

M.K.G CA EDUCATION

9811429230 / 9212011367

WEBSITE : WWW.MKGEDUCATION.COM

EMAIL : MKCAEDUCATION@GMAIL.COM

Youtube channel : MKG CA EDUCATION

Facebook Page : <https://www.facebook.com/mkgcaeducation/>

Instagram : <https://www.instagram.com/mkguptacaeducation/?hl=en>

TEST-1

17-07-2022

CA FOUNDATION

Business Laws and Business Correspondence and Reporting

Business Laws- Covering topic:

Unit 1: Meaning, Nature and Essentials of Contract

Unit 2: Classification of Contracts

Unit 3: Offer

Unit 4: Acceptance

Business Correspondence and Reporting- Covering topic:

Communication,

Vocabulary cover in class,

Root words,

Synonym and Antonym,

Precis Writing,

Simple Compound Complex

Roll No815282.....

Total No. of Question: 11

Time allowed: 3 hours

Total No. of Printed Pages:9

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 No. 1 is Compulsory

Answer any **FOUR** question from the remaining **FIVE** questions

Question 1 (a) Ajit sees a book displayed in a shelf of a book shop with a price tag of Rs. 95. Ajit tenders Rs.95 at the counter and asks for the book. The bookseller refuses to sell saying that the book has already been sold to someone else and he does not have another copy of that book in the stock. Is the bookseller bound to sell the book to Ajit? **(4 Marks)**

(b) X offered to sell his land to N for Rs. 28,000/-. N replied purporting to accept the offer and enclosed a cheque for Rs. 8,000/-. He also promised to pay the balance of Rs. 20,000/- in monthly instalments of Rs. 5,000/- each. Examine the legal position. **(4 Mark)**

(c) “All Contracts are agreement, but all agreement may not be a contract”. Comment **(4 Marks)**

Question 2(a) State the modes of lapse of offer? **(3 Marks)**

(b) Father promised to pay his son a sum of rupee one lakh if the son passed C.A. examination in the first attempt. The son passed the examination in the first attempt, but father failed to pay the amount as promised. Son files a suit for recovery of the amount. State along with reasons whether son can recover the amount under the Indian Contract Act, 1872. **(4 Marks)**

(c) State the rules regarding Communication (mention the relevant case study). **(5 Marks)**

Question 3 (a) Define the term contract and state all the essentials of valid contract. **(6 Marks)**

(b) State the essentials of valid offer? (do refer the case study, where ever applicable) **(6 Marks)**

Question 4 (i) Enumerate the differences between Offer & Acceptance **(6 Marks)**

(ii) Mr. Pratham applied for a job as principal of a school. The school management decided to appoint him. One member of the school management committee privately informed Mr. Pratham that he was appointed but official communication was not given from the school. Later, the management of the school decided to appoint someone else as a principal. Mr. Pratham filed a suit against the school for cancellation of his appointment and claimed damages for loss of salary. State with reasons, will Mr. Pratham be successful in suit filed against school under the Indian Contract Act, 1872? **(6 Marks)**

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Question 5 (a) Explain the type of contracts in the following agreements under the Indian Contract Act, 1872: **(2 Marks each)**

- (i) A coolie in uniform picks up the luggage of A to be carried out of the railway station without being asked by A and A allows him to do so.
- (ii) Obligation of finder of lost goods to return them to the true owner
- (iii) A contracts with B (owner of the factory) for the supply of 10 tons of sugar, but before the supply is effected, the fire caught in the factory and everything was destroyed.

(b) Comment on the following statements:

(3 Marks each)

- (a) Acceptance must be absolute and unqualified.
- (b) Acceptance must be in the prescribed mode.

Question 6 (a) Explain the concept of Void Agreements

(6 Marks)

(b) “*Lack of Free consent makes a contract voidable*”. In lieu of this statement please explain the concept of Voidable Contract. Also its effect on collateral transaction.

(6 Marks)

Section B (40 Marks)

Question No. 7 & 8 is compulsory.

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

All candidates (including those who have opted for Hindi Medium) are required to answer the questions in Section B, in English only

Q7(i) - Read the following passage and answer the following questions. (8 Marks)

Gandhi does not reject machinery as such. He observes: "How can I be against all machinery when I know that even this body is a most delicate piece of machinery? A spinning wheel is a machine; a little toothpick is a machine. What I object to is the craze for machinery, not machinery, as such. The craze is for what they call laboursaving machinery. Men go on saving labour till thousands are without work and thrown on the open street to die of starvation.

I want to save time and labour not for a fraction of making but for all. I want the connection of wealth not in the hands of a few but in the hands of Today machinery merely helps a few to ride on the backs of millions. The impetus behind it all is not the desire to save labour but greed. It is against this system that I am fighting with all my might. The machine should not cut off the limbs of man Factories run by powerdriven machinery should be nationalized and controlled by the State. The supreme consideration is man – Mahatma Gandhi.

1. Why does Gandhiji accept machinery?
2. What are the evil effects of employers' craze for machinery?
3. How, according to Gandhiji, can the evils of factories run by machines be avoided?
4. Write the summary of the passage?

(ii) Choose the Correct one. (2 Marks)

- a) He didn't _____(know/ knew) the concept.
- b) She doesn't _____(speak /speaks/ spoke) French.

Q8 –

(i) What is communication? How many types of communication are there? (2 Marks)

(ii) Choose the right word. (2 Marks)

1. Voracious
 - a) Simple
 - b) Loud
 - c) Pious
 - d) Gluttonous
2. Sumptuous

- a) Magnificent
- b) Humble
- c) Chiseled
- d) Affluent

(iii) choose the opposite

(1 Mark)

1. Squalid

- a) Sorry
- b) Filthy
- c) Sweet
- d) Pleasant

(iv) Read carefully the following passage and write a précis on it.

(5 Marks)

Prevention is better than cure. It is recognized that the only way to get rid of malaria completely is to get rid of the mosquitoes which cause it. Malaria is always associated with damp and marshy land. This is not because the land is damp, but because the static water is the breeding place of the mosquitoes which began their life as a larva in the water. Malaria doesn't frequently occur in the dry desert country because mosquitoes can't breed there. The only way to destroy mosquitoes is to prevent their breeding in the static water. This can be done by draining all ponds and pools. And by keeping them covered in the breeding season with a film of kerosene oil which kills the larva.

(130 words)

Q9 –

(i) what are the main steps of the process of communication?

(2 Marks)

(ii) Identify the kind of sentence, giving and appropriate reason for your choice.

(2 Marks)

1. Do you want to go swimming tomorrow, or would you prefer to play tennis?
2. My family came to Germany when I was in grade 5, but I never learned to speak German very well.

(iii) Transform each sentence into compound and complex.

(2 Marks)

1. Taking the money, I came back to my mother.
2. The weather being cold, we returned from the playground.

(iv) Choose the synonyms.

(2 Marks)

1- Senile

- a) New
- b) Feeble
- c) Damp

d) Sharp

2. Flamboyant

- a) Simple
- b) Greedy
- c) Exuberant
- d) Noisy

(v) Choose the antonyms.

(2 Marks)

1. Squalid

- a) Sorry
- b) Filthy
- c) Sweet
- d) Pleasant

2. Loathe

- a) Hate
- b) Desire
- c) Pious
- d) Fancy

Q10 –

- (i) why is paralanguage and aesthetic important part of communication? **(2 Marks)**
- (ii) Identify the kind of sentence, giving and appropriate reason for your choice. **(2 Marks)**
 - (a) The camera has been instrumental in my life in making friends with people from different walks of life.
 - (b) This however, does not last long and cannot be considered as mehendi in its true sense
- (iii) Give the root of the following words **(2 Marks)**
 - (a) Elo
 - (b) Clepto
- (iv) Choose the appropriate word. **(2 Marks)**
 - 1. Voracious**
 - a) Simple
 - b) Loud
 - c) Pious

d) Gluttonous

2. Sumptuous

- a) Magnificent
- b) Humble
- c) Chiseled
- d) Affluent

(v) **Choose the antonyms.**

(2 Marks)

1. Pugnacious

- a) Aggressive
- b) Desire
- c) Kindhearted
- d) Fancy

2. Flamboyant

- a) Terrified
- b) Overdone
- c) Senile
- d) Prudent

Q 11 –

(i) Define wheel and star network?

(2 Marks)

(ii) Identify the kind of sentence, giving an appropriate reason for your choice.

(2 Marks)

(a) Although it was cold and the rain was getting heavier, we decided to go fishing as planned.

(b) Being honest, he is praised by all.

(iii) Transform each sentence into compound and complex.

(2 Marks)

(a) In spite of his running fast, he could not win the race.

(b) Coming home, he began to work.

(iv) Choose the antonym.

(2 Mark)

1. Parched

- (a) Scorched
- (b) Silent
- (c) Airy
- (d) Watery

2. Morose

- (a) Cheerful

- (b) Communicative
- (c) melancholic
- (d) Sincere

(v) Choose the antonyms.

(2 Marks)

1. Salutory

- a) Unwholesome
- b) Affluent
- c) Lucrative
- d) Simple

2. Pugnacious

- a) Rough
- b) Infant
- c) Kindhearted
- d) Salutory

SPACE FOR ROUGH WORK