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TEST

10-06-2022

CA FOUNDATION

Business Laws and Business Correspondence and Reporting
Full Syllabus

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: 1

(a)

Mr. A is an Indian citizen and his stay in India during immediately preceding financial year is for 115 days. He appoints Mr. B as his nominee who is a foreign citizen but has stayed in India for 130 days during immediately preceding financial year.

- (i) Is Mr. A eligible to be incorporated as a One Person Company (OPC). If yes, can he give the name of Mr. B in the memorandum of Association as his nominee to become the member after Mr. A's incapacity to become a member.
- (ii) If Mr. A has contravened any of the provisions of the Act, what are the consequences?

(b)

What do you mean by Designated Partner? Whether it is mandatory to appoint Designated partner in a LLP?

5 × 2 = 10 Marks

Question: 2

(a)

Rahul goes to super market to buy a washing machine. He selects a branded washing machine having a price tag of 15000 after a discount of 3000. Rahul reaches at cash counter for making the payment, but cashier says, "Sorry sir, the discount was up to yesterday. There is no discount from today. Hence you have to pay 18000. Rahul got angry and insists for 15000. State with reasons whether under Indian Contract Act, 1872, Rahul can enforce the cashier to sale at discounted price i.e.15000.

(b)

Mr. Joy owns two flats in a building. He wanted to sell flat no.101 to Mr. Roy. Mr. Joy offered to sell his flat no. 101 to Mr. Roy, but Mr. Roy thought that Mr. Joy wanted to sell flat no. 102 and said yes for the agreement. Considering the provisions of Indian Contract Act, 1872, discuss the validity of such a contract.

5 × 2 = 10 Marks

Question: 3

(a)

The general rule is that an agreement without consideration is void. Discuss the cases where the agreement though made without consideration will be valid and enforceable as per Indian Contract Act, 1872.

(b)

Rohan is running a grocery store in Delhi. He sells his grocery business, including goodwill worth ₹ 1,00,000 to Rohit for a sum of ₹ 5,00,000. After the sale of goodwill, Rohit made an agreement with Rohan. As per this agreement, Rohan is not to open another grocery store (similar kind of business) in the whole of India for next ten years. However, Rohan opens another store in the same city two months later. What are the rights available with Rohit regarding the restriction imposed on Rohan with reference to Indian Contract Act, 1872?

5 × 2 = 10 Marks

Question: 4**(a)**

Mr. P was running a shop selling good quality washing machines. Mr. Q came to his shop and asked for washing machine which is suitable for washing woolen clothes. Mr. P showed him a particular machine which Mr. Q liked and paid for it. Later on, when the machine was delivered at Mr. Q's house, it was found that it was wrong machine and also unfit for washing woolen clothes. He immediately informed Mr. P about the delivery of wrong machine. Mr. P refused to exchange the same, saying that the contract was complete after the delivery of washing machine and payment of price. With reference to the provisions of Sale of Goods Act, 1930, discuss whether Mr. P is right in refusing to exchange the washing machine?

(b)

Sohan, Rohan and Jay were partners in a firm. The firm is dealer in office furniture. They have regular dealings with M/s AB and Co. for the supply of furniture for their business. On 30th June 2020, one of the partners, Mr. Jay died in a road accident. The firm has ordered M/s AB and Co. to supply the furniture for their business on 25th May 2020, when Jay was also alive.

Now Sohan and Rohan continue the business in the firm's name after Jay's death. The firm did not give any notice about Jay's death to the public or the persons dealing with the firm. M/s AB and Co. Delivered the furniture to the firm on 25th July 2020. The act about Jay's death was known to them at the time of delivery of goods. Afterwards the firm became insolvent and failed to pay the price of furniture to M/s AB and Co. Now M/s AB and Co. Has filed a case against the firm for recovery of the price of furniture. With reference to the provisions of Indian Partnership Act, 1932, explain whether Jay's private estate is also liable for the price of furniture purchased by the firm?

5 × 2 = 10 Marks**Question: 5****(a)**

“The Doctrine of Indoor Management always protects the persons (outsiders) dealing with a company.” Explain the above statement. Also, state the exceptions to the above rule.

(b)

Avyukt purchased 100 Kgs of wheat from Bhaskar at ₹30 per kg. Bhaskar says that wheat is in his warehouse in the custody of Kishore, the warehouse keeper. Kishore confirmed Avyukt that he can take the delivery of wheat from him and till then he is holding wheat on Avyukt's behalf. Before Avyukt picks the goods from warehouse, the whole wheat in the warehouse has flowed in flood. Now Avyukt wants his price on the contention that no delivery has been done by seller. Whether Avyukt is right with his views under the Sale of Goods Act, 1930.

5 × 2 = 10 Marks**Question: 6****(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.

(b)

When does dissolution of a partnership firm take place under the provisions of the Indian Partnership Act, 1932? Explain.

5 × 2 = 10 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) Read the passage carefully and answer the questions given below:

Being the daughter of a physics professor, Marie who was born in 1867 in Warsaw, Poland, was greatly influenced by the wonders of Science and technology. Since an early age, she displayed a blithe personality. Her fascination for learning prompted her to continue with her studies even after school. She became disgruntled, however, when she learned that the university in Warsaw was closed for women. Determined to complete higher education, she defiantly left Poland and in 1891 entered the Sorbonne, a French university, where she completed her doctorate in physics. Marie met Pierre Curie at the Sorbonne along with some of the other greatest scientists of her day. Marie and Pierre were married in 1895 and spent many productive years working together in the physics laboratory. A short time after they discovered radium, Pierre was killed by a horse-drawn wagon in 1906. For Marie it was an horrible misfortune and heartbreaking event. Despondently she recalled their close relationship and the joy that they had shared in scientific research. The fact that she had two young daughters to raise by herself greatly increased her distress. Curie's feeling of desolation finally began to fade when she was asked to succeed her husband as a physics professor at the Sorbonne. She was the first woman to be given a professorship at the world-famous university. In 1911 she received the Nobel Prize in physics for isolating radium. Although Marie Curie eventually suffered a fatal illness from her long exposure to radium, she never became disillusioned about her work. Regardless of the consequences, she had dedicated herself to science and to revealing the mysteries of the physical world.

(i) What did Marie did not like about the Warsaw University? (1 Mark)

(ii) What was first step that Marie took towards her becoming a scientist? (1 Mark)

(iii) How did Marie deal with the desolation caused by her husband's death? (1 Mark)

(iv) Write a Summary of the above Passage. (2 Marks)

(b) Read the Passage:

(i) Make Notes, using Headings, Subheadings and abbreviations whenever necessary. (3 Marks)

(ii) Write summary. (2 Marks)

Recycling is simply the process of reusing the items from which utility can still be derived. It is important to recycle waste so that we can at least conserve some of our natural resources for the generations to come. Many products such as paper, cardboards, and cups come from trees. In fact trees are our natural assets; you can conserve trees by recycling the paper products as by doing so we can minimize the number of trees cut down a year. This is one form of waste recycling.

Recycling waste will not only save our natural resources but will also help save energy. By simply recycling an item or making a basic fix to it, we can save all the energy that would have been consumed in the process of making it. The same example can be taken with plastic items. A large amount of energy can be saved by simply reusing the plastic items. To recycle waste is to simply reduce pollution. By recycling plastic material, we can reduce air pollution as well as water pollution. Plastic factories produce a large amount of smoke while producing plastic material at the same time; if we don't have a proper waste disposal system then those waste emissions will cause water pollution. Recycling helps reduce pollution too.

In simple words, recycling waste is essential for both the natural environment and humans. To sum up, recycling minimizes the need for raw materials so that the rainforests can be preserved. Great amounts of energy are used when making products from raw materials. Recycling requires much less energy and therefore helps to preserve natural resources. One needs to know the importance of recycling; at the same time being earth friendly can help make our planet a better place to live in.

Question 8

(a) Body language speaks the truth while speaker may play with words to hide the truth, comment? (2 Marks)

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

SCINTILLATING

(1) Smouldering

(2) Glittering

(3) Touching

(4) Warming

(1 Marks)

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

Fidelity

(1 Marks)

(1) Commitment

(2) Inconstancy

(3) Ambitious

(4) Devotion

(iii) Change the following sentence to indirect speech Varun Said, "Every Kid should learn coding". (1 Marks)

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

(5 Marks)

DNA degrades quickly after an animal dies, so researchers once believed it impossible to find ancient genetic material. The search for primeval vestiges of DNA took off in the late 1980s after the development of a technique called polymerase chain reaction (PCR), which copies minute quantities of DNA. Armed with PCR, scientists could look for tiny fragments of DNA that might have weathered the millennia unharmed. In recent years, researchers have isolated DNA from 20-million-year-old magnolia leaves and extracted DNA from a 135-million-year-old weevil found in amber. Recently, a team extracts DNA from bone dating back millions of years for the first time. In the frenzied hunt for ancient DNA, microbiologist Scott R. Woodward may have bagged the biggest quarry. Drawing on lessons learned while growing up among the fossil-rich rocks of eastern Utah, Woodward and his team became the first people to find genetic material belonging to a dinosaur.

Woodward, whose grandfather was a coal miner, knew that mines in the area often contained dinosaur traces. After six months of looking Woodward pulled two bone fragments from a Cretaceous siltstone layer directly a top a coal seam. Impeded by an unstable mine roof) Woodward's team could not recover any more bone samples.

The siltstone apparently inhibited fossilization and preserved much of the original cell structure in the bone. Researchers isolated strands of DNA from both fragments and used-PCR to copy a segment that codes for a protein called cytochrome b. Once they had made many copies, they could determine the DNA sequence. Throughout their work, the biologists took precautions to avoid contaminating the samples with modern DNA or ancient material found within the coal. According to Woodward, circumstantial evidence indicates that the bone fragments belong to one or two species of dinosaurs. Dinosaur tracks are abundant in this coal formation, and the bones visible in the mine were larger than those of a crocodile the biggest non-dinosaur known in these rocks.

Question 9

(a) (i) Discuss the term "Virtual Communication" in communication. **(2 Marks)**

OR

(ii) What do you mean by an "Attitude Barrier"? **(2 Marks)**

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

Relevant

(1) Related

(2) Important

(3) Pertinent

(4) Common

(1 Mark)

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

Unabashed

(1) Not fast

(2) Not Finding

(3) Not Embarrassed

(4) Not Angry

(1 Mark)

(iii) Change the following sentence to indirect speech:

He said, "Will you all come for the meeting?"

(1 Mark)

(c) You are the Finance head of a sports academy. Write a formal report stating details of expenditure made in the last financial year towards purchase of sports equipment.

(5 Marks)

Question 10

(a) Explain how listening for Understanding helps in communication.

(2 Marks)

(b) (i) Change the sentence from Active to Passive Voice.

Question - The crew cleaned the entire stretch of highway.

(1 Marks)

(ii) Change the sentence from Passive to Active Voice.

Question - The house was remodelled by the homeowners to help it sell.

(1 Marks)

(iii) Change the following sentence to indirect speech.

Question - Socrates said, "Virtue is its own reward."

(1 Marks)

(c) Write a Memo regarding supply of budget (Planning accordingly as 3 months are left for the fiscal year to get over)

(5 Marks)

Question 11

(a) Explain Wheel & Spoke network in communication.

(2 Marks)

(b) Select the correct meaning of Idioms/Phrases given below:

(i) To be a mastermind

(1) To be a pioneer

(2) To. be an entrepreneur

(3) To be an amateur

(4) To be a villain

(1 Marks)

(ii) At wit's end

- (1) Impoverished
- (2) Drained
- (3) Completed
- (4) Perplexed

(1 Marks)**(iii) Change the sentence into Passive voice:**

Question - Will you tell me a story?

(1 Marks)**(iv) Choose the word which best expresses the meaning of the given word:****COMBAT**

- (1) Conflict
- (2) Quarrel
- (3) Feud
- (4) Fight

(c) (c) - Submit an Action Taken Report, based on a meeting held to discuss the failure of long pending dues by an old client. Mention clearly what decision was taken.

(5 Marks)

SPACE FOR ROUGH WORK