) 3 years

Q.75) Under Section 46, a dispute between an employer and employees relating to fixation of bonus or eligibility for bonus is deemed to be:

(a) An industrial dispute within the meaning of the Industrial Disputes Act, 1947
(b) A civil dispute to be resolved only in civil court
(c) A criminal matter to be tried by a Magistrate
(d) A matter exclusively for arbitration under the Arbitration Act

Q.76) Under Section 47, where an employer's balance sheet and profit and loss account (audited by the CAG or a duly qualified auditor) are produced during proceedings, the authority may:

(a) Ignore the balance sheet entirely as inadmissible
(b) Presume the statements to be accurate, without the employer needing to prove accuracy separately
(c) Require the employer to file a fresh affidavit affirming every figure
(d) Refer the balance sheet to the Central Advisory Board for verification

Q.77) Under Section 48, for a non-corporate employer whose accounts have not yet been audited, the authority may:

(a) Dismiss the claim outright for lack of audited accounts
(b) Presume the accounts to be inaccurate automatically
(c) Refer the matter directly to the Appellate Authority
(d) Direct the employer to get the accounts audited if it considers an audit necessary for deciding the matter

Q.78) Under Section 49, an appeal against an order of the Authority must generally be filed with the Appellate Authority within:

(a) 30 days
(b) 90 days
(c) 60 days
(d) 6 months

Q.79) Under Section 52, offences under the Code cannot be tried by any court below the rank of:

(a) A Metropolitan Magistrate or Judicial Magistrate of the First Class
(b) A Civil Judge (Junior Division)
(c) A District and Sessions Judge
(d) A High Court judge

Q.80) Under Section 54, an employer who pays an employee less than the amount due under the Code is liable, on a first offence, to a fine of up to:

(a) ₹50,000
(b) ₹10,000
(c) ₹20,000
(d) ₹1,00,000

Q.81) Under Section 54, if the same offence of underpayment of wages is repeated by the employer within 5 years, the punishment may extend to:

(a) Fine up to ₹20,000 only
(b) Imprisonment up to 1 year, with no fine
(c) Imprisonment up to 3 months, or fine up to ₹1 lakh, or both
(d) A warning notice only

Q.82) Under Section 54, non-maintenance or improper maintenance of records required under the Code attracts a fine of up to:

(a) ₹5,000
(b) ₹10,000
(c) ₹20,000
(d) ₹50,000

Q.83) Under Section 55, when a company commits an offence under the Code, a director or officer will NOT be deemed guilty if he proves that:

(a) He was on leave when the offence occurred
(b) He is not a shareholder of the company
(c) The offence was committed without his knowledge, or he exercised all due diligence to prevent it
(d) He reported the matter to the police after the fact

Q.84) Under Section 56, which of the following offences CANNOT be compounded under the Code on Wages, 2019?

(a) An offence punishable with imprisonment only, or with imprisonment plus fine
(b) An offence punishable with fine only
(c) A first-time offence of non-maintenance of records
(d) An offence of contravening a minor procedural rule

Q.85) Under Section 56, the amount payable for compounding an offence is fixed at:

(a) 10% of the maximum fine prescribed for the offence
(b) 25% of the maximum fine prescribed for the offence
(c) 50% of the maximum fine prescribed for the offence
(d) 100% of the maximum fine prescribed for the offence

Q.8) A public sector establishment earns 22% of its gross income from selling goods in competition with a private sector establishment. Which of the following is correct?

(a) The Bonus Chapter does not apply because it is a public sector establishment
(b) The Bonus Chapter applies only if income reaches 25%
(c) The Bonus Chapter applies as it would to a similar private sector establishment
(d) The Bonus Chapter applies only to its private-sector employees

Q.87) Which of the following labour legislations was NOT amalgamated into the Code on Wages, 2019?

(a) The Payment of Wages Act, 1936
(b) The Equal Remuneration Act, 1976
(c) The Payment of Gratuity Act, 1972
(d) The Minimum Wages Act, 1948

Q.88) Which of the following is an authorised deduction from wages under the Code on Wages, 2019?

(a) Deduction for absence from duty
(b) Deduction for recovery of advances or loans
(c) Deduction for damage or loss
(d) All of the above

Q.89) An employee agrees with the employer to relinquish ₹15,000 of bonus payable under the Code on wages,2019. What is the effect of this agreement?

(a) The agreement is fully valid
(b) The agreement is valid if the employee agrees voluntarily
(c) The agreement is null and void to the extent it reduces the liability to pay the bonus
(d) The agreement is valid if made in writing

Q.90) Which of the following is NOT included in the definition of "wages" under the Code on Wages, 2019?

(a) Dearness allowance
(b) Retaining allowance
(c) House rent allowance
(d) Basic pay

Q.91) An employee receives wages through a cheque. Is this a permissible mode of payment under the Code?

(a) No, wages must always be paid in cash
(b) Yes, payment through cheque is permitted
(c) No, only bank transfer is permitted
(d) Yes, but only for public sector employees

Q.92) What is the mode of payment of wages prescribed under the Code on Wages, 2019?

(a) Coins
(b) Current notes
(c) Cheque or E-payment
(d) All of the above

Q.93) An employee may be disqualified from receiving bonus for which of the following reasons?

(a) Fraud
(b) Theft of establishment property
(c) Riotous or violent behaviour
(d) All of the above

Q.11) The Central Government fixes a floor wage of ₹15,000 per month for a particular geographical area. The Appropriate Government has fixed the minimum wage at ₹14,000. What should happen to the minimum wage?

(a) It may remain at ₹14,000
(b) It must be increased to at least ₹15,000
(c) It must be reduced to ₹10,000
(d) It will be decided by the Central Advisory Board

Q.95) The maximum annual bonus payable under the Code on Wages, 2019 is:

(a) 10% of wages earned
(b) 15% of wages earned
(c) 20% of wages earned
(d) 25% of wages earned

===================Answers=================

Q.1)(c)
Explanation:

The Central Government is the Appropriate Government for establishments carried on under its own authority, and specifically for railways, mines, oil fields and major ports, among others. All other establishments fall under the State Government.

Q.2)(b)
Explanation:

The definition of 'contractor' specifically excludes a person who merely supplies goods or articles of manufacture to an establishment; it to those who produce a result through contract labour or supply contract labour as human resource.

Q.3)(b)
Explanation:

The Code excludes from 'contract labour' a worker (other than a part-time employee) who is regularly employed by the contractor, has mutually accepted permanent employment conditions, and receives periodical increments and social security benefits.

Q.4)(c)
Explanation:

"Corporation" means any body corporate established by or under a Central Act or State Act, but it expressly excludes a company and a co-operative society.

Q.5)(b)
Explanation:

Direct Tax under the Code covers tax under the Income-tax Act 1961, the Companies (Profits) Surtax Act 1964, agricultural income-tax law, and any other tax notified as direct tax by the Central Government. GST is an indirect tax and is not covered.

Q.6)(c)
Explanation:

The definition of 'employee' excludes an apprentice engaged under the Apprentices Act, 1961, and a member of the Armed Forces of the Union. It otherwise covers persons doing skilled, unskilled, managerial, technical or clerical work for hire.

Q.7)(b)
Explanation:

In the case of a factory, the employer is the occupier; however, where a manager has been named under the Factories Act, that manager is treated as the employer.

Q.8)(b)
Explanation:

The definition of 'industrial dispute' expressly covers disputes between employer and employer, employer and worker, and worker and worker, when connected with employment, non-employment, terms of employment, or conditions of labour.

Q.9)(b)
Explanation:

The Cost-of-Living Allowance is adjusted according to changes in the cost of living index and helps account for the impact of inflation on the cost of living.

Q.10)(c)
Explanation:

The definition of wages includes basic pay, dearness allowance, and retaining allowance if any. House rent allowance, overtime allowance and gratuity are all specifically excluded from wages (subject to the 50% deemed-wages rule).

Q.11)(b)
Explanation:

50% of ₹25,000 is ₹12,500. Since the excluded payments of ₹16,000 exceed this threshold by ₹3,500, that excess amount of ₹3,500 must be added back to wages as deemed wages.

Q.12)(b)
Explanation:

Only the value of remuneration in kind up to 15% of total wages payable is counted as wages. Here, 15% of ₹30,000 is ₹4,500, which is less than the ₹6,000 received, so only ₹4,500 is counted.

Q.13)(b)
Explanation:

Persons employed in a supervisory capacity drawing wages exceeding ₹15,000 per month (or such other amount notified by the Central Government) are excluded from the definition of 'worker'.

Q.14)(b)
Explanation:

Section 3 prohibits gender-based discrimination in wages for the same work or work of a similar nature, without confining this to identical establishments or the organised sector.

Q.15)(b)
Explanation:

Section 3 specifically prohibits an employer from reducing the rate of wages of any employee to comply with the equal-wage requirement; the correct approach is to raise the lower wage.

Q.16)(b)
Explanation:

The only exception recognised under Section 3 is where the employment of women in the particular work is prohibited or restricted by law, such as certain hazardous occupations.

Q.17)(c)
Explanation:

Section 14 mandates that overtime wages must be paid at a rate of at least twice the normal rate of wages.

Q.18)(b)
Explanation:

The Code does away with the concept of scheduled employments and mandates minimum wages for all types of employment, universalising the earlier protection which applied only to notified/scheduled jobs.

Q.19)(c)
Explanation:

For time work, minimum wages may be fixed by the hour, day, week or month. Fixation on an annual basis is not among the specified methods.

Q.20)(b)
Explanation:

Section 6 allows consideration of factors such as the arduous nature of work including extreme temperature or humidity, hazardous occupations or processes, and underground work, in addition to skill level and geographical area.

Q.21)(d)
Explanation:

Section 7 recognises three methods: basic rate with cost-of-living allowance, basic rate with cash value of concessions, and an all-inclusive rate. Basing wages on employer profitability is not a recognised component.

Q.22)(b)
Explanation:

Under Section 8, the committee must have representatives of employers and an equal number of representatives of employees, with independent persons not exceeding one-third of the total membership.

Q.23)(b)
Explanation:
Section 8 requires that the date for considering representations be not less than two months from the date of the notification inviting views.

Q.24)(d)
Explanation:

Section 8 provides that minimum wages should ordinarily be reviewed or revised at intervals not exceeding five years.

Q.25)(b)
Explanation:

Section 9 makes clear that where the existing minimum wage is higher than the floor wage, it cannot be reduced merely on account of the floor wage being fixed; minimum wages simply cannot go below the floor wage.

Q.26)(a)
Explanation:

Before fixing the floor wage, the Central Government may obtain advice from the Central Advisory Board and consult with State Governments, though this is enabling rather than a mandatory precondition.

Q.27)(b)
Explanation:

Section 10 denies full-day wages where the employee was unwilling to work the full day despite the employer being willing to provide work, or in other prescribed circumstances.

Q.28)(c)
Explanation:

The employee must be paid the applicable minimum wage for each type of work according to the time spent. For 15 days at ₹18,000 monthly rate = ₹9,000, and for 15 days at ₹24,000 monthly rate = ₹12,000. Therefore, the total minimum wage payable is ₹21,000.

Q.29)(a)
Explanation:

Section 12 ensures that where only a minimum time rate has been fixed, piece- work employees must still receive wages not less than that minimum time rate.

Q.30)(b)
Explanation:

Section 13 empowers the Appropriate Government to fix normal working hours and mandate one paid day of rest in every 7 days, with work on such a rest day compensated at not less than the overtime rate.

Q.31)(b)

Explanation:

The bonus chapter applies to establishments where 20 or more persons are employed, or were employed, on any day during an accounting year.

Q.32)(b)
Explanation:

The Code allows a wage period to be daily, weekly, fortnightly or monthly, but no wage period may exceed one month.

Q.33)(b)
Explanation:

Section 17 requires wages under a weekly wage period to be paid on the last working day of the week, before the weekly holiday.

Q.34)(b)
Explanation:

For a monthly wage period, Section 17 requires wages to be paid before the 7th day of the succeeding month.

Q.35)(a)
Explanation:

Section 17 mandates that wages must be paid within 2 working days when an employee is removed, dismissed, retrenched, resigns, or becomes unemployed due to closure of the establishment.

Q.36)(b)
Explanation:

Section 18 clarifies that loss of wages resulting from withholding of increment or promotion, reduction to a lower post/time-scale, or suspension, for good and sufficient cause, is NOT treated as a deduction.

Q.37)(a)
Explanation:

Statements 1–3 correctly reflect permitted deductions under Section 18. Statement 4 is incorrect because permissible deductions for loans are limited to those from funds constituted for labour welfare or approved housing/other loans, not private moneylenders.

Q.38)(b)
Explanation:

Section 18 caps total deductions in any wage period at 50% of the employee's wages for that period; any authorised excess is recovered in the prescribed manner.

Q.39)(b)
Explanation:

Section 18 specifically provides that where a deduction made by the employer is not deposited as required, the employee shall not be held responsible for the employer's default.

Q.40)(b)
Explanation:

Section 19 prohibits imposition of any fine on an employee below 15 years of age.

Q.41)(c)
Explanation:

Section 19 caps the total fine in any one wage period at 3% of the wages payable to the employee for that period.

Q.42)(b)
Explanation:

Section 19 prohibits recovering a fine in installments or beyond 90 days from the date on which it was imposed; it is deemed imposed on the day the relevant act or omission occurred.

Q.43)(b)
Explanation:

Section 19 restricts the use of amounts realised from fines to purposes beneficial to the establishment's employees, subject to approval by the prescribed authority, and requires such fines to be recorded in a prescribed register.

Q.44)(b)
Explanation:

Section 20 permits, in cases of 10 or more employees absenting themselves together without due notice and reasonable cause, a deduction not exceeding wages for 8 days in lieu of the notice period.

Q.45)(b)
Explanation:

Section 20 deems an employee to be absent from the place of work if, although physically present, he refuses to work pursuant to a stay-in strike or for any other unreasonable cause.
Q.46)(b)
Explanation:

Section 21 requires that no deduction be made for damage or loss until the employee has been given an opportunity to show cause, following the prescribed procedure, and such deductions must be recorded in a prescribed register.

Q.47)(b)

Explanation:

Section 22 permits such deductions only where the employee accepted the accommodation/amenity/service as a term of employment, and the deduction does not exceed its value.

Q.48)(b)
Explanation:

Section 23 requires recovery of pre-employment advances from the first payment of wages for a complete wage period, but specifically excludes advances given for travelling expenses from this particular recovery rule.

Q.49)(b)
Explanation:

Section 25 provides that this Chapter does not automatically apply to Government establishments; the Appropriate Government must apply it by specific notification.

Q.50)(c)
Explanation:

For employees paid on a monthly basis, wages must be paid before the 7th day of the succeeding month. Therefore, April wages must be paid before the 7th day of May.

Q.51)(c)
Explanation:

Under Section 26, an employee who has worked at least 30 days in the accounting year is entitled to a minimum bonus of 8⅓% of wages earned or ₹100, whichever is higher.

Q.52)(c)
Explanation:

A fine cannot be recovered in installments. Further, a fine cannot be recovered after 90 days from the date on which it was imposed..

Q.53)(b)
Explanation:

Section 26 caps the maximum bonus payable, in a year of high allocable surplus, at 20% of the employee's wages earned in that accounting year.

Q.54)(c)
Explanation:

For a new establishment, bonus is payable during its first five accounting years only in respect of years in which the employer actually earns profit from that establishment.

Q.55)(d)
Explanation:

Where an employee is suspended but later reinstated with full back wages, he remains eligible for bonus for the suspension period, as clarified under the Code.

Q.56)(d)
Explanation:

Section 27 reduces the minimum bonus proportionately where an employee has not worked all the working days in the accounting year, if the 8⅓% calculation would otherwise exceed the amount payable under Section 26.

Q.57)(d)
Explanation:

Section 28 deems days of lay-off, leave with pay, temporary disablement due to an employment-related accident, and paid maternity leave as days worked. Unpaid leave is not among the listed categories.

Q.58)(c)
Explanation:

Section 29 disqualifies an employee dismissed for fraud, riotous or violent behaviour on the premises, theft/misappropriation/sabotage of establishment property, or conviction for sexual harassment.

Q.59)(b)
Explanation:

Section 30 allows a department, undertaking or branch with a separate balance sheet and P&L account, maintained as such prior to the accounting year, to be treated as a separate establishment for that year's bonus calculation.

Q.60)(b)
Explanation:

Section 31 fixes the allocable surplus at 60% of available surplus for banking companies and 67% for other establishments.

Q.61)(c)
Explanation:

Since 10 or more employees acted together in absenting themselves without due notice and without reasonable cause, the employer may make a deduction in lieu of the notice period. The deduction cannot exceed wages for 8 days.

₹1,000 × 8 days = ₹8,000.

Q.62)(a)
Explanation:

From the 8th accounting year, the normal provisions relating to bonus apply.

Q.63)(a)
Explanation:

Section 36 allows the excess allocable surplus (set-on) to be carried forward and used up to the fourth accounting year

Q.64)(d)
Explanation:

Section 36 provides that a deficiency in allocable surplus (set-off) is carried forward and adjusted against surplus in following years, up to the fourth accounting year.

Q.65)(d)
Explanation:

Section 37 allows an employer to adjust customary or interim bonus already paid against the statutory bonus payable under the Code, with the employee entitled only to the remaining balance.

Q.66)(b)
Explanation:

Section 38 permits the employer to deduct the amount of financial loss caused by an employee's misconduct from the bonus payable to that employee for the relevant accounting year, with any remaining balance still payable.

Q.67)(a)
Explanation:

Section 39 requires bonus to be paid within 8 months of the close of the accounting year, extendable by a further 8 months for sufficient reasons, with the total extended period capped at 2 years.

Q.68)(c)
Explanation:

Section 40 applies bonus provisions to a public sector establishment only if it competes commercially with private sector establishments and derives 20% or more of its gross income from such competitive activity.

Q.69)(b)
Explanation:

Section 41 exempts employees of institutions such as the Reserve Bank of India, LIC, seamen under the Merchant Shipping Act, universities and educational institutions, and non-profit hospitals and social welfare institutions, among others.

Q.70)(c)
Explanation:

The sequence is:

Step 1: Calculate Gross Profits
Step 2: Deduct Specified Items from Gross Profits
Step 3: Calculate Direct Tax Payable
Step 4: Compute Available Surplus
Step 5: Compute Allocable Surplus

Q.71)(b)
Explanation:

Section 45 requires such authorities to be not below the rank of a Gazetted Officer, appointed by notification of the Appropriate Government.

Q.72)(a)
Explanation:

Section 45 allows the authority to award compensation up to 10 times the claim amount determined, having regard to the circumstances of the case.

Q.73)(d)
Explanation:

Section 45 permits applications by the employee concerned, a registered Trade Union of which he is a member, or the Inspector-cum-Facilitator — but not by unconnected members of the public.

Q.74)(d)
Explanation:

Section 45 sets the limitation period at 3 years from the date the claim arose, though the authority may condone delay for sufficient cause.

Q.75)(a)
Explanation:

Section 46 deems bonus-related disputes (including their application to public sector establishments) to be industrial disputes under the Industrial Disputes Act, 1947.

Q.76)(b)
Explanation:

Section 47 allows the authority to presume the accuracy of duly audited balance sheets and P&L accounts, relieving the corporation/company from having to separately prove accuracy through affidavit or otherwise.

Q.77)(d)
Explanation:

Section 48 empowers the authority to direct a non-corporate employer to get accounts audited where necessary; if the employer fails to comply, the authority may get the accounts audited by an auditor of its choice, at the employer's cost.

Q.78)(b)
Explanation:

Section 49 provides a general limitation period of 90 days for filing an appeal, which may be condoned by the Appellate Authority for sufficient cause.

Q.79)(a)
Explanation:

Section 52 bars courts below the rank of a Metropolitan Magistrate or Judicial Magistrate of the First Class from trying offences under the Code.

Q.80)(a)
Explanation:

Section 54 fixes the fine for underpayment of wages at up to ₹50,000 for a first offence.

Q.81)(c)
Explanation:

Section 54 escalates the penalty for a repeat underpayment offence within 5 years to imprisonment up to 3 months, or fine up to ₹1 lakh, or both.

Q.82)(b)
Explanation:

Section 54 sets the penalty for non-maintenance or improper maintenance of records at a fine of up to ₹10,000.

Q.83)(c)
Explanation:

Section 55 provides a defence for persons in charge of the company's business if they prove the offence occurred without their knowledge or that they exercised due diligence to prevent it.

Q.84)(a)
Explanation:

Section 56 excludes from compounding those offences punishable with imprisonment only, or with imprisonment plus fine; other offences may generally be compounded.

Q.85)(c)
Explanation:

Section 56 fixes the compounding amount at 50% of the maximum fine prescribed for the offence, payable to the Gazetted Officer specified by the Appropriate Government.

Q.86)(c)
Explanation:

Since the establishment competes with a private sector establishment and the relevant income is 22% of gross income, the 20% threshold is satisfied. Therefore, the Bonus provisions apply as they would to a similar private sector establishment.

Q.87)(c)
Explanation:

The Code on Wages, 2019 amalgamates four labour laws namely the Payment of Wages Act, 1936, Minimum Wages Act, 1948, Payment of Bonus Act, 1965, and Equal Remuneration Act, 1976.

Q.88)(d)
Explanation:

Authorized deductions include deductions for absence from duty, damage or loss, recovery of advances or loans, fines, and house accommodation or amenities accepted by the employee.

Q.89)(c)
Explanation:

An agreement by which an employee gives up or relinquishes any bonus due under the Code is null and void to the extent that it seeks to remove or reduce the liability to pay that bonus.

Q.90)(c)
Explanation:

The definition of wages includes basic pay, dearness allowance, and retaining allowance. However, house rent allowance (HRA) is specifically excluded from wages under the Code.

Q.91)(b)
Explanation:

Wages may be paid through current coin or currency notes, cheque, direct credit into the employee's bank account, or electronic mode

Q.92)(d)
Explanation:

The Code on Wages, 2019 allows wages to be paid in coins, currency notes, cheques, bank transfers, or electronic modes, giving flexibility to the employer while ensuring transparency.

Q.93)(d)
Explanation:

An employee can be disqualified from receiving bonus if dismissed for fraud, theft, misappropriation, sabotage, riotous behaviour, or sexual harassment.

Q.94)(b)
Explanation:

The minimum wage fixed by the Appropriate Government cannot be lower than the floor wage. Therefore, it must be at least ₹15,000.

Q.95)(c)
Explanation:

The Code provides that annual bonus may be paid up to a maximum of 20% of the wages earned by the employee.

Occupational safety, Health and working conditions code 2020

Q.1) How many existing central labour laws are subsumed (replaced and merged) under the Occupational Safety, Health and Working Conditions Code, 2020?

(a) 10
(b) 12
(c) 13
(d) 14

Q.2) An establishment carries on manufacturing activities and employs 12 workers. Does it fall within the definition of "Establishment"?

(a) No, because 20 workers are required
(b) No, because only factories are covered
(c) Yes, because it employs 10 or more workers
(d) Yes, but only if it is a public sector establishment

Q.3) Under the revised factory thresholds highlighted in the salient features, the threshold for a factory operating without the aid of power has been increased from 20 workers to:

(a) 30 workers
(b) 40 workers
(c) 50 workers
(d) 60 workers

Q.4) Which single tripartite body, introduced under the Code, replaces six earlier boards to set national occupational safety and health standards?

(a) National Social Security Board
(b) Central Advisory Contract Labour Board
(c) National Occupational Safety & Health Advisory Board
(d) National Labour Standards Commission

Q.5) As part of the contract labour reform highlighted in the salient features, the applicability threshold in terms of the number of contract workers has been increased from 20 to:

(a) 30
(b) 40
(c) 50
(d) 100

Q.6) On which date was the OSHWC Code, 2020 notified by the Central Government?

(a) 1 January 2026
(b) 21 November 2025
(c) 26 January 2025
(d) 15 August 2025

Q.7) Which of the following is correctly exempted from the applicability of the Code?

(a) Offices of a State Public Sector Undertaking
(b) Any ship of war of any nationality
(c) Contractors' establishments connected with the Central