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TEST-3

04-09-2022

CA FOUNDATION

Business Laws and Business Correspondence and Reporting

Business Laws- Covering topic:

Unit 5: Capacity of Parties

Unit 6: Consideration

Unit 7: Free Consent

Unit 8: Legality of Object and Consideration & Agreements Opposed to Public Policy

Unit 9: Void Agreements and Contingent Contracts

Business Correspondence and Reporting- Covering topic:

- | | | |
|-------------------------|---------------------------|--------------------------|
| 1. Communication | 2. All vocabulary | 3. Idioms |
| 4. Active passive voice | 5. Direct indirect speech | 6. Reading comprehension |
| 7. Note making | 8. Article writing | 9. Report writing |
| 10. Precis writing | 11. Agenda | |

Roll No754328.....

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(i): Define consideration. State the characteristics of a valid consideration. **(6 Marks)**

(ii) Vikas, aged 16 years, was studying in an engineering college. On 1st March, 2019 he took a loan of ₹ 2 lakhs from Rahul for the payment of his college fee and agreed to pay by 30th May, 2020. Vikas possesses assets worth ₹ 15 lakhs. On due date, Vikas fails to pay back the loan to Rahul. Rahul now wants to recover the loan from Vikas out of his assets. Decide whether Rahul would succeed referring to the provisions of the ICA, 1872. **(6 Marks)**

Question 2: Comment on the following statements:

i. A minor can be appointed as an agent **(2 Marks)**

ii. A person of usually of unsound mind can form the contract when occasionally is of sound mind. **(2 Marks)**

iii. M promised to pay N for his services at his (M) sole discretion found to be fair and reasonable. However, N dissatisfied with the payment made by M and wanted to sue him. Decide whether N can sue M under the provisions of the Indian Contract Act, 1872? **(2 Marks)**

iv. 'X' agreed to become an assistant for 5 years to 'Y' who was a Doctor practising at Ludhiana., It was also agreed that during the term of agreement 'X' will not practise on his own account in Ludhiana. At the end of one year, 'X' left the assistantship of 'Y' and began to practise on his own account. Referring to the provisions of the ICA, 1872, decide whether 'X' could be restrained from doing so? **(3 Marks)**

v. Mr. Seth an industrialist has been fighting a long drawn litigation with Mr. Raman another industrialist. To support his legal campaign Mr. Seth enlists the services of Mr. X a legal expert stating that an amount of Rs. 5 lakhs would be paid, if Mr. X does not take up the brief of Mr. Raman. Mr. X agrees, but at the end of the litigation Mr. Seth refuses to pay. Decide whether Mr. X can recover the amount promised by Mr. Seth under the provisions of the Indian Contract Act, 1872. **(3 Marks)**

Question No.3 (i): A minor is liable to pay for the necessities of life supplied to him". Explain. **(6 Marks)**

(ii) Mr. Singh, an old man, by a registered deed of gift, granted certain land property to A, his daughter, By the terms of the deed, it was stipulated that an annuity of Rs.2000 should be paid every year to B, who was the brother of Mr. Singh. On the same day a made a promise to B & executed in his favour an agreement to give effect to the stipulation. A failed to pay stipulated sum. In an action against her by B, she contented that since B has not furnished any consideration, he has no right of Action. Examine referring with the case study? **(6 Marks)**

Question 4 (a): "No Consideration, No Contract". Examine. **(6 Marks)**

Question 4(b): A offered to sell his house to B for Rs. 10000/-, B replied that he can accept the house for only Rs. 8,000/-. A rejected B's counter offer to buy the house for Rs. 8,000/-. B later changed his mind and is now willing to buy the house for Rs. 10,000/-. Explain the consequences with respect to Indian Contract Act, 1872.

Will your answer be different, if B for the original offer at the very first stage agreed to buy the house on the same amount . **(6 Marks)**

Question 5 (i): Examine the validity of the Statement according to the Indian Contract Act, 1872 in the light of the following **(2 Marks Each)**

- a. A deceit which does not deceive is not a fraud
- b. Remaining silent with respect to the known defects is fraudulent

(ii) Explain the Principal of Ratification with respect to Minor. **(2 Marks)**

(iii) Persons Disqualified by Law cannot form a Valid Contract. Comment **(6 Marks)**

Question 6: Differentiate Between the Following **(4 Marks each)**

- (i)** Fraud & Misrepresentation
- (ii)** Undue Influence & Coercion
- (iii)** Wagering Agreement & Contingent Contract

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 wste 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 following sentence to indirect speech : **(1 Mark)**

Alex said, "I am working day and night"

(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) 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)**

Macabre

- 1) pleasant
- 2) hideous
- 3) sympathy
- 4) unknown

- (iii) Change the following sentence to indirect speech **(1 Mark)**

He said to her, "Are you coming to the party?"

- (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) Change the following sentence to indirect speech: ` **(1 Mark)**

She said to me, “ Do you know this man?”

(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 of idiom/ phrases given below

(i) a cry in the wilderness **(1 Mark)**

- a) a cry in vain
- b) A cry with a laughter
- c) An unpleasant situation
- d) A cry in disgrace

(ii) Utopian dream **(1 mark)**

- a) imaginary idea
- b) unworthy idea
- c) unintelligent idea
- d) classic idea

(iii) Lions share **(1 Mark)**

- (a) look angrily
- (b) major part
- (c) lions food
- (d) heart of the prey

(c) The Marketing Head of ABC Co – Northern Region, a car manufacturing company, plans to conduct a Monthly Sales Meeting. Set an agenda for the meeting (introducing new starters; health & safety update; product revision update; Sales results & forecasts; New product launch; upcoming initiatives) **(5 Mark)**

SPACE FOR ROUGH WORK