

M.K.G CA EDUCATION

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TEST-5

30-10-2022

CA FOUNDATION

Business Laws and Business Correspondence and Reporting

Business Laws- Covering topic:

1. The Companies Act, 2013 (upto covered till 28th of October)
2. Sale of goods Act, 1930

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 | 12. Minutes |
| 13. ATR | 14. Memo | 15. circular |
| 16. Resume writing | | |

Roll No542861.....

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 1: (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 2: 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 3: 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 4: 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 5: 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 6: 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 7: 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 8: "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 9: 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 10: 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 11: Explain Doctrine of Ultra Virus. **(4 Marks)**

Question 12: Write Short Note on.

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

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

Section B (40 Marks)

Question No. 13 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 13:

(a) Read the passage carefully and answer the questions given below :

Success of any organization depends on offering quality products at competitive prices. All over the world, it is being realized that quality control be ensured through inspection and test alone. Every department and individual has a contribution to make in the achievement of quality. Quality product at competitive prices is the most significant factor in determining the long - run success of any organization. High quality of products can give a competitive edge to an organization. On the other hand, good quality generates satisfied customers who reward the organization with continued patronage and favourable word of mouth advertising.

Growth in consumer quality awareness has put a greater strain on businesses. Consumer demand and dynamic technological changes have opened up new and highly competitive markets. The quality of goods and services can no longer be taken for granted.

The rapid growth of the service sector has also introduced new perceptions of quality management. Institutions, such as the Government, banks and hospitals do not produce tangible goods. The interaction between employees and customers is much more critical in such organizations. As a result, the skills, attitudes and training of service personnel affect the quality of the services delivered. Information processing represents a large component of the work done by service organizations and poses special quality considerations. Errors in computer billing, or airline and hotel reservations are the results of poor quality control of computer software and data input systems.

In view of globalization of markets, Governments have begun to realize that quality is essential to international trade and the national economy. Therefore, public purchasing authorities have been instructed to buy goods that conform to the quality standards.

- (i) In what manner good quality products give rewards to organizations?
- (ii) Most significant factor which determines the long run success of an organization?
- (iii) Quality of goods and services cannot be compromised by organizations, give reasons.
- (iv) Write the summary of the above passage.

(5 Marks)

(b) Read the Passage :

Whether one runs a large business, or is starting out with a new venture, or works as a corporate professional, chances are that at some point, one would be required to make a business presentation. Whether you are selling a product to a client, sharing your vision with your employees, or looking for new investors for your business, your presentation will always matter.

Making a good business presentation can be intimidating - you want to capture as much information as possible to answer any prospective questions from your audience, yet you want to keep your audience constantly engaged and interested. So, what makes a good presentation?

It is important to connect with your audience with a story. And no, it doesn't mean your presentation needs to be the most exciting work of fiction. Take your audience on a journey. When trying to convince potential investors, make them see the success you are striving for and what it will do for you and for them. To win over your employees with your new staff policy, take them through the journey of why you are introducing a new policy and how does it benefit them. Tell personal stories, give analogies and cite examples. Get your audience emotionally involved and you will be more likely to get them to side with you.

You want to keep your audience engaged at all times. Do not overwhelm them with a lot of information. Settle on three to five key messages that you want them to absorb and stick with them. You do not want to include everything. Instead, choose out powerful points that you want to make. It is important to keep your presentation as straight forward and concise as possible.

At the same time, you need to know your content extremely well. While you keep your presentation short and to the point, it is no excuse for you to not have more detailed information regarding the subject of your presentation. It is likely you would need to answer questions from your audience at the end of the presentation. You must review all pertinent information and key facts and figures before your presentation. Not only will it help you answer questions later, but it will also give you more confidence during your presentation, so you refer to your notes less and connect with your audience more.

In the end, a business presentation is about selling ideas. Do your researches well, describe your ideas crisply, weave them into an interesting story and you are more likely to succeed.

(i) Make notes, using headings, sub -- headings and abbreviations whenever necessary.

(ii) Write Summary

(5 Marks)

Question 14:

(a) Emotional barriers affect communication, discuss.

(2 Marks)

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

Repulsive

- (1) Attractive
- (2) Normal
- (3) Disgusting
- (4) Confused

(1 Marks)

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

Gratify

- (1) Frustrate
- (2) Depress
- (3) Discourage
- (4) Distress

(1 Marks)

(iii) Change the following sentence to indirect speech :

He said, "The horse died in the night".

(1 Marks)

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

Gratitude implies thankfulness or an appreciation of benefits conferred together with a desire, when practicable, to return those benefits. It should be distinguished from thanks, which is too often a matter of words and not accompanied by a feeling of thankfulness or by those actions which indicate a grateful mind. The grateful man feels joy at the kindness of his benefactor and cultivates a respect that is akin to love.

In almost all the relations of ordinary life the feelings of gratitude should be aroused. The child owes thanks to his parents for food, clothes, education and tender care; the scholar to his teachers for the training of his intelligence; personal friends to one another for mutual services.

The frequent use of the phrase, "Thank you," though Wien not more than a polite convention, nevertheless shows the universal belief in the necessity for cultivating a grateful attitude towards those who do something for us, however small that service be. As Citizens, there are few who have no cause to be grateful. Great generals who have given devoted service gratuitously, statesmen, poets and philosophers, all those who have stood for right, justice and freedom of thought, have conferred inestimable benefits upon their countrymen.

When deeds are impossible, the expression of thanks is the best that can be done. The inscriptions on the tombs and monuments erected by a nation to its great men are an expression of thanks in words. As for deeds, an old story will serve as an excellent illustration. An old man was found planting fruit trees by a friend who came to him and said, "Why do you plant trees, the fruit of which I enjoy. I now plant trees that those who come after may enjoy fruit."

In conclusion, no good man wishes to give pain, especially to those who have done him good.

The ungrateful man hurts the feelings of his benefactor and cannot, therefore, be a good man

(5 Marks)

Question 15:

- (a) (i) Define circuit and star network under network in communication.

OR

- (i) Discuss the term "physical non – verbal communication" in communication.

(2 Marks)

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

Nostalgic

- (1) Sharp
- (2) Painful
- (3) Delighted
- (4) Homesick

(1 Marks)

- (ii) Choose the word which best expresses the meaning of the given word:

Economise

- (1) Reduce
- (2) Save
- (3) Minimise
- (4) Accumulate

(1 Marks)

- (iii) Change the following sentence to indirect speech:

He said to him, "Please wait here till I return."

(1 Marks)

- (c) Draft a circular to warn the employees of Packing Department not to participate in strike.

(5 Marks)

Question 16:

- (a) How do organizational structure barriers affect communication? (2 Marks)
- (b) (i) Change the sentence from Active to Passive Voice.
Rama was making a kite. (1 Marks)
- (ii) Change the sentence from Passive to Active Voice.
The lion was shot by the hunter. (1 Marks)
- (iii) Change the following sentence to indirect speech.
Father said to his son, "Work hard for success in life". (1 Marks)
- (c) Write an article of about 250 words on the topic, Sports in India in present time. (5 Marks)

Question 17:

- (a) What do you mean by diagonal communication? (1 Marks)
- (b) Select the correct meaning of Idioms/Phrases given below:
- (i) **Pen and Ink**
- (1) Modern day technology
 - (2) Extensively
 - (3) Wastage
 - (4) In writing
- (1 Marks)
- (ii) **A snake in the grass**
- (1) Unforeseen happening
 - (2) Secret or hidden enemy
 - (3) Unreliable person
 - (4) Unrecognizable danger
- (1 Marks)
- (iii) Change the sentence into Active voice :
Twenty runs were scored by him. (1 Marks)
- (iv) Choose the word which best expresses the meaning of the given word.
Applaud
- (1) Flatter
 - (2) Praise
 - (3) Pray
 - (4) Request
- (1 Marks)
- (c) Prepare a cover letter and detailed Résumé in the functional format for a candidate applying for the post of Article Assistant in a CA firm in Gomati Nagar in New Delhi.
Name: Jagjeet Singh
Qualifications: CA Intermediate (5 Marks)

SPACE FOR ROUGH WORK