

MOCK TEST PAPER 1
FOUNDATION COURSE

PAPER 2: BUSINESS LAWS AND BUSINESS CORRESPONDENCE AND REPORTING

SECTION A: BUSINESS LAWS

Question No. 1 is compulsory.

Answer any four questions from the remaining five questions.

1. (i) Krish, Kamyra and Ketan are partners in a firm. They jointly promised to pay Rs. 6,00,000 to Dia. Kamyra become insolvent and her private assets are sufficient to pay 1/5 of her share of debts. Krish is compelled to pay the whole amount to Dia. Examining the provisions of the Indian Contract Act, 1872, decide the extent to which Krish can recover the amount from Ketan.

(4 Marks)
- (ii) Akbar, an assessee, was a wealthy man earning huge income by way of dividend and interest. He formed three Private Companies and agreed with each to hold a bloc of investment as an agent for them. The dividend and interest income received by the companies was handed back to Akbar as a pretended loan. This way, Akbar divided his income into three parts in a bid to reduce his tax liability.
Decide, for what purpose the three companies were established? Whether the legal personality of all the three companies may be disregarded.

(4 Marks)
- (iii) Distinguish between a 'Condition' and a 'Warranty' in a contract of sale. When shall a 'breach of condition' be treated as 'breach of warranty' under the provisions of the Sale of Goods Act, 1930? Explain.

(4 Marks)
2. (i) State the grounds upon which a contract may be discharged under the provisions of the Indian Contract Act, 1872.

(7 Marks)
- (ii) Enumerate the circumstances in which LLP may be wound up by Tribunal.

(5 Marks)
3. (i) "Though a minor cannot be a partner in a firm, he can nonetheless be admitted to the benefits of partnership."
(a) Referring to the provisions of the Indian Partnership Act, 1932, state the rights which can be enjoyed by a minor partner.
(b) State the liabilities of a minor partner both:
 - (i) Before attaining majority and
 - (ii) After attaining majority.

(6 Marks)
- (ii) P sells by auction to Q a horse which P knows to be unsound. The horse appears to be sound but P knows about the unsoundness of the horse. Is this contract valid in the following circumstances under the Indian Contract Act, 1872:
 - (a) If P says nothing about the unsoundness of the horse to Q.
 - (b) If P says nothing about it to Q who is P's daughter who has just come of age.
 - (c) If Q says to P "If you do not deny it, I shall assume that the horse is sound." P says nothing.

(3 Marks)

- (iii) Shyam induced Ram to buy his motorcycle saying that it was in a very good condition. After taking the motorcycle, Ram complained that there were many defects in the motorcycle. Shyam proposed to get it repaired and promised to pay 45% cost of repairs. After a few days, the motorcycle did not work at all. Now Ram wants to rescind the contract. Decide giving reasons. **(3 Marks)**
4. (i) What are the implied conditions in a contract of 'Sale by sample' under the Sale of Goods Act, 1930? State also the implied warranties operative under the said Act. **(6 Marks)**
- (ii) X, Y and Z are partners in a Partnership Firm. They were carrying their business successfully for the past several years. Spouses of X and Y fought in ladies club on their personal issue and X's wife was hurt badly. X got angry on the incident and he convinced Z to expel Y from their partnership firm. Y was expelled from partnership without any notice from X and Z. Considering the provisions of the Indian Partnership Act, 1932, state whether they can expel a partner from the firm. What are the criteria for test of good faith in such circumstances? **(6 Marks)**
5. (i) M/s Woodworth & Associates, a firm dealing with the wholesale and retail buying and selling of various kinds of wooden logs, customized as per the requirement of the customers. They dealt with Rose wood, Mango wood, Teak wood, Burma wood etc.
- Mr. Das, a customer came to the shop and asked for wooden logs measuring 4 inches broad and 8 feet long as required by the carpenter. Mr. Das specifically mentioned that he required the wood which would be best suited for the purpose of making wooden doors and window frames. The Shop owner agreed and arranged the wooden pieces cut into as per the buyers requirements.
- The carpenter visited Mr. Das's house next day, and he found that the seller has supplied Mango Tree wood which would most unsuitable for the purpose. The carpenter asked Mr. Das to return the wooden logs as it would not meet his requirements.
- The Shop owner refused to return the wooden logs on the plea that logs were cut to specific requirements of Mr. Das and hence could not be resold.
- (a) Explain the duty of the buyer as well as the seller according to the doctrine of "Caveat Emptor".
- (b) Whether Mr. Das would be able to get the money back or the right kind of wood as required serving his purpose? **(6 Marks)**
- (ii) The persons (not being members) dealing with the company are always protected by the doctrine of indoor management. Explain. Also, explain when doctrine of Constructive Notice will apply. **(6 Marks)**
6. (a) "When a party to a contract has refused to perform, or disabled himself from performing his promise in its entirety, the promisee may put an end to the contract". Explain. **(5 Marks)**
- (b) "Indian Partnership Act does not make the registration of firms compulsory nor does it impose any penalty for non-registration." Explain. Discuss the various disabilities or disadvantages that a non-registered partnership firm can face in brief? **(4 Marks)**
- (c) Alfa school started imparting education on 1.4.2010, with the sole objective of providing education to children of weaker society either free of cost or at a very nominal fee depending upon the financial condition of their parents. However, on 30th March 2018, it came to the knowledge of the Central Government that the said school was operating by violating the objects of its objective clause due to which it was granted the status of a section 8 company under the Companies Act, 2013. Describe what powers can be exercised by the Central Government against the Alfa School, in such a case? **(3 Marks)**

PAPER 2: SECTION-B: BUSINESS CORRESPONDENCE AND REPORTING

The Question Paper comprises of 5 questions of 10 marks each.

*Question No. 1 is compulsory. Out of questions 2 to 5, attempt any **three**.*

Total Marks: 40

1. (a) Read the passage carefully and answer the questions that follow:

People love music for much the same reason they're drawn to, drugs, gambling and delicious food, according to new research. When you listen to tunes that move you, the study found, your brain releases dopamine, a chemical involved in both motivation and addiction.

Even just anticipating the sounds of a composition like Vivaldi's "Four Seasons" or Phish's "You Enjoy Myself" can get the feel-good chemical flowing, found the study, which was the first to make a concrete link between dopamine release and musical pleasure.

The findings offer a biological explanation for why music has been such a major part of major emotional events in cultures around the world since the beginning of human history. Through music, the study also offers new insights into how the human pleasure system works.

'You're following these tunes and anticipating what's going to come next and whether it's going to confirm or surprise you, and all of these little cognitive nuances are what's giving you this amazing pleasure,' said Valorie Salimpoor, a neuroscientist at McGill University in Montreal. "The reinforcement or reward happens almost entirely because of dopamine." "This basically explains why music has been around for so long," she added. "The intense pleasure we get from it is actually biologically reinforcing in the brain, and now here's proof for it."

In a previous study, Salimpoor and colleagues linked music-induced pleasure with a surge in intense emotional arousal, including changes in heart rate, pulse, breathing rate and other measurements. Along with these physical changes, people often report feelings of shivers or chills. When that happens during a listening experience, Salimpoor's group and others have found evidence that blood flows to regions in the brain involved in dopamine release.

To solidify the dopamine link, the researchers recruited eight music-lovers, who brought to the lab samples of music that gave them chills of pleasure. Most picks were classical, with some jazz, rock and popular music mixed in, including Led Zeppelin and Dave Matthews Band. The most popular selection was Barber's Adagio for Strings.

After 15 minutes of listening, scientists injected participants with a radioactive substance that binds to dopamine receptors. With a machine called a PET scanner, the scientists were then able to see if that substance simply circulated through listeners' blood, which would indicate that they had already released a lot of dopamine, and that the dopamine was tying up all available receptors. If most of their dopamine receptors were free, on the other hand, the radioactive substance would bind to them.

The technique showed, definitively for the first time, that people's brains released large amounts of dopamine when they listened to music that gave them chills, the researchers reported in the journal Nature Neuroscience. When the same people listened to less moving music the next day, their dopamine receptors remained wide open.

Once the researchers knew for sure that dopamine was behind the pleasure of music, they put participants in an MRI machine and played the moving music for them again. In this part of the experiment, the scanners showed that the brain pumped out dopamine both during the phase of musical anticipation and at the moment when chills hit in full force. The two surges happened in different areas of the brain.

“It is amazing that we can release dopamine in anticipation of something abstract, complex and not concrete,” Salimpoor said. “This is the first study to show that dopamine can be released in response to an aesthetic stimulus.”

1. The aim of the study is to explain:
 - (a) how brain releases dopamine.
 - (b) why music is an integral part of emotional events in all cultures.
 - (c) how human pleasure system works.
 - (d) both (b) and (c).
2. If the radioactive substance circulated through the listener’s blood it would show:
 - (a) the listeners were music lovers.
 - (b) PET scan is crucial in such studies.
 - (c) dopamine had been released during listening to music.
 - (d) all radioactive substances can detect dopamine.
3. Why is dopamine referred to as the ‘feel-good’ chemical?
4. Why was the PET scanner used?
5. On whom was the study reported in the journal Nature Neuroscience conducted?

(1*5 = 5 Marks)

(b) Read the passage given below.

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

(3 Marks)

- (ii) Write summary.

(2 Marks)

Silk is the most elegant textile in the world with unparalleled grandeur, natural sheen, and inherent affinity for dyes, high absorbance, light weight, soft touch and high durability and known as the “Queen of Textiles” the world over. On the other hand, it stands for livelihood opportunity for millions owing to high employment oriented, low capital intensive and remunerative nature of its production. The very nature of this industry with its rural based on-farm and off-farm activities and enormous employment generation potential has attracted the attention of the planners and policy makers to recognize the industry among one of the most appropriate avenues for socio-economic development of a largely agrarian economy like India.

Silk has been intermingled with the life and culture of the Indians. India has a rich and complex history in silk production and its silk trade dates back to 15th century. Sericulture industry provides employment to approximately 8.25 million persons in rural and semi-urban areas in India during 2015-16. Of these, a sizeable number of workers belongs to the economically weaker sections of society, including women. India’s traditional and culture bound domestic market and an amazing diversity of silk garments that reflect geographic specificity have helped the country to achieve a leading position in silk industry.

Silk production in India has the unique distinction of being the only country producing all the five known commercial silks, namely, mulberry, tropical tasar, oak tasar, eri and muga, of which muga with its golden yellow glitter is unique and prerogative of India. Mulberry sericulture is mainly practised in states namely, Karnataka, Andhra Pradesh, Assam and Bodoland, West Bengal. Jharkhand and Tamil Nadu are major silk producing states in the country. North East has the unique distinction of being the only region producing four varieties of silk viz., Mulberry, Oak Tasar, Muga and Eri. Overall NE region contributes 18%

of India's total silk production. India is the second largest producer of silk in the world. Among the four varieties of silk produced in 2015-16, Mulberry accounts for 71.8% (20,434 MT), Tasar 9.9% (2,818 MT), Eri 17.8% (5,054 MT) and Muga 0.6% (166 MT) of the total raw silk production of 28,472 MT. The demand for superior quality bivoltine silk is increasing in India for domestic consumption as well as value added silk products for the export market.

2. (a) What do you understand by completeness in communication? **(1 Mark)**

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

Wreak

- (a) to twist
- (b) to sweat
- (c) to inflict
- (d) to grasp

(1 Mark)

(ii) Select a suitable antonym for the word given below.

Profane

- (a) Beautiful
- (b) Sacred
- (c) Glorious
- (d) Insane

(1 Mark)

(iii) Change the following sentence into passive voice. **(1 Mark)**

Who is creating this mess?

(iv) Change the following sentences to indirect speech. **(1 Mark)**

Soni said to Dhiraj, "Let him come, then we shall see."

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

When Martin Luther King, Jr. was in high school, he won an oratorical contest sponsored by the Negro Elks. He and a beloved teacher were returning home in triumph, riding on a bus, when some white passengers got on. The white bus driver ordered King and his teacher to give up their seats, and cursed them. King wanted to stay seated, but his teacher urged him to obey the law. They had to stand in the aisle for the 90 miles back to Atlanta.

"That night will never leave my memory," King told an interviewer, decades later. "It was the angriest I have ever been in my life." And King is an example of someone who showed a kind of genius for turning that emotion into positive action. "My father was extremely angry from that incident. So much so that he expressed it later on by saying that he came very dangerously close, at that particular time, to hating all white people," says Bernice King, who now runs The King Center in Atlanta.

As he grew older, and went to college and theological school, Martin Luther King, Jr. realized that non-violent resistance offered a way to channel anger into positive forms of protest. "If you internalize anger, and you don't find a channel, it can destroy you," she says. "That's why when Daddy reiterated, 'Hate is too great a burden to bear,' he knew it was corrosive and erosive."

Though King became an icon of non-violence and peace, he also inwardly wrestled with anger and, at times, would snap at those he loved. Looking at how King dealt with anger reveals its dual nature—how it can be a motivating force for change, while also containing the potential for destruction.

3. (a) Define paralanguage. **(1 Mark)**
- (b) (i) Choose the word which best expresses the meaning of the given word. **(1 Mark)**
 Augury
 (a) dispute
 (b) altar
 (c) refuge
 (d) omen
- (ii) Select a suitable antonym for the word given below. **(1 Mark)**
 Brazen
 (a) shy
 (b) generous
 (c) insolent
 (d) bold
- (iii) Change the following sentences into passive voice: **(1 Mark)**
 She spoke to the official on duty.
- (iv) Change the following sentence to indirect speech. **(1 Mark)**
 He said, "I hardly have time to attend any party."
- (c) (i) You are ABC, Senior Manager Administration of BNM Solutions Pvt. Ltd. Draft a complaint letter to GHJ Printers regarding delay in delivery of visiting cards ordered 2 weeks ago. **(3 Marks)**
- (ii) You are Senior Manager HR, Draft a mail to employees of your department, inviting them for a meeting to discuss about the new recruitments to be done in various departments of the company. **(2 Marks)**
4. (a) Differentiate between vertical and circuit network in communication. **(2 Marks)**
- (b) (i) Select the suitable antonym for the given word: **(1 Mark)**
 Bawdy
 (a) dirty
 (b) careless
 (c) decent
 (d) inflexible
- (ii) Rewrite the following sentence in passive voice: **(1 Mark)**
 A child could not have done this mischief.
- (iii) Change the following sentence into Indirect speech. **(1 Mark)**
 The young knight asked, "Which way did the princess go?"
- (c) Write an Article in 250-300 words on the topic '**Medical Tourism in India**'. **(5 Marks)**

Or

Write a report in 250-300 words on your visit to an **Old Age Home**

5. (a) Briefly explain emotional, attitude and perception barriers in communication. How can these be overcome? **(2 Marks)**

- (b) (i) Select the correct meaning of the idioms/phrases given below. **(1 Mark)**
- (1) Go to the dogs
- (a) very fast
- (b) aimless
- (c) become angry
- (d) become disordered
- (ii) Out of the woods **(1 Mark)**
- (a) After a long time
- (b) no longer in danger
- (c) out in open
- (d) out of the dark
- (iii) Change the following sentence into Indirect speech. **(1 Mark)**
- “I don’t know the way. Do you?” She asked.
- (c) You are Senior Manager in a company. Due to the pandemic, the company had to allow work from home to employees travelling long distances. Others residing close by to attend office thrice a week. Prepare minutes of a meeting discussing the arrangements and resources to be provided to employees. Include the IT staff and supervisors. **(5 Marks)**

OR

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

Name: XXX

Qualifications: CA Intermediate one group