



MITKARY SIR'S CAPS ACADEMY

CA Foundation - Test Series - Dec 2021

Time: 3 hrs. Subject - Business Laws & Business Correspondence and Reporting Maximum Marks: 100

INSTRUCTIONS TO CANDIDATES

- Questions in Section – A are to be answered in the medium opted by the candidate. If a candidate has not opted for a Hindi Medium, his/her answers in Hindi will not be evaluated.
- Questions in Section – B are to be answered in English only, but all the candidates, including those who have opted for Hindi medium.

SECTION – A (60 Marks)

BUSINESS LAWS

Question No. 1 is compulsory

Answer **any four** out of the remaining **five** questions.

- (a) Shambhu Dayal started “self-service” system in his shop. Smt. Prakash entered the shop, took a basket and after taking articles of her choice into the basket reached the cashier for payments. The cashier refuses to accept the price. Can Shambhu Dayal be compelled to sell the said articles to Smt. Prakash? Decide as per the provisions of the Indian Contract Act, 1872. **(4 Marks)**
- (b) A, an assessee, had large income in the form of dividend and interest. In order to reduce his tax liability, he formed four private limited company and transferred his investments to them in exchange of their shares. The income earned by the companies was taken back by him as pretended loan. Can A be regarded as separate from the private limited company he formed? **(4 Marks)**
- (c) A delivered a horse to B on sale and return basis. The agreement provided that B should try the horse for 8 days and return, if he did not like the horse. On the third day the horse died without the fault of B. A files a suit against B for the recovery of price. Can he recover the price? **(4 Marks)**
- (a) Explain the meaning of ‘Quasi-Contracts’. State the circumstances which are identified as quasi contracts by the Indian Contract Act, 1872. **(7 Marks)**
- (b) State the circumstances under which a LLP and its partners may face unlimited liability under the Limited Liability Partnership Act, 2008. **(5 Marks)**
- (a) Whether a minor may be admitted in the business of partnership firm? Explain the rights of a minor in the partnership firm. **(6 Marks)**
- (b) Mr. Murari owns payment of 3 bills to Mr. Girdhari as on 31st March, 2020. (i) Rs. 12,120 which was due in May 2016. (ii) Rs. 5,650 which was due in August 2018 (iii) Rs. 9,680 which was due in May 2019. Mr. Murari made payment on 1st April 2020 as below without any notice of how to appropriate them:
 - A cheque of Rs. 9,680
 - A cheque of Rs. 15,000
 Advice under the provisions of the Indian Contract Act, 1872. **(6 Marks)**
- (a) Mr. D sold some goods to Mr. E for Rs. 5,00,000 on 15 days credit. Mr. D delivered the goods. On due date, Mr. E refused to pay for it. State the position and rights of Mr. D as per the Sale of Goods Act, 1930. **(6 Marks)**
- (b) A, B and C are partners in a firm. As per terms of the partnership deed, A is entitled to 20% of the partnership property and profits. A retires from the firm and dies after 15 days. B and C continue business of the firm without settling accounts. Explain the rights of A's legal representatives against the firm under the Indian Partnership Act, 1932? **(6 Marks)**

5. (a) Mrs. Geeta went to the local rice and wheat wholesale shop and asked for 100 kgs of Basmati rice. The Shopkeeper quoted the price of the same as Rs. 125 per kg to which she agreed. Mrs. Geeta insisted that she would like to see the sample of what will be provided to her by the shopkeeper before she agreed upon such purchase. The shopkeeper showed her a bowl of rice as sample. The sample exactly corresponded to the entire lot.
- The buyer examined the sample casually without noticing the fact that even though the sample was that of Basmati Rice, but it contained a mix of long and short grains. The cook on opening the bags complained that the dish if prepared with the rice would not taste the same as the quality of rice was not as per requirement of the dish. Now Mrs. Geeta wants to file a suit of fraud against the seller alleging him of selling mix of good and cheap quality rice. Will she be successful?
- Decide the fate of the case and options open to the buyer for grievance redressal as per the provisions of Sale of Goods Act, 1930?
- What would be your answer in case Mrs. Geeta specified her exact requirement as to length of rice?
- (6 Marks)**
5. (b) ABC Limited has allotted equity shares with voting rights to XYZ Limited worth Rs. 15 Crores and issued Non-Convertible Debentures worth Rs. 40 Crores during the Financial Year 2019-20. After that total Paid-up Equity Share Capital of the company is Rs. 100 Crores and Non-Convertible Debentures stands at Rs. 120 Crores.
- Define the Meaning of Associate Company and comment on whether ABC Limited and XYZ Limited would be called Associate Company as per the provisions of the Companies Act, 2013?
- (6 Marks)**
6. (a) "An anticipatory breach of contract is a breach of contract occurring before the time fixed for performance has arrived". Discuss stating also the effect of anticipatory breach on contracts.
- (5 Marks)**
6. (b) Referring to the Provisions of the Indian Partnership Act, 1932, answer the following:
- (i) What are the consequences of Non-Registration of Partnership firm?
- (ii) What are the rights which won't be affected by Non-Registration of Partnership firm?
- (4 Marks)**
6. (c) Mike Limited company incorporated in India having Liaison office at Singapore. Explain in detail meaning of Foreign Company and analysis., on whether Mike Limited would be called as Foreign Company as it established a Liaison office at Singapore as per the provisions of the Companies Act, 2013?
- (3 Marks)**

SECTION – B (40 Marks)
BUSINESS CORRESPONDENCE AND REPORTING

Question No 7 is compulsory.
Out of 8 to 11 attempt any three.

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

Marie was born in 1867 in Warsaw, Poland, where her father was a professor of Physics. At an early age, she displayed a brilliant mind and a blithe personality. Her great exuberance for learning prompted her to continue with her studies after high school. She became disgruntled, however, when she learned that the University in Warsaw was closed to women. Determined to receive a higher education, she definitely left Poland in 1891 entered the Sorbonne, a French university, where she earned her master's degree and doctorate in Physics.

Marie was fortunate to have studied at the Sorbonne with some of the greatest scientists of her day, one of whom was Pierre Curie. Mary and Pierre were married in 1895 and spent many productive working years together in the Physics laboratory. After a short time, they discovered radium, Pierre was killed by a horse drawn wagon in 1906. Marie was stunned by the horrible misfortune and endured heartbreaking anguish. Despondently she recalled their close relationship and the joy 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 Chemistry 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.

- Q.1 What did Marie Curie and her husband discovered? **(1mark)**
 Q.2 How did Marie feeling of desolation fade? **(1mark)**
 Q.3 When did she receive her nobel prize and for what? **(1mark)**
 Q.4 Suggest a suitable title for the passage. **(2mark)**

- (b)** Read the passage given below, make notes, using headings, sub-headings, and abbreviations wherever necessary. **(3Marks)**

Also prepare as summary. **(2Marks)**

Twenty-one-year-old Jyoti Amge, the smallest woman in the world, laughs easily and often. Perhaps, from a height of twenty-three inches, the world does look a bit funny.

Afflicted with achondroplasia, a form of pituitary dwarfism, 21-year-old Amge is a bit shorter than her two-year-old nephew and a lad taller than her framed Guinness certificate. In fact, Amge, the youngest of five, wasn't even visible in her mother's womb. The doctors thought she wasn't alive and her mother Ranjana, who underwent a two-hour caesarian operation in her tenth month to birth her, welcomed her youngest as a blessing. In all of Amge's birthday pictures in the album, her height is the same from age three to twenty-one. Kitted out in custom made frocks and bright red lipstick; with fancy beads lining her permed hair, the tiny Amge turned heads in Nagpur and became a hit with Hindi news channel crews that approached her for bytes, any excuse would do, even the elections. Apart from a cameo in a Mika Singh video, she appeared briefly on the reality show Big Boss 6.

"I have always wanted to be an actor," says Amge. Amge was quick to say yes when the producers of 'American Horror Story' Freak Show contacted her. "They had seen my interview in a New York daily," says Amge, who readily agreed to play the role of Ma Petite, the miniature sari- and-bindi-clad assistant of a woman. "In spite of the name the show was not about freaks it was about compassion," says Amge. "What makes the world so interesting in that we are different and some folks a little bit odd," she said. Sadly, Amge's own home country does not seem to respect differences. Amge's brother complained that unlike the West where "people ask permission before clicking a photo," Indians take her privacy for granted. People look at her like she's a wonder, an ajooba and try to get too close to her. I have to shelter her like a body guard, adds Satish. Amge's family members now make up her entourage. They help Amge, who suffered an accident in Kashmir that severely fractured her left leg, with everything from braiding her hair to carrying her to the washbasin. Be it the nearby mall or a trip to China, one or more of them always accompany her.

- 8. (a)** What is circuit communication? **(2Marks)**

- (b)** Choose the word which expresses the meaning of the given word.

- (i) Delegate** **(1Mark)**

(1) Officer (2) Participant (3) Member (4) Representative

- (ii) Expose** **(1Mark)**

(1) Open (2) Reveal (3) Declare (4) Conceal

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

Alan said "I am feeling ill"

- (c)** Write a precis of the given passage below **(5Marks)**

It is physically impossible for a well-educated, intellectual, or brave man to make money the chief object of his thoughts just as it is for him to make his dinner the principal object of them. All healthy people like their dinners, but their dinner is not the main object of their lives. So, all healthy minded people like making money ought to like it and enjoy the sensation of winning it; it is something better than money. A good soldier, for instance, mainly wishes to do his fighting well. He is glad of his pay—very properly so and justly grumbles when you keep him ten years without it—till, his main mission of life is to win battles, not to be paid for winning them. So, of clergymen. The clergyman's object is essentially baptize and preach not to be paid for preaching. So, of doctors. They like fees no doubt—ought to like them; yet if they are brave and well-

educated the entire object to their lives is not fees. They on the whole, desire to cure the sick; and if they are good doctors and the choice were fairly to them, would rather cure their patient and lose their fee than kill him and get it. And so with all the other brave and rightly trained men: their work is first, their fee second—very important always; but still second.

9. (a) Written communication has a legal angle why? Explain. (2 Marks)
- (b) Choose the word which expresses the meaning of the given word. (1 Mark)
- (i) **Despot**
 (1) Tyrant (2) Storage (3) Hot meal (4) Against.
- (ii) **Illicit** (1 Mark)
 (1) Emotional (2) Unmindful (3) Unlawful (4) Grand
- (iii) Change the following into indirect speech (1 Mark)
 The shopkeeper says “prices are shooting up alarmingly”
- (c) Prepare a circular addressing to the employees regarding change in office timings (5 Marks)
10. (a) What is a functional resume? (2 Marks)
- (b) (i) Fill in the blanks with the proper word to make the sentence complete. (1 Mark)
 His interest in the study of human behaviour is indeed very
 Entered/large/deep/vast.
- (ii) Change the following into passive voice. (1 Mark)
 Will Akshat eat the Mango?
- (iii) Although he searched everywhere, Mr Brooks could not find the keys of the computer. lab.
 (Identify if simple, compound, compound-complex or complex sentence) (1 Mark)
- (c) Prepare a news article on the Book Mela held at IMA Hall. (5 Marks)
11. (a) Mention any four characteristics of communication? (2 Marks)
- (b) Select the correct meaning of the idioms/phrases given below. (1 Mark)
- (i) Turn Down
 (1) To refuse
 (2) To cancel
 (3) To find by chance
 (4) To reimburse.
- (ii) Kith and Kin (1 Mark)
 (1) Miss the chance
 (2) A difficult job
 (3) To praise on self a lot
 (4) Ones relative and friends.
- (iii) My family belong to the Mahou tribe. (Correct the sentence if required with the correct Subject verb agreement and rewrite the sentence) (1 Mark)
- (c) Prepare a replacement letter for 150 flower vases, that you received in a broken condition. (5 Marks)
