

**(GCF-14, GCF-15, GCF-16, GCF-17 & GCF-17-A, VCF-3, VDCF-3)**

DATE: 09.06.2023

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 agrees to sell to Y "100 tons of oil."

State the legal position of this agreement in each of the following alternative cases:

Case (a) If X, who is a dealer in coconut oil only, decides to sell @ Rs. 10,000 per ton.

Case (b) If X is a dealer in coconut oil and price is to be fixed by Z.

Case (c) If X who is a dealer in coconut oil agrees to sell at Rs. 10,000 per ton or Rs. 11,000 per ton.

Case (d) If X is a dealer in coconut oil and mustard oil.

**(4 Marks)**

- (b)** The Memorandum of Association of a company was presented to the Registrar of Companies for registration and the Registrar issued the certificate of incorporation. After complying with all the legal formalities a company started a business according to the object clause, which was clearly an illegal business. The company contends that the nature of the business cannot be gone into as the certificate of incorporation is conclusive. Answer the question whether company's contention is correct or not.?

**(4 Marks)**

- (c)** For the purpose of making uniform for the employees, Mr. Yadav bought dark blue coloured cloth from Vivek, but did not disclose to the seller the purpose of said purchase. When uniforms were prepared and used by the employees, the cloth was found unfit. However, there was evidence that the cloth was fit for caps, boots and carriage lining. Advise Mr. Yadav whether he is entitled to have any remedy under the sale of Goods Act, 1930?

**(4 Marks)**

**Question 2:**

- (a)** Give differences between LLP and Limited Liability Company?

**(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 3:**

- (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 4:**

- (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 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 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)**

**Question 6:**

- (a)** Ms. R owns a Two Wheeler which she handed over to her friend Ms. K on sale or return basis. Even after a week Ms. K neither returned the vehicle nor made payment for it. She instead pledged the vehicle to Mr. A to obtain a loan. Ms. R now wants to claim the Two wheeler from Mr. A. Will she succeed?

- (i) Examine with reference to the provisions of the Sale of Goods Act, 1930, what recourse is available to Ms. R?
- (ii) Would your answer be different if it had been expressly provided that the vehicle would remain the property of Ms. R until the price has been paid?

**(6 Marks)**

- (b)** What are the significant points of Section 8 Company which are not applicable for other companies? Briefly explain with reference to provisions of the Companies Act, 2013.

**(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 passage carefully and answer the questions that follow:

Three years ago, technophobic Sushmi Ghosh refused to exchange her feature phone for a smart phone. But last month, the 45-years-old high schoolteacher ordered a front-loading washing machine through an e-retailer's app on her iPhone. "I was pleasantly surprised," she said, "It was not only delivered in a day but also installed immediately. I didn't have to walk to a shop in this heat. I saved some money too because I bought it during a sale." Online sales of large appliances have boomed in the past two years as e-retailers have addressed buyers' delivery and installation concerns. While they also offered discounts earlier, delivery took days and installation was another waiting game, with further uncertainty about warranty.

During its recently concluded sale, Amazon claimed in the first day it sold around half (20,000 units) of the average daily TV sales in India. "There has been a huge shift in the number of brands that want to do business with us," said Manish Tiwary, VP (category management), Amazon India. Some manufacturers have even teamed up with e-retailers to offer TVs, refrigerators and washing machines with specific features. "This helps bring down prices," said Sandeep Karwa, head of large appliances at Flipkart. From being a negligible part of its business, the large appliances category has become one of the top three earners for Flipkart. It acquired Jeeves, a repair services and maintenance company, for providing after-sales services. At present, Flipkart offers one-day delivery on 72% of large appliances through 10 dedicated warehouse. "We are working on a pilot that will enable installation of 70% of our large appliances at the time of delivery," said Karwa. Exchange offers and financing options provided by e-retailers have also pushed sales. "During our last sale 35% of shoppers opted for no-interest EMIs," said Karwa. Amazon has also created a home services arm to synchronise delivery and installation of products. Amazon's Tiwary said, "We created our group of technicians who will get the installation done according to the convenience of the customer. In smaller towns, this is a big help since many brands don't have a robust presence." Amazon has nine warehouses from which it can reach 80% of the country. Most manufacturers, however, are tight-lipped about online sales as e-retailers' discounts and freebies eat into the margins of their brick-and-mortar dealers. While a spokesperson for LG turned down an interview request for this story, Samsung India did not reply to an email.

Ajay Seth, director of sales and service at Panasonic India, said, "It's still early days for online. Customers want to have a look and feel of the product before buying. Most of our online sales consist of small appliances." Companies such as BPL, Vu and TCL, which follow an online-first model, are optimistic, though of favourable response from buyers.. Devita Saraf, founder of Vu Technologies, which sells 40% of all TVs sold on Flipkart, said, "When I started selling Vu televisions we did a business of Rs. 35 crore in 2013-14. After going online, we ended 2016-17 at Rs 500 crore."

Q1. Sushma Ghosh says, "I was pleasantly surprised." She was surprised

- (a) By the promptness of the service for the washing machine.
- (b) Because she managed to save money while buying the washing machine.
- (c) By the warranty offered for the washing machine.
- (d) By the quick delivery and instant installation of the washing machine.

- Q2. Some manufacturers have even teamed up with e-retailers to
- (a) Give special discounts
  - (b) Have special sale offers on large appliances like T.V.s with specific features
  - (c) Get discounts from e retailers
  - (d) To give discounts to e retailers
- Q3. One of the top three earners of Flipkart is
- (a) Household goods
  - (b) Clothes brands
  - (c) Large appliances
  - (d) Mobile phones
- Q4. The two factors that are promoting sales of e retailers are
- (a) Exchange offers and easy financing options available.
  - (b) Quick delivery and good products.
  - (c) Ease of service and no disturbance of any kind.
  - (d) Many options to choose from and ability to view products from home
- Q5. Brick and mortar stores are affected by e retailers
- (a) Promoting their sales
  - (b) In no major way
  - (c) By starting a price war
  - (d) By eating into their profits

**(5 x 1 M Each = 5 Marks)**

**(b) Read the Passage :**

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.

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

**(3 Marks)**

- (ii) Write Summary

**(2 Marks)**

**Question 8:**

- (a) Explain Physical non-verbal communication:

**(2 Marks)**

- (b) Convert the following sentences into active voice:

- (i) A story was written on the wall by Rohit.
- (ii) A song was sung by Ravi.
- (iii) What was eaten by you for breakfast ?

**(3 x 1 M Each = 3 Marks)**

- (c) **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)**

**Question 9:**

- (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) 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)

**Question 10:**

- (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 11:**

- (a) **Letter Writing**

Write a letter from xyz pvt ltd confirming the order placed and other details.

(5 Marks)

- (b) Explain verbal communication.

(3 Marks)

- (c) Change the following sentences to indirect speech.

- 1. She said, "I shall be taking a test."
- 2. The clerk asked his manager, "Shall I email this letter again, Sir?"

(2 Marks)

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