

(ALL CA FOUNDATION BATCHES)**DATE: 12.01.2021****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) Father promised to pay his son a sum of Rs. one lakh if the son passed C.A. examination in the first attempt. The son passed the examination in the first attempt, but father failed to pay the amount as promised. Son files a suit for recovery of the amount. State along with reasons whether son can recover the amount under the Indian Contract Act, 1872.

(4 Marks)

- (b) Mr. X had purchased some goods from M/s ABC Limited on credit. A credit period of one month was allowed to Mr. X. Before the due date Mr. X went to the company and wanted to repay the amount due from him. He found only Mr. Z there, who was the factory supervisor of the company. Mr. Z told Mr. X that the accountant and the cashier were on leave, he is in-charge of receiving money and he may pay the amount to him. Mr. Z issued a money receipt under his signature. After two months M/s ABC Limited issued a notice to Mr. X for non-payment of the dues within the stipulated period. Mr. X informed the company that he had already cleared the dues and he is no more responsible for the same. He also contended that Mr. Z is an employee of the company to whom he had made the payment and being an outsider, he trusted the words of Mr. Z as duty distribution is a job of the internal management of the company.

Analyse the situation and decide whether Mr. X is free from his liability.

(4 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?

(4 Marks)

Question 2:

- (a) Give doctrine of privity of contract and give exceptions also ?

(7 Marks)

- (b) Referring to the provisions of the Sale of Goods Act, 1930, state the circumstances under which when goods are delivered to the buyer "on approval" or "on sale or return" or other similar terms, the property therein passes to the buyer. Ms. Preeti owned a motor car which she handed over to Mr. Joshi on sale or return basis. After a week, Mr. Joshi pledged the motor car to Mr. Ganesh. Ms. Preeti now claims back the motor car from Mr. Ganesh. Will she succeed? Referring to the provisions of the Sale of Goods Act, 1930, decide and examine what recourse is available to Ms. Preeti.

(5 Marks)

Question 3:

- (a) J the owner of a Fiat car wants to sell his car. For this purpose he hand over the car to P, a mercantile agent for sale at a price not less than Rs. 50,000. The agent sells the car for Rs. 40, 000 to A, who buys the car in good faith and without notice of any fraud. P misappropriated the money also. J sues A to recover the Car. Decide given reasons whether J would succeed.

(6 Marks)

- (b) Explain the types of partnership?

(6 Marks)**Question 4:**

- (a) Z rent out his house situated at Mumbai to W for a rent of Rs. 10,000 per month. A sum of Rs. 5 lac, the house tax payable by Z to the Municipal Corporation being in arrears, his house is advertised for sale by the corporation. W pays the corporation, the sum due from Z to avoid legal consequences. Referring to the provisions of the Indian Contract Act, 1872 decide whether W is entitled to get the reimbursement of the said amount from Z.

(4 Marks)

- (b) Distinguish between right of lien and stoppage in transit?

(4 Marks)

- (c) ABC Pvt. Ltd., is a Private Company having five members only. All the members of the company were going by car to Mumbai in relation to some business. An accident took place and all of them died. Answer with reasons, under the Companies Act, 2013 whether existence of the company has also come to the end?

(4 Marks)**Question 5:**

- (a) Mrs. Geeta went to the local rice and wheat wholesale shop and asked for 100 kgs of Basmati rice. The Shopkeeper quoted the price of the same as Rs. 125 per kg to which she agreed. Mrs. Geeta insisted that she would like to see the sample of what will be provided to her by the shopkeeper before she agreed upon such purchase. The shopkeeper showed her a bowl of rice as sample. The sample exactly corresponded to the entire lot. The buyer examined the sample casually without noticing the fact that even though the sample was that of Basmati Rice but it contained a mix of long and short grains. The cook on opening the bags complained that the dish if prepared with the rice would not taste the same as the quality of rice was not as per requirement of the dish. Now Mrs. Geeta wants to file a suit of fraud against the seller alleging him of selling mix of good and cheap quality rice. Will she be successful? Explain the basic law on sale by sample under Sale of Goods Act 1930? Decide the fate of the case and options open to the buyer for grievance redressal as per the provisions of Sale of Goods Act 1930? What would be your answer in case Mrs. Geeta specified her exact requirement as to length of rice?

(6 Marks)

- (b) What are the steps to incorporate LLP?

(6 Marks)

Question 6:

- (a) Explain Doctrine of Indoor Management and also give its exception?

(6 Marks)

- (b) M Ltd., contracts with Shanti Traders to make and deliver certain machinery to them by 30.6.2004 for Rs. 11.50 lakhs. Due to labour strike, M Ltd. could not manufacture and deliver the machinery to Shanti Traders. Later, Shanti Traders procured the machinery from another manufacturer for Rs. 12.75 lakhs. Shanti Traders was also prevented from performing a contract which it had made with Zenith Traders at the time of their contract with M Ltd. and were compelled to pay compensation for breach of contract. Advise Shanti Traders the amount of compensation which it can claim from M Ltd., referring to the legal provisions of the Indian Contract Act, 1872.

(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) Read the following comprehension passages and answer the following questions
Passage 1

The great Acharyas have said that having discovered a great goal, surrender yourself to that goal and act towards it drawing your inspiration from that goal whereby you will get a new column of energy. Do not allow this energy to be dissipated in the futile memories of past regrets or failures nor in the imagined sorrow of the future or the present and thus bring the entire energy focused into activity. That is the highest creative action in the world outside. Thereby the individual who is till now considered most inefficient finds his way to the highest achievement and success.

This is said very easily in a second. But in order to train our mind to this attitude it needs considerable training because we have already trained the mind wrongly to such an extent that we have become perfect in imperfection. Not knowing the art of action, we have been master artists in doing the wrong thing. The totality of activity will bring the country to a wrong end indeed.

If each one is given a car, to achieve an ideal socialistic pattern, and nobody knows driving but everybody starts driving, what would be the condition on the road ? Everybody has equal right on the public road. Then each car must necessarily dash against the other, and there is bound to be a jumble. This seems to be the very apt pattern of life that we are heading to. Everyone of us is a vehicle. We know how to go forward. The point is that intellect is very powerful and everyone is driving but nobody seems to know how to control the mental energy and direct it properly or guide it to a proper destination.

- (1) Which of the following will cause the country to perish?
- (a) Driving cars without proper driving knowledge and skill
 - (b) Directing mental energy to the right destination
 - (c) Wrong deeds performed without proper knowledge
 - (d) Memories of past regrets and failures

- (2) What is the effect of the wrong training of the mind?
 - (a) The art of action is too much emphasised.
 - (b) We have become perfect in all aspects.
 - (c) Each of us could become a master artist.
 - (d) We have become perfect in imperfections.
- (3) The author's chief concern is
 - (a) The car accidents resulting from lack of driving skill.
 - (b) Regulation of energy in a proper direction
 - (c) Discovery of a great goal in life
 - (d) Establishment of socialistic pattern
- (4) Which of the following is the source of energy?
 - (a) Stimulation obtained from a set aim
 - (b) Highest creative action
 - (c) A column that supports a building
 - (d) Proper training of the mind to achieve perfection
- (5) Which of the following could lead to success?
 - (a) Preparing oneself to face the probable sorrows of the future
 - (b) Cherishing the memories of the past
 - (c) Bringing all the energy into activity
 - (d) Being alert about the excitement of present

(5 Marks)

(b) Read the following passage and make proper notes-

By making it optional for cinema halls to play the national anthem before every show, the Supreme Court has at last removed the coercive element it had unfortunately introduced by an interim order in November 2016. Laying down a judicial rule that the anthem must be played on certain occasions in specific places, in the absence of any statutory provision to this effect, was unnecessary and opened the court to charges of over-reach. With the Centre saying this directive could be placed on hold, and that it would set up an inter-ministerial committee to recommend regulations for the presentation of the national anthem, the court has said it is not mandatory to play it in cinema halls. The panel will also suggest changes in the Prevention of Insults to National Honour Act, 1971, or in the Orders relating to the anthem issued from time to time. Justice D.Y. Chandrachud, one of the three judges on the Bench, had at an earlier hearing doubted the wisdom of asking patrons of cinema to visibly demonstrate their patriotism each time they entered a theatre to watch a film, remarking that there was no need for an Indian to "wear his patriotism on his sleeve". He had asked at what point would such "moral policing" stop if it were to be prescribed that some kinds of apparel should not be worn at the movies as they could amount to showing disrespect to the national anthem. The court's order also had some unintended, but not unforeseen, consequences. The audience began looking for signs of 'disrespect' and there were reports of vigilantism, with people beaten up or harangued for not standing up.

(5 Marks)

Question 8:

- (a)** As the Manager, HR of Net Solutions Ltd, Mumbai, draft a complaint letter to the Administration Head of Food for you Solutions, Mumbai, stating your concern about the bad quality of food being supplied to your company's cafeteria.

(5 Marks)

- (b)** What is nonverbal communication? Explain its types.

(2 Marks)

- (c) (i) Select the suitable antonym for the given word:
Concealed
(a) To hide
(b) Uninteresting
(c) Known
(d) Related
(1 Mark)
- (ii) Rewrite the following sentences in active voice
A conservative lifestyle was led by women in olden days.
(1 Mark)
- (iii) Change the following sentence into Indirect speech.
The girl asked, 'Where do you live?'
(1 Mark)

Question 9:**(a) Précis Writing**

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

The word 'gender', originally a grammatical term, has come to refer to the social roles and behavior of individuals arising from their classification as biologically male or female. In other words, Gender is general terms is imported from the social sciences for the sex or sexuality of human beings. Hence 'gender difference', of a difference in speech between men and women; language and gender, as a branch of sociolinguistics dealing with such differences. This is a huge complex embracing virtually all aspects of social behavior of which language is only one. Recently, intensive research has been carried out about the relationship of language and gender, largely by female scholars who have felt drawn to the topic because of the obvious discrimination against women that has taken place in the past and which can still be observed today. The initial impulse was the work of the American linguist Robin Lakoff, who in the early 1970s focussed her attention on certain themes with the language and gender complex above those that she rightly felt required rectification. Her work stimulated other scholars to engage in this study and soon language and gender was a burgeoning research area in universities across the western world. Various opinions emerged on this relationship with two gaining particular focus. One is the difference approach which established that male and female language is dissimilar in spoken as well as written without attributing this to the nature of the social relationship between men and women. The other is the dominance approach which saw language usage by females and males as reflecting established relationship of social control of the latter over the former. With the maturation of research on language and gender the simple 'difference – dominance' dichotomy was increasingly regarded as unsatisfactory and insufficiently nuanced. For example, to maintain that men have a competitive style of social behavior in western countries is a generalization that everyone would agree. However, there are men who are not competitive in this respect. There are common tendencies that one comes across such as men interrupt women more, women are more communicative than men, women gossip more than men, men speak more comfortably in public and are good in calculation than women.

(5 Marks)

- (b) Explain informal communication.
(3 Marks)
- (c) Rewrite the following sentences in passive voice.
1. I ran the obstacle course in record time.
2. We would reduce costs if we used less paper.
(2 Marks)

Question 10:

- (a) What are the disadvantages of the wheel network?
(3 Marks)
- (b) Change the following Direct speech into Indirect speech.
(i) The teacher praised the girl, 'You have been working hard'
(ii) Uncle said, 'I am unwell'
(2 Marks)
- (c) Resume Writing
(i) Draft a resume for Aditya Narula, who has passed class XIIth, has completed his B.com with distinction and is currently pursuing M.com (final year). Aditya wishes to apply for a job in a small start up which deals with stocks.
(5 Marks)

Question 11:

- (a) List at least 5 barriers of communication. Explain any two of them in your own words.
(3 Marks)
- (b) (i) Change the following Direct speech into Indirect speech:
The athlete said, 'I can break old records'
(1 Mark)
- (ii) Select the suitable synonym for the given words:
Distort
(a) Save
(b) Abundant
(c) Deform
(d) Overwhelm
(e) Move
(1 Mark)
- (c) **Précis Writing**
Read the following passages and write a précis for the same. Follow the basic rules of précis writing while writing.
(1) How does television affect our lives. It can be very helpful to people who carefully choose the shows that they watch. Television can increase our knowledge of the outside world, there are high quality programmes that helps us to understand many fields of study, science, medicine, the arts and so on. Moreover, television benefits very old people, who can't often leave the house as well as patients in hospitals. It also offers non native speakers the advantage of daily informal language practice. They can increase their vocabulary and practice listening.
On the other hand, there are several serious disadvantages of television. Of course, it provides us with a pleasant way to relax and spend our free time, but in some countries, people watch the 'blood tube' for an average of six hours or more a day. Many children stare at a television screen for more hours each day than they do anything else including studying & sleeping. It's clear that the tube has a powerful influence on their lives and that its influence is often negative.
(5 Marks)