

# M.K.G CA EDUCATION

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**TEST- 5**

**10-04-2022**

**CA FOUNDATION**

**Business Laws and Business Correspondence and Reporting**

**Business Laws- Covering topic :**

**The Indian Partnership Act, 1932**

**Business Correspondence and Reporting- Covering topic :**

**Full Syllabus**

Roll No .....

Total No. of Question: 11

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. A (transferor) transfers his share in a partnership firm to Mr. B (transferee). Mr. B felt that the book of accounts was displaying only a small amount as profit inspite of a huge turnover. He wanted to inspect the book of accounts of the firm arguing that it is his entitlement as a transferee. However, the other partners were of the opinion that Mr. B cannot challenge the books of accounts. As an advisor, help them solve the issue applying the necessary provisions from the Indian Partnership Act, 1932.

**(b)**

Whether a minor may be admitted in the business of a partnership firm? Explain the rights of a minor in the partnership firm.

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

MN partnership firm has two different lines of manufacturing business. One line of business is the manufacturing of Ajinomoto, a popular seasoning & taste enhancer for food. Another line of business is the manufacture of paper plates & cups. One fine day, a law is passed by the Government banning Ajinomoto' use in food and to stop its manufacturing making it an unlawful business because it is injurious to health. Should the firm compulsorily dissolve under the Indian Partnership Act, 1932? How will its other line of business (paper plates & cups) be affected?

**(b)**

Define Implied Authority In the absence of any usage or custom of trade To the contrary, the implied authority of a partner does not empower him to do certain acts. State the acts which are beyond the implied authority of a partner under the provisions of The Indian Partnership Act, 1932?

**Question :3****All parts carry 5 marks each****(a)**

Mr. M is one of the four partners in M/s XY Enterprises. He owes a sum of Rs. 6 crore to his friend Mr. Z which he is unable to pay on due time. So he wants to sell his share in firm to Mr. Z for settling the amount.

In the light of the provisions of The Indian Partnership Act, 1932, discuss each of the following:

- (i) Can Mr. M validly transfer his interest in the firm by way of sale?
- (ii) What would be the rights of the transferee (Mr. Z) in case Mr. M wants to retire from the firm after a period of 6 months form the date of transfer?

**(b)**

Subject to agreement by partners, state the rule that should be observed by the partners in settling the accounts of the firm after dissolution under the Provisions of The Indian Partnership Act, 1932?

**Question :4**

**All parts carry 5 marks each**

**(a)**

“Sharing in the profits is not conclusive evidence in the creation of partnership”. Comment.

**(b)**

X and Y are partners of a banking firm. X receives certain securities from a customer for safe custody and puts in the safe custody of the firm. Y disposes off those securities and applies the money for his own use. Is the firm liable for Y’s act?

**Question :5**

**All parts carry 5 marks each**

**(a)**

State whether the following are partnerships:

- (i) A and B jointly own a car which they used personally on Sundays and holidays and let it on hire as taxi on other days and equally divide the earnings.
- (ii) Two firms each having 12 partners combine by an agreement into one firm.
- (iii) A and B, co-owners, agree to conduct the business in common for profit.
- (iv) Some individuals form an association to which each individual contributes ₹ 500 annually. The objective of the association is to produce clothes and distribute the clothes free to the war widows.
- (v) A and B, co-owners share between themselves the rent derived from a piece of land.

**(b)**

What is the procedure of registration of a partnership firm under the Indian Partnership Act, 1932? What are the consequences of non-registration?

**Question :6****All parts carry 5 marks each****(a)**

A, B and C are partners of a partnership firm carrying on the business of construction of apartments. B who himself was a wholesale dealer of iron bars was entrusted with the work of selection of iron bars after examining its quality. As a wholesaler, B is well aware of the market conditions. Current market price of iron bar for construction is ₹ 350 per Kilogram. B already had 1000 Kg of iron bars in stock which he had purchased before price hike in the market for ₹ 200 per Kg. He supplied iron bars to the firm without the firm realising the purchase cost. Is B liable to pay the firm the extra money he made, or he doesn't have to inform the firm as it is his own business and he has not taken any amount more than the current prevailing market price of ₹350? Assume there is no contract between the partners regarding the above.

**(b)**

It was in the course of the business of a firm of grain merchants to obtain by legitimate means information in regard to contracts made by competing firms and one of the partners obtained such information by bribing a clerk of a competitor in the business. Consequently, competitor lost some business and sued the firm for damages. Will the competitor succeed?

**Section B (40 Marks)**

Question No. 7 is compulsory.

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

**Q7 - Read the passage carefully and answer the questions that follow.**

**(5 Marks)**

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 transports, regardless of the risks involved. I have often wondered why they take such risks: is it because they want to exude a sense of independence, or is it that they want to tell the world 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 house to fix something. We told him in detail what needed to be done. But after he left, I found that the man had done almost nothing. It later turned out that he could not hear our directions clearly because he had an earphone on. Hundreds of such earphones addicts commute by the Delhi Metro every day. While one should not begrudge 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 Delhi Metro. Since the train 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 for 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 off at the next station.

We were stunned but recovered in time to ask him where he was all this while. His answer: he was in the compartment, leaning against the door totally immersed 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.

- 1. What reasons does the author offer for the people taking risks on the road?**
- 2. Why were the people in the Metro doubtful about the bag?**
- 3. Why were the passengers stunned?**
- 4. Find words from the paragraph indicated which are similar in meaning to the**

**words given below:**

- (i) in spite of (para 1)**
- (ii) absorbed (para 4)**

- (i) **Make notes, using headings, sub headings, and abbreviations whenever necessary.** (3 marks)
- (ii) **Write summary** (2 marks)

There are two problems that cause great worry to our educationists – The problem of religious and moral destruction in the land of many faiths and the problems arising out of the large variety of languages.

Taking up the education of the children we see that they should be trained to live one another, to be kind and helpful to all, to be tender to the lower animals and to observe and think right. The task of teaching them how to read and write and count and to calculate is important but it should not make us loose sight of the primary aid of moulding personality in the right way.

For this, it is necessary to call into aid culture, tradition and religion .But in our country we have , in the same school to look after boys and girls born in different faiths and belonging to families that live diverse ways of life, easy path of evading difficulty by attending solely to physical culture and intellectual education. We have to evolve a suitable technique and method for serving the spiritual needs of the school children professing different faiths. We should thereby promote an atmosphere of mutual respect, a fuller understanding and helpful cooperation among the different communities of our society. Again we must remain one people and we have, therefore, to give basic training to our schools to speak and understand more language than one and to appreciate and respect the different religions prevailing in India. It is not right for us in India to be overtaking the young mind. What is necessary must be done. And it is not in fact a great burden.

Any attempt to go away with a stream roll the differences through governmental coercion and indirect pressure would be as futile as it would be unwise. Any imposition of a single way of life and form of workshop on all children or neglect of a section of pupils in this respect or barren secularization will lead to conflict between school and home life which is harmful. On the other hand, if we give due recognition to the different prevailing faith in the educational institution by organising suitable facilities for religious teaching for boys and girls of all communities our problem will be solved to a greater extent. This may itself serve as a broadening influence of great national values.

### Question 8

- (a) **What is network in communication?** (2 mark)
- (b) i. **Chooses the word which best expresses the meaning of the given word.**

### Contentious

1. Combative                      2. Agreeable

3. Annoy                                      4. Amused                                      (1 mark)

**ii. select a suitable antonym for the word given in question.**

**Recurrent**

1. Halted                                      2. sporadic  
3. cyclical                                      4. recurring                                      (1 mark)

**iii. change the following sentence to indirect speech:**

Rahul said to me, "I have been living in Delhi since last December"                                      (1 mark)

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

India has witnessed great expansion of educational opportunities since the attainment of independence. However, the disabled children have not yet benefited in any substantial manner from the growth in educational facilities.

Education of handicapped children, ultimately become more dependent and non-productive. It is therefore believed that scarce national resources should not be wasted on them. Further, it has been our misconceived notion that the education of handicapped children requires highly specialized people and as such, it must essentially be very costly. Maybe, precisely for these wrong notions we have not been able to involve clinical and educational specialization programmers of training and education exclusively 'meant' for handicapped children.

It is encouraging to note that the new National Policy on Education has recommended the placement of such children in Regular schools so as to provide them integrated education along with normal students. Integrated education will take care of the different needs of various categories and types of disabled children. The objective is to place the disabled children in ordinary schools for imparting education in the help of special teachers, aids and other resources. For fulfilling this objective an array, of the necessary infrastructure by way of training of teachers, provision of equipment and book etc. are some of the basic pre-requisition. Hopefully, the parents and their handicapped children will be greatly relieved when the latter are transferred to regular schools.

**Question 9**

**(a) what are the parts of network in communication?                                      (2 Marks)**

**OR**

**What do you mean by Informal behaviour.**

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

**Stealthy**

- (1) craftily
- (2) shy
- (3) adventurous
- (4) Against

**(1 Mark)**

**Prudent**

- (1) reasonable
- (2) foolish
- (3) wasteful
- (4) calm

**(1 Mark)**

**(iii) Change the following sentence into indirect speech:**

**Antony said, "Martin has gone home"**

**(1 Mark)**

**(c) Your company, primarily into FMCG has witnessed a gradual decline in a consumer product over the last six months. Prepare the minutes of the meeting for the same. Members in the meeting: Head of the Sales and Marketing, Product Head, Product lead and few team members.**

**(5 Marks)**

**Question 10**

**(a) (i) differentiate between wheel and spoke and Circuit Network?**

**(2 Marks)**

**OR**

**(ii) According to you which are five most important characteristics of effective communication?**

**(2 Marks)**

**(b) (i) Complete the expression by supplying a suitable degree of adjective. Choose your answer from the options given in brackets.**

Money is important but it isn't the..... thing in life. (important)

**(1 Mark)**

**(ii) Rewrite the following sentence in Passive Voice**

Honey tastes sweet

**(1 Mark)****(iii) Rewrite the following sentence in Active Voice.**

Students might be interested in this topic.

**(1 Mark)****(c) Write an article-**

Growing health problems in the youth today: Causes and Consequences.

Include words: lifestyle, lethargy, physical work, internet, obsession

**(5 Marks)****Question 11****(a) How do cultural barriers affect communication? Explain with examples of your own.****(2 Marks)****(b) Select the correct meaning of idioms / phrases given below:****(i) Other fish to fry**

(1) to make a good meal

(2) important work to do

(3) to cancel an appointment

(4) Making a big issue out of a small thing.

**(1 Mark)****(ii) A fair weather friend**

(1) A friend only in good times

(2) to give medication

(3) To consult someone

(4) To be in deep thought.

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

Is painting liked by Seema?

**(1 Mark)****(b) Prepare a detailed resume in the functional format for a candidate applying for the post of a sales manager in an FMCG company. Include past experience, with emphasis on the sales background.**

**Other inputs – Name: Manish Reddy**

**Experience – Over 10 years (divide into 2 jobs)**

**Current designation – Senior Sales Executive**

**(5 Marks)**

**SPACE FOR ROUGH WORK**