

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) A & Co. is registered as a partnership firm in 2015 with A, B and C partners. In 2016, A dies. In 2017, B and C sue X in the name and on behalf of A & Co., without fresh registration. Now the first question for our consideration is whether the suit is maintainable. Now, in the above example, what difference would it make, if in 2017 B and C had taken a new partner, D, and then led a suit against X without fresh registration?

(6 Marks)

(b) When condition to be treated as warranty?

(4 Marks)

(c) State with reason whether there is any contract made in the following case as per the Indian Contract Act, 1872:

“J puts three one rupee coins in the slot of a platform ticket vending machine at the Railway Station”

(2 Marks)

Question 2:

(a) Explain the provisions related to winding up and dissolution of LLP?

(6 Marks)

(b) What is meant by a Guarantee Company? State the similarities and dissimilarities between a Guarantee Company and a Company having Share Capital.

(6 Marks)

Question 3:

(a) Ravi Private Limited has borrowed Rs. 5 crores from Mudra Finance Ltd. This debt is ultra vires to the company. Examine, whether the company is liable to pay this debt? State the remedy if any available to Mudra Finance Ltd.?

(5 Marks)

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

(7 Marks)

Question 4:

(a) 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.

(6 Marks)

- (b) Master X was introduced to the benefits of partnership of M/s ABC & Co. with the consent of all partners. After attaining majority, more than six months elapsed and he failed to give a public notice as to whether he elected to become or not to become a partner in the firm. Later on, Mr. L, a supplier of material to M/s ABC & Co., filed a suit against M/s ABC & Co. for recovery of the debt due.

In the light of the Indian Partnership Act, 1932, explain:

- (i) To what extent X will be liable if he failed to give public notice after attaining majority?
- (ii) Can Mr. L recover his debt from X?

(6 Marks)

Question 5:

- (a) Explain the law relating to liability of joint promisors in a contract. 'D', 'E' and 'F' who are partners in a firm, jointly promised to pay Rs. 1,50,000/- to 'A'. Later-on, 'F' became insolvent and his private assets are sufficient to pay only 1/5th of his share of debt. 'A' recovers the whole amount from 'D' through a legal action. Decide, under the provisions of the Indian Contract Act, 1872 the extent to which 'D' can recover the amount from 'E'.

(6 Marks)

- (b) 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)

Question 6:

- (a) Mr. Anil formed a One Person Company (OPC) on 16th April, 2018 for manufacturing electric cars. The turnover of the OPC for the financial year ended 31st March, 2019 was about Rs. 2.25 Crores. His friend Sunil wanted to invest in his OPC, so they decided to convert it voluntarily into a private limited company. Can Anil do so?

(4 Marks)

- (b) 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)

- (c) Give difference between Dissolution of Firms Dissolution of Partnership?

(4 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) Body language speaks the truth while speaker may play with words to hide the truth, comment?

(2 Marks)

- (b) (i) Choose the word which best expresses the meaning of the given word :

SCINTILLATING

- (1) Smoldering
- (2) Glittering
- (3) Touching
- (4) Warming

(1 Mark)

- (ii) Select a suitable antonym for the word given under:

FIDELITY

- (1) Commitment
- (2) Inconstancy
- (3) Ambitious
- (4) Devotion

(1 Mark)

- (iii) Change the following sentence to indirect speech :
Varun Said, "Every Kid should learn coding".

(1 Mark)

- (c) Write a precis and give an appropriate title to the passage given below :

These days, it is not unusual to see people listening to music or using their electronic gadgets while crossing busy roads or travelling on public transport, regardless of the risks involved. I have often wondered why they take such risks, is it because they want a sense of independence, or is it that they want to tell everybody to stop bothering them ? Or is it that they just want to show how cool they are? Whether it is a workman or an executive, earphones have become an inseparable part of our lives, sometimes even leading to tragicomic situations.

The other day, an electrician had come to our home to repair iron. We told him in detail what the fault was and needed to be done. But after he left, I found that the man had done almost nothing and iron was not working even after repair. It later turned out that he could not hear our directions clearly because he had an earphone on. Many of such earphones addicts commute by the Metro every day. While one should not be grudge anyone their moments of privacy or their love for music, the fact is 'iPod oblivion' can sometimes be very dangerous.

Recently, I was travelling with my wife on the Metro, Since the tram WAS approaching the last station, there weren't too many passengers In our compartment, other than us, there were only two women sitting on the other side of the aisle. And then suddenly, I spotted a duffel bag. The bomb scare ('lasted Mr several minutes, 'Then suddenly, a youth emerged from nowhere and picked up the bag. When we tried to stop him, he looked at us, surprised, Then he took off his earpieces, lifted the bag, and told us that the bag belonged to him and that he was going to get it at the next station.

We were stunned but recovered in time to ask him where he was all this while. His answer was that in the compartment, leaning against the door totally involved in the music, He had no clue about what was going on around him. When he got off. earplugs in his hand, we could hear strains of the song.

(5 Marks)

Question 8:

(a) Mr. Ramesh, the HR Head of ABC Insurance Co. Ltd., who is having charge of training and development also, during his twelve years with the Company. He had the experience of training and developing numerous employees, only to see many of them leave the firm after getting their advanced degrees. The Company has a Policy of reimbursement of 90% of the cost incurred on tuition fee. books etc. for acquiring such qualifications. Only those employees who have taken prior permission of HR before enrolment in such program/degree and completed three years of service are eligible for seeking the reimbursement. A proof of its popularity was that most of the junior and middle level managers had availed this facility to advance their qualifications.

Mr. Kumar, a Sales Executive, who had joined the Company just three years ago had also availed the aforesaid facility for pursuing a course in Business Management and had recently completed his master's degree in business management and submitted the same to the Company for seeking reimbursement and recording additional qualifications acquired in official records.

Mr. Ramesh congratulated him and added the additional qualifications acquired by him in the Company records and assured him to consider him for higher position keeping in view his qualifications in near future and of course subject to availability of vacancy as per the approved Organisation Chart. Further Mr. Ramesh allowed reimbursement of 90% of the cost incurred as per the Policy. Mr. Kumar on his achievement when he came to see and thank HR Head, but was strongly taken aback when he expressed his intention to leave the Company in favour of a competitor because he did not see any future for himself in ABC Insurance Co. Ltd. Head HR was annoyed as this had happened so many times in the past. He immediately rushed to see the Marketing Director to seek support for reviewing and discontinuing the Policy of educational reimbursement with immediate effect or to put a condition that all those employees who acquired such qualifications and reimbursed 90% of the expenses shall at least serve the Company for a minimum of 3 years after seeking such reimbursement.

(i) What could be the possible reasons behind employees quitting the Company after acquiring higher qualifications?

(2 Marks)

(ii) Is there any need to amend or abandon the Policy of educational reimbursement?

(1 Mark)

(iii) What measures do you suggest for overcoming high employee attrition problem?

(2 Marks)

(b) Read the Passage :

(i) Make Notes, using Headings, Subheadings and abbreviations whenever necessary.

(3 Marks)

(ii) Write Summary

Recycling is simply the process of reusing the items from which utility can still be derived. It is important to recycle waste so that we can at least conserve some of

our natural resources for the generations to come. Many products such as paper, cardboards, and cups come from trees. In fact trees are our natural assets: you can conserve trees by recycling the paper products as by doing so we can minimize the number of trees cut down a year. This is one form of waste recycling.

Recycling waste will not only save our natural resources but will also help save energy. By simply recycling an item or making a basic fix to it, we can save all the energy that would have been consumed in the process of making it. The same example can be taken with plastic items. A large amount of energy can be saved by simply reusing the plastic items. To recycle waste is to simply reduce pollution. By recycling plastic material, we can reduce air pollution as well as water pollution. Plastic factories produce a large amount of smoke while producing plastic material at same time; if we don't have a proper waste disposal system then those waste emissions will cause water pollution. Recycling helps reduce pollution too.

In simple words, recycling waste is essential for both the natural environment and humans. To sum up, recycling minimizes the need for raw materials so that the rainforests can be preserved. Great amounts of energy are used when making products from raw materials. Recycling requires much less energy and therefore helps to preserve natural resources. One needs to know the importance of recycling; at the same time being earth friendly can help make our planet a better place to live in.

(2 Marks)

Question 9:

(a) Explain how listening for Understanding helps in communication.

(2 Marks)

(b) (i) Change the sentence from Active to Passive Voice.
Question – The crew cleaned the entire stretch of highway.

(1 Mark)

(ii) Change the sentence from Passive to Active Voice.
Question – The house was remodeled by the homeowners to help it sell.

(1 Mark)

(iii) Change the following sentence to indirect speech.
Question – Socrates said, "Virtue is its own reward."

(1 Mark)

(c) Write an article of about 250 words on the topic, "The Pros and cons of online education in India".

(5 Marks)

Question 10:

(a) What is formal communication, explain.

(2 Marks)

OR

Encoding the matter is an important element of communication, comments?

(2 Marks)

(b) (i) Choose the word which best expresses the meaning of the given word :

Concise

- (1) Brief
- (2) Better
- (3) Important
- (4) Interesting

(1 Mark)

- (ii) Choose the word which best expresses the meaning of the given word:

Cryptic

- (1) Pertinent
- (2) Common
- (3) Mysterious
- (4) Loyalty

(1 Mark)

- (iii) Change the following sentence to indirect speech:

"Do you suppose you know better than your own father?" jeered his angry mother.

(1 Mark)

- (c) Draft Newspaper Report on "Project to interconnect rivers in India" to be published in a national newspaper.

(5 Marks)

Question 11:

- (a) Explain Wheel & Spoke network in communication.

(2 Marks)

- (b) Select the correct meaning of Idioms / Phrases given below :

- (i) To be a mastermind

- (1) To be a pioneer
- (2) To be an entrepreneur
- (3) To be an amateur
- (4) To be a villain

(1 Mark)

- (ii) At wit's end

- (1) Impoverished
- (2) Drained
- (3) Completed
- (4) Perplexed

(1 Mark)

- (iii) Change the sentence into Passive voice :

Question – Will you tell me a story ?

(1 Mark)

- (iv) Choose the word which best expresses the meaning of the given word:

COMBAT

- (1) Conflict
- (2) Quarrel
- (3) Feud
- (4) Fight

(1 Mark)

- (c) Write a letter to an applicant informing him about the postponement of his interview date.

(4 Marks)

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