

(GCF-12, GCF-13, GCF-15, GCF-16, GCF-17, SCF-3, VDCF-2 & VCF-3)**DATE: 12.10.2019****MAXIMUM MARKS: 100****TIMING: 3 Hours****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)** X transferred his house to his daughter M by way of gift. The gift deed, executed by X, contained a direction that M shall pay a sum of Rs. 5,000 per month to N (the sister of the executor). Consequently M executed an instrument in favour of N agreeing to pay the said sum. Afterwards, M refused to pay the sum to N saying that she is not liable to N because no consideration had moved from her. Decide with reasons under the provisions of the Indian Contract Act, 1872 whether M is liable to pay the said sum to N.

(2 Marks)

- (b)** Flora Fauna Limited was registered as a public company. There are 230 members in the company as noted below:

- (a) Directors and their relatives 190
- (b) Employees 15
- (c) Ex-Employees (Shares were allotted when they were employees 10
- (d) 5 couples holding shares jointly in the name of husband and wife (5*2) 10
- (e) Others 5

The Board of Directors of the company propose to convert it into a private company. Also advise whether reduction in the number of members is necessary.

(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the bid before the fall of the hammer though he knew that one of the condition of the sale was 'bid once made cannot be withdrawn'.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)** Give differences between LLP and limited liability company?

(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. A, Mr. B and Mr. C were partners in a partnership firm M/s ABC & Co., which is engaged in the business of trading of branded furniture. The name of the partners was clearly written along with the firm name in front of the head office of the firm as well as on letter-head of the firm. On 1st October, 2018, Mr. C passed away. His name was neither removed from the list of partners as stated in front of the head office nor from the letter-heads of the firm. As per the terms of partnership, the firm continued its operations with Mr. A and Mr. B as partners. The accounts of the firm were settled and the amount due to the legal heirs of Mr. C was also determined on 10th October, 2018. But the same was not paid to the legal heirs of Mr. C. On 16th October, 2018, Mr. X, a supplier supplied furniture worth Rs. 20,00,000 to M/s ABC & Co. M/s ABC & Co. could not repay the amount due to heavy losses. Mr. X wants to recover the amount not only from M/s ABC & Co., but also from the legal heirs of Mr. C.
- Analyses the above situation in terms of the provisions of the Indian Partnership Act, 1932 and decide whether the legal heirs of Mr. C can also be held liable for the dues towards Mr. X.

(4 Marks)

- (b) A, B, and C are partners of a partnership firm ABC & Co. The firm is a dealer in office furniture. A was in charge of purchase and sale, B was in charge of maintenance of accounts of the firm and C was in charge of handling all legal matters. Recently through an agreement among them, it was decided that A will be in charge of maintenance of accounts and B will be in charge of purchase and sale. Being ignorant about such agreement, M, a supplier supplied some furniture to A, who ultimately sold them to a third party. Referring to the provisions of the Partnership Act, 1932, advise whether M can recover money from the firm.
- What will be your advice in case M was having knowledge about the agreement?

(5 Marks)

- (c) Rohit and Anurag are partners in a firm. They borrowed a sum of Rs. 10,000 from Parul. Later on, Rohit becomes insolvent but his assets are sufficient to payback the loan. Parul compels Anurag for the payment of entire loan. Referring to the provisions of the Indian partnership Act, 1932, examine the validity of Parul's claim and decide as to who may be held liable for the above loan?

(3 Marks)

Question 4:

- (a) Explain the doctrine of Caveat Emptor. Give its exceptions also ?

(7 Marks)

- (b) What is meant by 'Undue Influence'? 'A' applies to a banker for a loan at a time where there is stringency in the money market. The banker declines to make the loan except at an unusually high rate of interest. A accepts the loan on these terms. Whether the contract is induced by undue influence? Decide.

(5 Marks)

Question 5:

- (a) X entered into a contract with 'Y' to supply him 1,000 water bottles @ Rs. 5.00 per water bottle, to be delivered at a specified time. Thereafter, 'X' contracts with 'Z' for the purchase of 1,000 water bottles @ Rs. 4.50 per water bottle, and at the same time told 'Z' that he did so for the purpose of performing his contract entered into with 'Y'. 'Z' failed to perform his contract in due course and market price of each water bottle on that day was Rs. 5.25 per water bottle. Consequently, 'X' could not procure any water bottle and 'Y' rescinded the contract. What would be the amount of damages which 'X' could claim from 'Z' in the circumstances? What would be your answer if 'Z' had not informed about the 'Y's contract? Explain with reference to the provisions of the Indian Contract Act, 1872.

(6 Marks)

- (b) MNP Private Ltd. is a company registered under the Companies Act, 2013 with a, Paid Up Share Capital of Rs. 45 lakh and turnover of Rs. 3 crores. Explain the meaning of the "Small Company" and examine the following in accordance with the provisions of the Companies Act, 2013:

- (i) Whether the MNP Private Ltd. can avail the status of small company?
- (ii) What will be your answer if the turnover of the company is Rs. 1.50 crore?

(6 Marks)

Question 6:

- (a) X offered to sell his house to Y for Rs. 50,000. Y accepted the offer by E-mail. On the next day Y sent a fax revoking the acceptance which reached X before the E-mail. Is the revocation of acceptance valid? Would it make any difference if both the E-mail of acceptance and the fax of revocation of acceptance reach X at the same time?

(3 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)

- (c) A sends an offer to B to sell his second-car for Rs. 40,000 with a condition that if B does not reply within a week, he (A) shall treat the offer as accepted. Is A correct in his proposition? What shall be the position if B communicates his acceptance after one week?

(3 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) Read the passage carefully and answer the questions that follow:

The Internet has changed our world. It has been defined as 'a world-wide broadcasting capability, a mechanism for information dissemination, and a medium for collaboration and interaction between individuals and their computers without regard for geographic location'. Instant communication on various social networking sites is an off shoot of the internet revolution.

Though these sites have numerous advantages in terms of connectivity and sharing information, and are increasingly becoming a part of everyday life of people; they are being misused by anti-social elements, terrorist organizations, governments, various institutions and the public at large. Twitter, instagram, snapchat, blogs, whatsapp, virtual worlds, and specific social networking sites like Facebook are an inseparable part of our lives in the modern world.

One of the biggest disadvantages is loss of privacy by individuals. Social networking sites ask for a great deal of personal information, and it is possible for people in all parts of the world to see that information. There are privacy settings for these sites, but many people are either unaware of them, or are careless about guarding their personal information. Besides, the information creates a "digital footprint" that cannot be easily erased. Many share inappropriate content and pictures on which can be misused by unscrupulous elements and cause irreparable damage to reputations. There have been innumerable examples of sexual exploitation of young boys and girls on social media. Inappropriate photographs, messages, and private content that they shared on the site, is used to blackmail them. Numerous instances of pictures being morphed, and used to ruin reputations, have been reported. Sexual predators make fake profiles, befriend young people and take advantage of them. Celebrities and ordinary citizens are trolled maliciously on twitter if their opinions are disliked by a certain section of their followers. Explicit sexual threats are posted on their accounts.

Cyber bullying has become a common phenomenon on social networks. All most all teenagers admit to being a target of such bullying at least once in their lives. People are abused, reviled and mercilessly teased. Being malicious, unkind and cruel is fun for some people. Others use the medium to send an intimidating message, start a nasty rumor, or upload embarrassing photos. It's possible to be completely anonymous as well, so there is less chance of getting caught. Such bullying causes lasting psychological damage to the victims. Many have been known to have taken the extreme step of committing suicide.

Another problem that has been highlighted by psychiatrists is 'internet addiction disorder'. Many people literally live out their lives on social media. Every event and happening has to be shared on Facebook. Their lives revolve around the number of likes and comments they get on their posts. Unfortunately, many of these comments are insincere and fake, thus giving the individual incorrect perception of himself / herself. Moreover, this addiction consumes a lot of time which would be otherwise productively used for the benefit of the body and mind.

Contrarily, interacting on internet is also known to have caused a loss of social skills. Many people feel comfortable chatting with a person online than in engaging in a face to face verbal conversation. More importantly, you can do all kinds of things you could never do in real life, like giving hugs and kisses to everyone, which you would

rarely do in real life. And you can give yourself a completely unique identity. Sometimes people start to prefer their fake online lives to their actual lives, and this is when social networking sites start to negatively affect social skills.

Another issue gaining ground is spreading of fake news on the internet. Enormous amount of information on social, political, economic, health related information is available on various sites. There are serious social ramifications of circulation of such false information. The government is making attempts to bring in laws to control this phenomenon.

In conclusion, the advice is that, like everything else, use social media in moderation and with wisdom.

Q1. We lose privacy on social networking sites because

- (a) We put many photographs on the site
- (b) Sites require us to share a great deal of our personal information
- (c) We choose wrong friends
- (d) Youngsters are generally careless

(1 Mark)

Q2. Cyber bullying is common because

- (a) There are many bullies everywhere
- (b) People are mean and unkind
- (c) It's very easy to "hack" into another person's profile
- (d) It is quick and easy to post nasty comments anonymously on social media sites

(1 Mark)

Q3. What is the negative influence of 'social networking' in the context of the passage

- (a) It takes away our identity
- (b) We do not make many friends
- (c) We network with friends and colleagues easily and frequently
- (d) It can lead to loss of social skills

(1 Mark)

Q4. Which of the following is not a byproduct of social networking (in the passage)?

- (a) Sexual predatory
- (b) Damaging of social skills
- (c) Ability to make many friends
- (d) Waste of great deal of time

(1 Mark)

Q5. Which of the following words is most similar to 'intimidating' as used in the passage

- (a) To get intimate with someone
- (b) To frighten or threaten someone
- (c) To become personal
- (d) To be too friendly

(1 Mark)

(b) Convert Direct into Indirect Speech :

- (i) They said, "We would apply for a visa".

(1 Mark)

- (ii) He said, "I could run faster".

(1 Mark)

- (iii) He said, "I should avail the opportunity.

(1 Mark)

- (c)** What is grapevine communication?

(2 Marks)

Question 8:

- (a)** Read the following notes and summarize appropriately.

Headache and their Treatments

- (a) Classifin :

(i) tnsn h'ach

(ii) mgrne h'ach

- (b) Symptoms :

(i) tnsn h'ach

(a) feeling tight band around head

(b) pain in neck and shoulders

(ii) mgrne h'ach

(a) pain on one side of the head

(b) vomiting and irritability

(c) bright sport of flashes of light

- (c) Causes :

(i) tnsn h'ach

(a) long stretches of driving

(b) long hrs. of typing or sitting on the desk

(ii) mgrne h'ach

(a) chocolate, coffee, smoking

(b) MSU is certain food items

- (d) Treatment :

(i) self –care techniques for shorter pd.

(ii) doctor advice for permanent treatments.

KEY

1. classifin – classification
2. h'ache – headache
3. tnsn – tension
4. mgrne – migraine
5. pd – period

(5 Marks)

- (b)** Fill in the blanks with the most suitable option :

- (i) It was quite humorous to see the_____minister talk about health and fitness issues.

(a) rotund

(b) corrupt

(c) angular

(d) quarrelsome

(1 Mark)

- (ii) The _____ rainfall in desert regions has led to a risk of famine.
- (a) worthy
 - (b) scanty
 - (c) expensive
 - (d) abundant

(1 Mark)

- (iii) The sage is leading a _____ life in the mountain peaks.
- (a) spiritual
 - (b) boring
 - (c) graceful
 - (d) ghostly

(1 Mark)

- (c)** Explain circuit Network.

(2 Marks)

Question 9:

- (a)** Draft a resume for a fresher with a Bachelors degree in Commerce, applying for a job in finance. He / she has no work experience.

(5 Marks)

- (b)** Select the correct meaning of the idioms/phrases given below:

- (i) Bone of contention
- (a) Area of agreement
 - (b) Of least importance
 - (c) Subject of dispute
 - (d) To be cautious

(1 Mark)

- (ii) Storm in a teacup
- (a) Crave for something
 - (b) Drink tea often
 - (c) Get in to quarrels
 - (d) Make a big issue out of a small thing

(1 Mark)

- (iii) Hobson's choice
- (a) No choice at all
 - (b) Lost of choices
 - (c) Unanimous decision
 - (d) To make eye contact

(1 Mark)

- (c)** Explain gender barrier in communication.

(2 Marks)

Question 10:

- (a)** You are Rohan Sinha Manager of KD Infotech. Write a letter to the Manager of Shrishti Enterprises for Placing an Order for Office Furniture.

(5 Marks)

(b) Convert Indirect into Direct Speech :

(i) He asked if that was his pen.

(1 Mark)

(ii) Rama ordered Arjun to go away.

(1 Mark)

(iii) He requested him to open the door for him.

(1 Mark)

(c) Explain cultural barrier in communication.

(2 Marks)

Question 11:

(a) You are sports reporter, Ajay Singh. Write a report on the one day cricket match between Australia and India at Melbourne in 150 to 200 words.

(5 Marks)

(b) Convert Passive Voice into Active Voice :

(i) The book is being read by most of the class.

(1 Mark)

(ii) Results will be published by the next journal.

(1 Mark)

(iii) A policy of whitewashing and cover-up has been pursued by the CIA director and his close advisors.

(1 Mark)

(c) Explain paralanguage in communication.

(2 Marks)
