

BUSINESS LAW & BUSINESS CORRESPONDENCE & REPORTING

Question No. 1 is Compulsory. Answer any four question from the remaining five questions. Wherever necessary, suitable assumptions should be made and disclosed by way of note forming part of the answer.

Working Notes should form part of the answer.

Question 1:

- (a)** M promised to pay N for his services at his (M) sole discretion found to be fair and reasonable. However, N dissatisfied with the payment made by M and wanted to sue him. Decide whether N can sue M under the provisions of the Indian Contract Act, 1872?

(2 Marks)

- (b)** Mr. X, in association with his relative formed a company to promote education for the children of poor section. A licence was issued by the Central Government allowing the said company to be registered under section 8 of the Company. Government aids and lot of funds were contributed by public for the fulfillment of the benevolent object. However, on the complaint against the company, CG came to know about the manipulation of the funds in the company and so order to revoke the licence of the company. Further, directed for the amalgamation with another company registered under this section with an object to save girl child. Examine the legal position as to the order passed by the Central government in the given situation in the light of the Companies Act, 2013.

(5 Marks)

- (c)** At an auction sale, C made the highest bid for an article of P. State the legal position in each of the following alternative cases:
- Case (a) If C withdrew the bid before the fall of the hammer though he knew that one of the condition of the sale was 'bid once made cannot be withdrawn'.
- Case (b) If P refused to accept the highest bid. The sale was not notified subject to a reserve price.
- Case (c) If P appointed two persons A and B, to bid on his behalf. The sale was notified subject to a right to bid.
- Case (d) If C was allowed to take it away on (i) giving a cheque for the price (ii) signing an agreement that ownership should not pass to him until the cheque was cleared. The cheque was dishonoured but in the meantime C sold the article to Z.
- Case (e) If the sale was notified subject to a reserve price and the auctioneer by mistake accepted the C's highest bid (which was lower than the reserve price) by striking the hammer. Later, auctioneer refused to deliver the goods.

(5 Marks)

Question 2:

- (a)** Enumerate the circumstances in which LLP may be wound up by Tribunal.

(6 Marks)

- (b)** Mr. G sold some goods to Mr. H for certain price by issue of an invoice, but payment in respect of the same was not received on that day. The goods were packed and lying in the godown of Mr. G. The goods were inspected by H's agent and were found

to be in order. Later on, the dues of the goods were settled in cash. Just after receiving cash, Mr. G asked Mr. H that goods should be taken away from his godown to enable him to store other goods purchased by him. After one day, since Mr. H did not take delivery of the goods, Mr. G kept the goods out of the godown in an open space. Due to rain, some goods were damaged.

Referring to the provisions of the Sale of Goods Act, 1930, analyse the above situation and decide who will be held responsible for the above damage. Will your answer be different, if the dues were not settled in cash and are still pending?

(6 Marks)

Question 3:

- (a)** Mr. M, Mr. N and Mr. P were partners in a firm, which was dealing in refrigerators. On 1st October, 2018, Mr. P retired from partnership, but failed to give public notice of his retirement. After his retirement, Mr. M, Mr. N and Mr. P visited a trade fair and enquired about some refrigerators with latest techniques. Mr. X, who was exhibiting his refrigerators with the new techniques was impressed with the interactions of Mr. P and requested for the visiting card of the firm. The visiting card also included the name of Mr. P as a partner even though he had already retired. Mr. X supplied some refrigerators to the firm and could not recover his dues from the firm. Now, Mr. X wants to recover the dues not only from the firm, but also from Mr. P.

Analyse the above case in terms of the provisions of the Indian Partnership Act, 1932 and decide whether Mr. P is liable in this situation.

(4 Marks)

- (b)** Ram, Mohan and Gopal were partners in a firm. During the course of partnership, the firm ordered Sunrise Ltd. to supply a machine to the firm. Before the machine was delivered, Ram expired. The machine, however, was later delivered to the firm. Thereafter, the remaining partners became insolvent and the firm failed to pay the price of machine to Sunrise Ltd.

Explain with reasons:

- (i) Whether Ram's private estate is liable for the price of the machine purchased by the firm?
- (ii) Against whom can the creditor obtain a decree for the recovery of the price?

(5 Marks)

- (c)** A, B and C are partners in a firm. As per terms of the partnership deed, A is entitled to 20 percent of the partnership property and profits. A retires from the firm and dies after 15 days. B and C continue business of the firm without settling accounts. Explain the rights of A's legal representatives against the firm under the Indian Partnership Act, 1932?

(3 Marks)

Question 4

- (a)** When can an unpaid seller of goods exercise his right of lien over the goods under the Sale of Goods Act? Can he exercise his right of lien even if the property in goods has passed to the buyer? When such a right is terminated? Can he exercise his right even after he has obtained a decree for the price of goods from the court?

(6 Marks)

- (b) What are acts beyond implied authority of partner ?

(6 Marks)

Question 5:

- (a) P sells by auction to Q a horse which P knows to be unsound. The horse appears to be sound but P knows about the unsoundness of the horse. Is this contract valid in the following circumstances:

- (a) If P says nothing about the unsoundness of the horse to Q.
- (b) If P says nothing about it to Q who is P's daughter who has just come of age.
- (c) If Q says to P "If you do not deny it, I shall assume that the horse is sound." P says nothing.

(6 Marks)

- (b) The object clause of the Memorandum of Association of LSR Private Ltd, Lucknow authorized it to do trading in fruits and vegetables. The company, however, entered into a Partnership with Mr. J and traded in steel and incurred liabilities to Mr. J. The Company, subsequently, refused to admit the liability to J on the ground that the deal was 'Ultra Vires' the company. Examine the validity of the company's refusal to admit the liability to J. Give reasons in support of your answer.

(6 Marks)

Question 6

- (a) Decide with reasons whether the following agreements are valid or void under the provisions of the Indian Contract Act, 1872:

- (i) Vijay agrees with Saini to sell his black horse for Rs. 3,00,000. Unknown to both the Parties, the horse was dead at the time of the agreement.
- (ii) Sarvesh sells the goodwill of his shop to Vikas for Rs. 10,00,000 and promises not to carry on such business forever and anywhere in India.
- (iii) Mr. X agrees to write a book with a publisher. After few days, X dies in an accident.

(6 Marks)

- (b) The paid-up share capital of Saras Private Limited is Rs. 1 crore, consisting of 8 lacs Equity Shares of Rs. 10 each, fully paid-up and 2 lacs Cumulative Preference Shares of Rs.10 each, fully paid-up. Jeevan (JVN) Private Limited and Sudhir Private Limited are holding 3 lacs Equity Shares and 50,000 Equity Shares respectively in Saras Private Limited. Jeevan Private Limited and Sudhir Private Limited are the subsidiaries of Piyush Private Limited. With reference to the provisions of the Companies Act, 2013 examine whether Saras Private Limited is a subsidiary of Piyush Private Limited? Would your answer be different if Piyush Private Limited has 8 out of 9 Directors on the Board of Saras Private Limited?

(6 Marks)

PAPER : BUSINESS CORRESPONDENCE & REPORTING

The Question Paper comprises of 5 questions of 10 marks each.
Question No. 7 is compulsory. Out of questions 8 to 11, attempt any three.

SECTION-B : BUSINESS CORRESPONDENCE & REPORTING (40 MARKS)**Question 7:****(a) Comprehension Passages**

Read the following comprehension passages and answer the following questions

Marie Curie was one of the most accomplished scientists in history. Together with her husband, Pierre, she discovered radium, an element widely used for treating cancer, and studied uranium and other radioactive substances. Pierre and Marie's amicable collaboration later helped to unlock the secrets of the atom.

Marie was born in 1867 in Warsaw, Poland, where her father was a professor of physics. At an early age, she displayed a brilliant mind and a blithe personality. Her great exuberance for learning prompted her to continue with her studies after high school. She became disgruntled, however, when she learned that the university in Warsaw was closed to women. Determined to receive a higher education, she defiantly left Poland and in 1891 entered the Sorbonne, a French university, where she earned her master's degree and doctorate in physics.

Marie was fortunate to have studied at the Sorbonne with some of the greatest scientists of her day, one of whom was Pierre Curie. Marie and Pierre were married in 1895 and spent many productive years working together in the physics laboratory. A short time after they discovered radium, Pierre was killed by a horse-drawn wagon in 1906. Marie was stunned by this horrible misfortune and endured heartbreaking anguish. Despondently she recalled their close relationship and the joy that they had shared in scientific research. The fact that she had two young daughters to raise by herself greatly increased her distress.

Curie's feeling of desolation finally began to fade when she was asked to succeed her husband as a physics professor at the Sorbonne. She was the first woman to be given a professorship at the world-famous university. In 1911 she received the Nobel Prize in chemistry for isolating radium. Although Marie Curie eventually suffered a fatal illness from her long exposure to radium, she never became disillusioned about her work. Regardless of the consequences, she had dedicated herself to science and to revealing the mysteries of the physical world. (Source: internet)

- (1) A word in the passage which is a synonym of 'friendly' is:
 - (a) Revealing
 - (b) Distress
 - (c) Amicable
 - (d) Stunned
- (2) What increased the distress of Marie Curie?
 - (a) The sudden death of her husband.
 - (b) She would have to raise her daughters all alone
 - (c) She could not continue with her radium discovery
 - (d) The knowledge of her fatal illness.
- (3) Which of the following statements is false according to the passage?
 - (a) Marie Curie did not attend any University because women were not allowed to do so.
 - (b) Pierre was killed in accident involving horse wagons.
 - (c) Curie also worked on the element Uranium.
 - (d) Curie got a chance to teach Physics at Sorbonne.

- (4) Give the passage a suitable title
(a) Madam Curie and Pierre Curie
(b) Discovery of Radium and Uranium
(c) Mysteries of the physical world
(d) Madam Curie: struggles turn to achievements!
- (5) Choose an option that describes Madam Curie, based on the information given in the passage:
(a) Heartbroken, coward, weak
(b) Bold, dedicated, confident
(c) Complaining, disgruntled, arrogant
(d) Despondent, tired, ruthless

(5 Marks)

- (b)** Define the term 'communication'. How is it relevant in daily life?

(3 Marks)

- (c)** Select the suitable antonym for the given word:

- (i) Vigilant
(a) Inattentive (b) Curious (c) Concerned (d) Careful
- (ii) Proficient
(a) Probable (b) Incompetent (c) Skilled (d) Available

(2 Marks)**Question 8:**

- (a)** Growing health problems in the youth today: Causes and Consequences.
Include words: lifestyle, lethargy, physical work, internet, obsession

(5 Marks)

- (b)** Based on communication channels, what are the different kinds of communication methods? Explain.

(3 Marks)

- (c)** Fill in the blanks with the most suitable choice:

- (1) The judge ordered a death sentence when the accused was found_____
(a) Transparent
(b) Abusing
(c) Culpable
- (2) His first move was to_____the enemy team and then behead each one.
(a) Announce
(b) Seize
(c) Complete
(d) Harvest

(2 Marks)**Question 9:**

- (a)** Your company, has witnessed a gradual decline in a consumer product over the one year. Prepare the minutes of the meeting for the same. Members in the meeting; Head of the Sales and Marketing, Product head, Product lead and concerned team members.

(5 Marks)

- (b)** What is the 'chain of command' in communication? What are its drawbacks?

(3 Marks)

(c) Select the suitable synonym for the given words:

- (i) Rife
 - (a) Unknown
 - (b) Widespread
 - (c) Accountable
 - (d) General
 - (e) Survive
- (ii) Oppressive
 - (a) Grand
 - (b) Publish
 - (c) Tolerance
 - (d) Proactive
 - (e) Distressful

(2 Marks)

Question 10:

(a) You bought a printer a few days back from a leading chain of electronic stores. Now you found a few defects in its working. Write a letter to the dealer complaining about the problem and requesting him to rectify the problem or replace the printer.

(5 Marks)

(b) Differentiate between the Vertical Network and the Wheel and spoke method of communication.

(3 Marks)

(c) Change the following to Active voice

- (1) Results had to be declared by the school authorities.
- (2) The test must be completed by you in one hour.

(2 Marks)

Question 11:

(a) Précis Writing

Read the following passages and write a précis for the same.

There are approx. 6000 languages spoken worldwide. Out of them only some languages have script while others exist only in spoken form. Language diversity is common phenomena to the human. But Language death is equal to human death. In this regard, we need to work for language documentation, making new language policy, and new application to enhance the vitality of languages. A language is endangered when it is on a path toward extinction. Indeed, without proper documentation, a language that is extinct can never be revived. A language is in danger when its speakers cease to use it, use it in an increasingly reduced number of communicative domains, and cease to pass it on from one generation to the next. That is, there are no new speakers, adults or children. About 97% of the world's people speak about 4% of the world's languages; and conversely, about 96% of the world's languages are spoken by about 3% of the world's people (Bernard 1996: 142). Many indigenous peoples, associating their disadvantaged social position with their culture, have come to believe that their languages are not worth retaining. For linguist, each language is unique and each language is a unique expression of the human experience of the world. Thus, the knowledge of any single language may be the key to answering fundamental questions of the future. Every time a language dies, we have less evidence for understanding patterns in the structure and function of human language, human prehistory, and the maintenance of the world's diverse

ecosystems. Raising awareness about language loss and language diversity will only be successful when meaningful contemporary roles for minority languages can be established, for the requirements of modern life within the community as well as in national and international contexts. External Specialists and Speech Communities
External language specialists, primarily linguists, educators, and activists see their first task as documentation.

(5 Marks)

(b) Describe various characteristics of effective communication?

(3 Marks)

(c) Change the following Direct speech into Indirect speech

- (1) He said, 'I have passed the examination.'
- (2) 'Call the second witness,' said the judge.

(2 Marks)
