

(GCF-1, 3, 4, 5, 6, 7+7A, 8+8A, 9, VCF-1,2, ACF-1,2, JCF-1)**DATE: 29.09.2023****MAXIMUM MARKS: 100****TIMING: 3^{1/4} 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) 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.

(4 Marks)

- (b) 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.

(4 Marks)

- (c) Give differences between sale & hire purchase?

(4 Marks)**Question 2:**

- (a) Explain the modes of revocation of offer?

(7 Marks)

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

(5 Marks)**Question 3:**

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

(6 Marks)

- (b) Mr. Sonumal a wealthy individual provided a loan of Rs. 80,000 to Mr. Datumal on 26.02.2019. The borrower Mr. Datumal asked for a further loan of Rs. 1,50,000. Mr. Sonumal agreed but provided the loan in parts at different dates. He provided Rs. 1,00,000 on 28.02.2019 and remaining Rs. 50,000 on 03.03.2019. On 10.03.2019 Mr. Datumal while paying off part Rs. 75,000 to Mr. Sonumal insisted that the lender should adjusted Rs. 50,000 towards the loan taken on 03.03.2019 and balance as against the loan on 26.02.2019.

Mr. Sonumal objected to this arrangement and asked the borrower to adjust in the order of date of borrowal of funds.

Now you decide:

- (i) Whether the contention of Mr. Datural correct or otherwise as per the provisions of the Indian Contract Act, 1872?
- (ii) What would be the answer in case the borrower does not insist on such order of adjustment of repayment?
- (iii) What would the mode of adjustment/appropriation of such part payment in case neither Mr. Sonumal nor Mr. Datural insist any order of adjustment on their part?

(6 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)** 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.

(6 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?

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)** Explain Doctrine of Indoor Management and also give its exception?

(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.

(5 Marks)

- (b)** What is the procedure of registration of a partnership firm under the Indian Partnership Act, 1932?

(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?

(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 following comprehension passages and answer the following questions.

PASSAGE 1

In the present era of globalisation and liberalisation, the world has become an economic village. The globalization of the business world, the attendant structure and the regulations, which support it, as well as the development of e-commerce make it imperative to have a single globally accepted financial reporting system. Several multi-national companies are establishing their businesses in various countries with emerging economic and vice versa. The entities in emerging economies are increasingly accessing the global markets to fulfill their capital needs by getting their securities listed on the stock exchanges outside the country. Capital markets are, thus, becoming integrated consistent with this world-wide trend. More and more Indian companies are being listed on overseas stock exchanges. The use of different accounting frameworks in different countries, which requires inconsistent treatment and presentation of the same underlying economic transactions, creates confusion for users of financial statements. This confusion leads to inefficiency in capital markets across the world. Therefore, increasing complexity of business transactions and globalization of capital markets call for a single set of high-quality accounting standards.

High standards of financial reporting underpin the trust investors place in financial and non - financial information. Thus, the case for a single set of globally accepted accounting standards has prompted many countries to pursue either adoption or convergence of national accounting standards with IFRS.

International Financial Reporting Standards (IFRS) are considered a "principles-based" set of standards. In fact, they establish broad rules rather than dictating specific treatments. Every major nation is moving toward adopting them to some extent. Large number of authorities requires public companies to sue IFRS for stock-exchange listing purposes, and in addition, banks, insurance companies and stock exchanges may use them for their statutorily required reports. So over the next few years, thousands of companies will adopt the international financial reporting standards while preparing their financial statements.

- Q.1. What trends are forcing capital markets across the world for integration?
- Q.2. Which creates confusion for users in financial statements?
- (a) Different accounting framework
 - (b) Different capital market framework
 - (c) Globalisation and business regulations
 - (d) Development of e-commerce
- Q.3. Which is not considered as a 'principle-based set of standards for preparation of financial reporting?
- (a) Indian Accounting Standards
 - (b) International Accounting Standards
 - (c) International Financial Reporting Standards
 - (d) International Economic Standards

Q.4. Which standards are taken as basis for preparing financial statements?

- (a) International Economic Standards
- (b) International Financial Reporting Standards
- (c) Standard Stock Exchange
- (d) Business structures and regulations standards

Q.5. Why there is need for single set of global financial reporting standards?

(5 Marks)

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

(3 Marks)

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

1. Indispensable

- (a) Decisive
- (b) Crunchy
- (c) Responsible
- (d) Momentary

2. Hypocrisy

- (a) Signifier
- (b) Cant
- (c) Sauna
- (d) Gunky

(2 Marks)

Question 8:

(a) Write a letter of promotion for opening new branch of the XYZ Bank.

(5 Marks)

(b) Describe various characteristics of effective communication?

(3 Marks)

(c) Select the suitable antonym for the given words.

1. Abstention

- (a) Orgy
- (b) Binge
- (c) Spree
- (d) Obscure

2. Harmony

- (a) Hilarious
- (b) Imbroglio
- (c) Complexity
- (d) Separation

(2 Marks)

Question 9:

(a) Write an article of about 250 words on the topic "The Fearless Indian Army":

(5 Marks)

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

(3 Marks)

(c) Change the following sentences into passive voice.

1. They will finish the work in a fortnight.
2. The examiner will give you instructions.

(2 Marks)

Question 10:

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

A mere 14 per cent of the 58.3 million business in operations in India when the Sixth Economic Census was carried out in 2013-14 were owned by women, across formal and informal sectors in both rural and urban India. This is not a flattering statistic. A sizable number of the 8.05 million women-owned business -over 83 per cent- did not have any hired workers; the corresponding number for male-owned business was about 70 per cent. Also, on average, women-run businesses are smaller than those run by men. However, there are many shining examples of women entrepreneurs who have not only set up successful ventures but have also carved out a niche for themselves. Kiran Mazumdar Shaw is one such women entrepreneur. There are also some who gave up very successful corporate careers to turn entrepreneurs such as Falguni Nayar, a well-regarded investment banker who set up an e- commerce venture as she was turning 50 years of age. There are also the likes of Ritu Dalmia, who broke out of conservative industrialist families, to venture into the world of gourmet food and fine dining with a chain of restaurants. Each of them is trailblazer and an inspiration for others. More recently, the start-up boom in India has seen many young, professionally qualified women taking the plunge. Self-help groups and non-profit focusing on skill development in rural areas have helped women entrepreneurs bloom. Setting up a business is not easy in India. It is even tougher for a woman. A would-be woman entrepreneur has to overcome socio-cultural biases, which requires her to prioritize home and family above all else and sacrifice her own aspirations. Access to finance is that much more difficult, whether from formal banking channels or from venture capitalists. Managing a male workforce entrenched in a patriarchal society poses its own challenges. Many men are not supportive of womens' ambitions and even attempt to break their confidence. Another problem unique to women is their failure to network with business associates as easily as men. Policy interventions have tended to be sporadic, superficial or poorly thought through, like the Centre's failed experiment with a women-only bank.

However, these issues are addressable. Mentoring of women entrepreneurs by specialist in various fields can encourage women who are tentative about taking that first step. Networking platforms for women entrepreneurs can provide some support. Most of all, socio -cultural changes need to be engineered to encourage women to set up business ventures.

(5 Marks)

(b) Change the following sentences into passive voice.

1. They will finish the work in a fortnight.
2. Why did your friend write such a message?
3. The examiner will give you instructions.

(3 Marks)

(c) What are the language barriers in communication?

(2 Marks)

Question 11:

- (a)** You are Prashant Kumar/Laxmi Ahuja, a resident of Juinagar, Mumbai. You have recently come across an advertisement in Hindustan Times (News Paper) for Trainee Article in Finance at S.R. Pvt Ltd. Draft a cover letter in response to the advertisement and enclose your Curriculum Vitae.

(5 Marks)

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

- (1) Face the music
 - (a) Escape from the situation
 - (b) Act violently
 - (c) Enjoy the music
 - (d) Face the challenges/ consequences
- (2) Food for thought
 - (a) Incomplete information
 - (b) Good knowledge
 - (c) Uncensored words
 - (d) Baseless facts
- (3) Sell like hotcakes
 - (a) A difficult campaign
 - (b) Controversial marketing
 - (c) Good baker
 - (d) Fast selling / in huge numbers

(3 Marks)

- (c)** Explain the Star Network in the channel of communication.

(2 Marks)

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