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TEST-2

12-02-2023

CA FOUNDATION

Business Laws and Business Correspondence and Reporting

Business Laws- Covering topic:

1. The Companies Act, 2013
2. Sale of goods Act, 1930

Business Correspondence and Reporting- Covering topic:

- | | | |
|-------------------|--------------------------|--------------------|
| 1. Communication | 2. Vocabulary /root | 3. Communication |
| 4. Active passive | 5. Reading comprehension | 6. Article writing |
| 7. Report writing | 8. Precis writing | 9. Note making |

Roll No

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** questions from the remaining **FIVE** questions

Question 1(a): Ankit needs a black pen for his exams. He went to a nearby stationery shop and told the seller for a black pen. Seller gives him a pen saying that it is a black pen but it was clearly mentioned on the packet of pen that “Blue Ink Pen”. Ankit ignore that and takes the pen. After reaching his house, Ankit finds that the pen is actually a blue pen. Now Ankit wants to return the pen with the words that the seller has violated the implied conditions of sale by description. Whether Ankit can do what he wants as per the Sale of Goods Act, 1930. **(4 Marks)**

Question 1(b): Akansh purchased a Television set from Jethalal, the owner of Gada Electronics on the condition that first three days he will check it’s quality and if satisfied he will pay for that otherwise he will return the Television set. On the second day, the Television set was spoiled due to an earthquake. Jethalal demand the price of Television set from Akansh. Whether Akansh is liable to pay the price under the Sale of Goods Act, 1930? Who will ultimately bear the loss? **(4 Marks)**

Question 1(c): 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? **(4 Marks)**

Question 2(a): A transport company wanted to obtain licences for its vehicles but could not obtain licences if applied in its own name. It, therefore, formed a subsidiary company and the application for licence was made in the name of the subsidiary company. The vehicles were to be transferred to the subsidiary company. Will the parent and the subsidiary company be treated as separate commercial units? Explain in the light of the provisions of the Companies Act, 2013. **(4 Marks)**

Question 2(b): ABC Pvt Ltd, has been overstating expenditures in their Profit & Loss Account for the past few years. On inquiry, it was found that the mere purpose was to avoid tax. However, there was no fraudulent intentions. Should the corporate veil of the company be lifted? Kindly justify. **(4 Marks)**

Question 2(c) : Nolimit Private Company is incorporated as unlimited company having share capital of ₹10,00,000. One of its creditors, Mr. Samuel filed a suit against a shareholder Mr. Innocent for recovery of his debt against Nolimit Private Company. Mr. Innocent has given his plea in the court that he is not liable as he is just a shareholder. Explain, whether Mr. Samuel will be successful in recovering his dues from Mr. Innocent? **(4 Marks)**

Question 3(a): “Nemo Dat Quod Non Habet” – “None can give or transfer goods what he does not himself own”. Explain the rule and state the cases in which the rule does not apply under the provisions of the Sale of Goods Act, 1930. **(6 Marks)**

Question 3(b): AB Cloth House, a firm dealing with the wholesale and retail buying and selling of various kinds of clothes, customized as per the requirement of the customers. They dealt with Silk, Organdie, cotton, khadi, chiffon and many other different varieties of cloth.

Mrs. Reema, a customer came to the shop and asked for specific type of cloth suitable for making a saree for her daughter's wedding. She specifically mentioned that she required cotton silk cloth which is best suited for the purpose.

The shop owner agreed and arranged the cloth pieces cut into as per the buyers' requirements.

When Reema went to the tailor for getting the saree stitched, she found that seller has supplied her cotton organdie material, cloth was not suitable for the said purpose. It has heavily starched and not suitable for making the saree that Reema desired for. The tailor asked Reema to return the cotton organdie cloth as it would not meet his requirements.

The Shop owner refused to return the cloth on the plea that it was cut to specific requirements of Mrs. Reema and hence could not be resold.

With reference to the doctrine of "Caveat Emptor" explain the duty of the buyer as well as the seller. Also explain whether Mrs. Reema would be able to get the money back or the right kind of cloth as per the requirement? **(6 Marks)**

Question 4(a): (i) C bought a bun from a baker's shop. The piece of bun contained a stone in it which broke C's tooth while eating. What are the rights available to the buyer against the seller under the Sale of Goods Act, 1930?

(ii) A contract with B to buy 50 chairs of a certain quality. B delivers 25 chairs of the type agreed upon and 25 chairs of some other type. Under the circumstances, what are the rights of A against B under the Sale of Goods Act, 1930? **(6 Marks)**

Question 4(b): Classify the following transactions according to the types of goods they are:

(i) A wholesaler of cotton has 100 bales in his godown. He agrees to sell 50 bales and these bales were selected and set aside.

(ii) A agrees to sell to B one packet of sugar out of the lot of one hundred packets lying in his shop.

(iii) T agrees to sell to S all the apples which will be produced in his garden this year. **(6 Marks)**

Question 5(a): Explain Doctrine of Ultra Virus. **(4 Marks)**

Question 5(b): Write Short Note on.

(a) Private Co. **(4 Marks)**

(b) Holding and Subsidiary Co. **(4 Marks)**

Question 6(a): Write short note on:

(i) Auction Sale **(4 Marks)**

(ii) Document of title to the goods **(3 Marks)**

Question 6(b): Doctrine of indoor management and its exceptions. Comment. **(5 Marks)**

Section B (40 Marks)

Question No. 7 is compulsory.

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

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

Question 7 (a): Academics has always been an essential part of human development. It prepares us to survive in the outside world and establish an identity of our own. However, is an individual's development restricted to merely academics? In India, from an early age, we have been taught that education is limited to the boundaries of academics only; the idea of getting out into the field, for gaining practical experience, is always considered a hoax. This has hindered students' development. However, the truth is that education represents a considerably broader field than we know of it. Our teaching, from the basics, has been focused on getting good grades and job offers, rather than being creative and unique.

In the 21st century, the pure academic type of education is slowly paving way for a whole new type. The paradigm shift in the whole education system is evident. People have now come to understand that education is a 360 degree activity that should focus on students' overall development, rather than restricting him/her to the classroom.

Co-curricular activities that take place outside the classroom but reinforce or supplement classroom curriculum, in some way, have become a point of focus today. These activities help in the growth of the child, in more than one way. Participating in such activities helps youngsters grow mentally, socially, and individually. Intellectual development of a student is developed in the classroom, but for the aesthetic development, such as team-building, character-building, and physical growth, students must step out into the outside world. For instance, if a student is a part of school football team, he/she will learn team-work and coordination, in a practical manner, which cannot be taught in the class.

Similarly, in colleges and institutions, there is a need for practical exposure so that the students can experience the actual working of an industry. For example, taking a student to a manufacturing firm will give him/her the real insight and better learning of the industry. Catering to this change, most professional colleges including B-Schools have started providing practical exposure to students through regular guest lectures, industrial visits, conferences, seminars, cultural festivals, and so on. With industry visits, students are able to better identify their prospective areas of work in the overall organizational function. Moreover, they help enhance interpersonal skills and communication techniques. In addition, guest lectures are equally important for all-round development of students. It is a great way for students to gain maximum exposure, as guest speakers talk about their real-life experiences and not what is there in the text books.

Through such events, students are made to participate and coordinate different events wherein, they get to know how exactly things are managed. Classroom teaching provides the foundation, and co-curricular or extracurricular activities provide practical exposure and opportunities to implement what students learn in the classroom. This helps in developing the overall personality of the students, inculcating various soft skills in them, which otherwise are difficult to teach. Clearly, life beyond academics creates creative and empowered professionals.

- (i) What has not been the focus of education from earlier times? **(1 Mark)**
- (ii) Where should students go for aesthetic development? **(1 Mark)**
- (iii) What kind of co – curricular activities have been points of focus today? **(1 Mark)**
- (iv) What kind of co-curricular activities have become points of focus today? **(1 Mark)**
- (v) Why are soft skills difficult to teach in the classroom? **(1 Mark)**

(b) Read the passage : **(5 Marks)**

(i) make notes, using headings , sub – headings and abbreviation whenever necessary giving a suitable title.

(ii) Write a summary

Keeping cities clean, free of any kind of pollution, is essential for keeping their residents healthy. Our health depends not just on personal hygiene and nutrition, but critically also on how clean we keep our cities and their surroundings. The spread on dengue, chikungunya and corona virus are intimately linked to the deteriorating state of public health conditions in our cities as well.

The waste management to keep to keep cities clean is now getting attention through the Swatch Bharat Mission .people are now more aware of the importance of cleanliness and necessary safety precautions to be observed on day to day basis.

However, much of the attention begins and stops with the brooms and the dustbins, extending at most to the collection and transportation of the mixed waste to some distant or not so distant place, preferably out of sight. The challenge of processing and treating the different streams of solid waste, and safe disposal of the residuals in scientific landfills, has received much less attention in municipal solid waste management than is expected from a health point of view. One of the problems is that instead of focusing on waste management for health, we have got sidetracked into “waste for energy”. If only we were to begin by not mixing the biodegradable component of solid waste (close to 60 percent of the total) in our cities with the dry waste, and instead use this stream of waste for composting and producing a gas called methane.

Question 8

(a) Completeness is an important characteristic of effective communication. Comment. **(2 Marks)**

(b) (i) Choose the word that best expresses the meaning of the given word: **(1 Mark)**

Sloppy

- 1) Drunk
- 2) Careless
- 3) Tired
- 4) Untrustworthy

(ii) Select a suitable antonym for the given word: **(1 Mark)**

Fallacy

- 1) Truth
- 2) Liberal
- 3) Tolerate
- 4) Persist

(iii) Change the voice: **(1 Mark)**

Does he purchase books?"

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

The most alarming of man's assaults upon the environment is the contamination of air, earth, rivers, and sea with lethal materials. This pollution is for the most part irrevocable, the chain of evil it initiates is for the most part irreversible. In this contamination of the environment, chemicals are the sinister partners of radiation in changing the very nature of the world, radiation released through nuclear explosions into the air, comes to the earth in rain, lodges into the soil, enters the grass or corn, or wheat grown there and reaches the bones of a human being, there to remain until his death. Similarly, chemicals sprayed on crops lie long in soil, entering living organisms, passing from one to another in a chain of poisoning and death. Or they pass by underground streams until they emerge and combine into new forms that kill vegetation, sicken cattle, and harm those who drink from once pure wells.

It took hundreds of millions of years to produce the life that now inhabits the earth and reached a stage of adjustment and balance with its surroundings. The environment contained elements that were hostile as well as supporting. Even within the light of the sun, there were short wave radiations with power to injure. Given time, life has adjusted and a balance reached. For time is the essential ingredient, but in the modern world is no time.

The rapidity of change and the speed with which new situations are created follow the heedless pace of man rather than the deliberate pace of nature. Radiation is no longer the bombardment of cosmic rays, it is now the unnatural creation of man's tampering with the atom. The chemicals to which life is asked to make adjustments are no longer merely calcium and silica and copper and all the rest of the minerals washed out of the rocks and carried in the rivers to the sea, they are the synthetic creations of man's inventive mind, brewed in his laboratories, and having no counterparts in nature.

Question 9

(a) What is the informal communication? (2 Marks)

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

Disparage

- 1) Encourage
- 2) Kind
- 3) Defame
- 4) silent

(ii) Select a suitable antonym for the given word: (1 Mark)

Dearth

- 1) pleasant
- 2) scanty
- 3) abundant
- 4) unknown

(iii) Change the voice (1 Mark)

She has created this masterpiece.

(c) Write an Article in 250-300 words on the topic 'Seeking Excellence' (5 Marks)

Question 10

(a) Write about culture barrier in communication. (2 Marks)

(b) (i) Change the sentence from active to passive (1 Mark)

By this time tomorrow we will have signed the deal.

(ii) Change the sentence from passive to active voice. (1 Mark)

The minister was welcomed by the people.

(iii) choose the appropriate meaning (1 Mark)

Inchoate

- a- Contextual
- b- Contextual
- c- rudimentary
- d- sympathy

(c) Write a report in 250-300 words on the rising crime rate in your area. **(5 Marks)**

Question 11

(a) Explain horizontal communication. **(2 Marks)**

(b) Select the correct meaning

Hone **(1 Mark)**

- a- Grind
- b- jumble
- c- heuristic
- d- chroneme

Surreptitiously **(1 Mark)**

- a) Legally
- b) Secretly
- c) Loudly
- d) Lazy

(c) Choose the antonym **(1 Mark)**

Novice

- a) Rudimentary
- b) Experienced
- c) Sluggish
- d) Weak

(d) In the following compound-complex sentences, underlining the principal clauses with a solid underline and the subordinate clauses with a double underline **(5 Marks)**

1. Go to the store and get some milk, as I must have your cake baked in time for the party.
2. Snowboarding looks like fun, but it requires a lot of practice which is boring or dangerous.
3. When you were renovating, did you hire contractors or did you do the work yourself?
4. She types better than I do, but she has not written me for several months.
5. The library book that I liked so much was overdue, and I paid the fine when I got some cash.

SPACE FOR ROUGH WORK