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TEST-03-04-2022

CA FOUNDATION

Business Laws and Business Correspondence and Reporting

Business Laws- Covering topic :

The Indian contract Act, 1872

Business Correspondence and Reporting- Covering topic :

Full Syllabus

Roll No

Total No. of Question: 09

Time allowed: 3 hours

Total No. of Printed Pages:11

Maximum Marks: 100

IMPORTANT INSTRUCTIONS TO CANDIDATES

1. Question in Section – A are to be answered in the medium opted by the candidate. If a candidate has not opted for Hindi medium, his/her answers in Hindi, will not be evaluated.
2. Question in Section – B are to be answered in English only, by all the candidates, including those who have opted for Hindi Medium.
3. Answer to both the Sections are to be written in the same answer book.

Section A (60 Marks)

Question :1**All parts carry 5 marks each****(a)**

Mr. Murti was travelling to Manali with his wife by bus of Himalya Travels Pvt. Ltd. Due to some technical default in the bus, the driver has to stop the bus in a mid-way in cold night. Driver advised the passenger to get the shelter in nearest hotel which was at a distance of only one kilometre from that place. The wife of Mr. Murti caught cold and fell ill due to being asked to get down and she had to walk in cold night to reach hotel. Mr. Murti filed the suit against Himalya Travels Pvt. Ltd. for damages for the personal inconvenience, hotel charges and medical treatment for his wife. Explain, whether Mr. Murti would get compensation for which he filed the suit?

(b)

Explain the term Contingent Contract with reference to the Indian Contract Act, 1872 with the help of an example. Also discuss the rules relating to enforcement of a contingent contract.

(c)

Kapil went to a departmental store to purchase a steel pan. He asked the salesman about the area in departmental store where steel pans are kept. The salesman indicated him the area with instructions that with steel pans, other metal's pans were also kept. Kapil wrongfully picked an aluminium pan in place of steel pan. The salesman watched but said nothing to Kapil. Kapil reached his house and found that pan was not a steel pan but actually an aluminium pan. Kapil filed a suit against departmental store for fraud. Discuss, whether Kapil was eligible to file suit for fraud against departmental store under Indian Contract Act, 1872?

Question :2**All parts carry 5 marks each****(a)**

Explain what is meant by 'Supervening Impossibility' as per the Indian Contract Act, 1872 with the help of an example. What is the effect of such impossibility?

(b)

X delivered a coat to Y, a dry cleaner for dry cleaning and took the receipt. On the back of the receipt, certain conditions were printed in English language. One of the conditions printed on the back was "the liability of the dry cleaner company shall be limited to the 50% of the cost of the goods." X never looked at the back of the receipt. X's coat was lost and X claimed the actual value of the coat. Discuss the legal position in each of the following alternative cases:

Case:

- (a) If there was nothing on the face of the receipt to draw the attention to the conditions printed on the back side and X was a graduate in English.
- (b) **If on the face of the receipt, the words 'See Back' were printed in English but X did not read it.**

(c)

X agreed to sell his property worth about ₹ 1,00,000 for ₹ 10,000 only. X's mother proved that X was a congenital idiot, incapable of understanding the transaction. Is this sale valid?

Question :3**(a)**

X, who was badly in need of money offered to sell his car worth 1,00,000 to Y for **10,000. Before the car was delivered, X received an offer of 20,000 and refused to carry out the contract on the ground of inadequacy of consideration. Is X liable to Y for damages?**

(b)

X threatens to kill Y's son if Y does not sell his house to Z for ₹ 1,00,000. Y signs the necessary document for the sale of house and receives the payment. Later on, Y wants to avoid the contract. Will he succeed?

(c)

X, an illiterate old man of about 90 years, physically infirm and mentally in distress, executed a gift deed of his properties in favour of Y his nearest relative who was looking after his daily needs and managing his cultivation. Is X bound by this gift deed.

Question :4**All parts carry 5 marks each****(a)**

X, a father having two minor sons agreed to transfer their guardianship in favour of Mrs. Y and also agreed not to revoke the transfer. Subsequently, he filed a suit for the recovery of the boys and declaration that he was the rightful guardian. Discuss the legal position.

(b)

"An agreement in restraint of trade is void." Examine this statement mentioning exceptions, if any.

(c)

X of Delhi agreed to sell 100 bales of cotton @ ₹ 1,000 per bale and to deliver within a fortnight at buyer's godown at Lahore. X failed to supply these goods. State the legal position in each of the following alternative cases:

Case (a) If, unknown to both the parties, the goods were destroyed by fire at the time of agreement.

Case (b) If X knew that goods were destroyed by fire at the time of agreement. Case (c) If the goods were destroyed by fire after the formation of agreement. Case (d) If war is declared between India and Pakistan.

- Case (e) If these goods were to be manufactured by Z who is ready to supply @ ₹ 1,100 per bale because of unexpected increase in the cost of material and labour.
- Case (f) If these goods were to be manufactured by Z who did not manufacture those goods.
- Case (g) If these goods could not be delivered because of strike of transport operators.

Section B (40 Marks)

Question No. 5 is compulsory.

Answer any **THREE** questions from the remaining **FOUR** questions.

Question 5

(a) Read the passage carefully and answer the questions that follow: (5 Marks)

Long years ago we made a tryst with destiny, and now the time comes when we shall redeem our pledge, not wholly or in full measure, but very substantially. At the stroke of the midnight hour, when the world sleeps, India will awake to life and freedom. A moment comes, which comes but rarely in history when we step out from the old to the new when an age ends, and when the soul of a nation, long suppressed, finds utterance. It is fitting that at this solemn moment we take the pledge of dedication to the service of India and her people and to the still larger cause of humanity.

At the dawn of history, India started on her unending quest, and trackless centuries are filled with her striving and the grandeur of her success and her failures. Through good and ill fortune alike she has never lost sight of that quest or forgotten the ideals which gave her strength. We end today a period of ill fortune and India discovers herself again. The achievement we celebrate today is but a step, an opening of opportunity, to the greater triumphs and achievements that await. Are we brave enough and wise enough to grasp this opportunity and accept the challenge of the future?

Freedom and power bring responsibility. That responsibility rests upon this Assembly, a sovereign body representing the sovereign people of India. Before the birth of freedom, we have endured all the pains of labor and our hearts are heavy with the memory of this sorrow. Some of those pains continue even now. Nevertheless, the past is over and it is the future that beckons to us now. That future is not one of ease or resting but of incessant striving so that we may fulfill the pledges we have so often taken and the one we shall take today. The service of India means the service of the millions who suffer. It means the ending of poverty and ignorance and disease and inequality of opportunity. The ambition of the greatest man of our generation has been to wipe every tear from every eye. That may be beyond us, but as long as there are tears and suffering, so long our work will not be over.

Questions

1. In what does the “service of India” consist, according to the author?
2. What are the ideals which India has never forgotten?
3. Mention some of the responsibilities of freedom and power.

4. This speech is concerned with the living as well as the dead. In what way does Nehru appeal to his listeners? What motive urges Nehru to rouse India of today to action?
5. Quote the line that has a direct reference to Mahatma Gandhi.

(b) Read the passage given below.

(i) Make notes, using headings, sub-headings, and abbreviations wherever necessary. (3 Marks)

(ii) Write summary. (2 Marks)

Mass communication is the procedure of exchanging information, particulars, facts, figures, and data, etc. through mass media to a large section of the population. In simple words conveyance of messages to several people at the same time is called mass communication. But by definition, mass communication is the process through which some information is circulated broadly among people throughout the globe. Through mass communication, information can be transmitted rapidly to mass that generally stay far away from the root of information. There are many mediums, such as radio, television, social networking (Facebook, Instagram, WhatsApp, Twitter, etc.), billboards, newspapers, magazines, film, and internet for spreading information.

Characteristics of mass communication: (i) Large number of audience and (ii) Wide area. It has a large number of spectators of different races, groups, sections, cultures, communities, etc. and they are geographically scattered which makes it most popular among communication systems as people keep their eyes on every update. The area of mass communication is wider than any other communication systems.

The main motive of mass communication study is to learn how the substances of mass communication affect the attitudes, opinions, emotions, and ultimately behaviours of the people who collect or obtain the message. Studying involves exposing participants to various media content and recording their reactions through data about the cause and effect of mass communication.

The survey, which is another method, involves summarizing individuals' responses to a set of questions to generalize their reaction to a larger part of the world. Content analysis is another process that concludes the undiluted reaction on a piece of communication, such as newspaper article, book, television program, film or broadcast news script.

A qualitative method is known as ethnography which permits the analyst to dip themselves into a culture to observe and document the calibre of communication that exists there.

It fosters mass products creating mass consumers which in turn increase sales of the product. People get the latest news in a short time irrespective of their location and at the same time, it

educates people giving information about health, the environment and much more. Hidden talents get chances to showcase themselves in the field such as comedy, acting, and singing. Knowledge increases as watching quiz programs, animal programs and so on increases the general knowledge of the people. Using mass communication sensibly and accurately leads to the development of a country.

Question 6

(a) What role does spoken grammar play in oral communication? **(1 Mark)**

(b) (i) Choose the word which best expresses the meaning of the given word. **(1 Mark)**

Quixotic

(a) Pragmatic (b) Mundane (c) Utopian (d) Sane

(ii) Select a suitable antonym for the word given in question. **(1 Mark)**

Nebulous

(a) Sullen (b) Dismal (c) Definite (d) Gist

(iii) Change the following sentences into passive voice. **(1 Mark)**

Director supposes the staff to follow the rules.

(iv) Change the following sentences to indirect speech. **(1 Mark)**

I will tell my students, "I have completed my syllabus."

(c) Write a précis and give appropriate title to the passage given below. **(5 Marks)**

Anything printed and bound in a book size can be called a book, but the quality or mind distinguishes the value of it. What is a book? This is how Anatole France describes it: "A series of little printed signs essentially only that. It is for the reader to supply himself the forms and colors and sentiments to which these signs correspond, it will depend on him whether the book be dull or brilliant, hot with passion or

cold as ice. Or if you prefer to put it otherwise each word in a book is a magic finger that sets a fibre of our brain vibrating like a hard string and so evokes a note from the sounding board of our soul No matter how skillful, how inspired the artist's hand, the sound it makes depends on the quality of the strings within ourselves”

Until recently books were the preserve of a small section the upper classes. Some, even today, make it a point to call themselves intellectuals. It would be a pity if books were meant only for intellectuals and not for housewives, farmers, factory workers, artisans and, so on.

In India there are first-generation learners, whose parents might have been illiterate. This poses special challenges to our authors and to those who are entrusted with the task of disseminating knowledge. We need much more research in the use of language and the development of techniques by which know ledge can be transferred to these people without transmission loss. Publishers should initiate campaigns to persuade people that a good book makes a beautiful present and that reading a good book can be the most relaxing as well as absorbing of pastimes. We should aim at books of quality no less than at quantitative expansion in production and sale. Unless one is constantly exposed to the best, one cannot develop a taste for the good.

Question 7

(a) Differentiate between the Horizontal and Diagonal Communication? **(1 Mark)**

(b) (i) Choose the word which best expresses the meaning of the given word. **(1 Mark)**

Stolid

(a) Stain (b) Strafe (c) Stork (d) Stoical

(ii) Choose the appropriate word to fill the blank:

.....students need to be aware of the significance of collocation.

(a) Solipsistic (b) Inchoate (c) Advanced (d) Minger **(1 Mark)**

(iii) Change the following sentences into passive voice: **(1 Mark)**

Had they completed the paperwork?

(iv) Change the following sentence to indirect speech. **(1 Mark)**

“Chinese Language is very difficult to learn.” He said.

(c) You have opened a new branch of a catering company supplying food and snacks. As the owner, write a mail to an organisation, telling about your services. **(5 Mark)**

Question 8

(a) Compare written and oral communication in your own language? **(2 Marks)**

(b) (i) Select the suitable antonym for the given word: **(1 Mark)**

Flamboyant

(a) Colourful (b) Modest (c) Sporty (d) Actor

(ii) Rewrite the following sentences in active voice: **(1 Mark)**

Let it be done now.

(iii) Change the following sentence into Indirect speech. **(1 Mark)**

“Will the administrator release me? He asked.

(c) You are Sameer Goyal, a reporter of ‘The Hindu’ newspaper. Write a report on Fake / fraud Calling for Getting OTP/Password in the Noida in 150-200 words. **(5 Marks)**

Question 9

(a) Why there is a need to communicate effectively? **(2 Marks)**

(b) (i) Select the correct meaning of the idioms/phrases given below.

(1) For good **(1 Mark)**

(a) Sometimes

(b) Permanently

(c) Occasionally

(d) Usually

(2) Right-hand man **(1 Mark)**

(a) Faithful

(b) Punctual

(c) Hard worker

(d) Most efficient assistant

(ii) Change the following sentence into Indirect speech. **(1 Mark)**

My mother said to me, "Will you go and swim at least now."

(c) Prepare an official report discussing the poor drainage system in your neighbourhood and the adverse effect of incessant rains as a result. The report needs to be submitted to the Municipal authorities of the concerned area. (200-250 words) **(5 Marks)**

SPACE FOR ROUGH WORK