

# STUDY TIME

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Total No. of Questions – 11

Total No. of Printed Pages – 16

Time Allowed – 3 Hours

Maximum Marks – 100

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### IMPORTANT INSTRUCTIONS TO CANDIDATES

1. Questions 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. Questions in Section B, are to be answered in English only, by all the candidates, including those who have opted for Hindi medium.
3. Answers 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.

**Marks**

1. (a) Mr. S aged 58 years was employed in a Govt. Department. He was going to retire after two years. Mr. D made a proposal to Mr. S to apply for voluntary retirement from his post so that Mr. D can be appointed in his place. Mr. D offered a sum of ₹ 10 Lakhs as consideration to Mr. S in order to induce him to retire.

**4**

Mr. S refused at first instance but when he evaluated the amount offered as consideration is just double of his cumulative remuneration to be received during the tenure of two years of employment, he agreed to receive the consideration and accepted the above agreement to receive money to retire from his office.

Whether the above agreement is valid ? Explain with reference to provision of Indian Contract Act, 1872.

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- (b) ABC Limited was registered as a public company. There were 245 members in the company. Their details are as follows :
- |   |     |
|---|-----|
| Directors and their relatives                                     | 190 |
| Employees   | 15  |
| Ex - employees<br>(shares were allotted when they were employees) | 20  |
| Others  | 20  |
- (Including 10 joint holders holding shares jointly in the name of father and son)
- The Board of directors of the company propose to convert it into a private company. Advice whether reduction in the number of members is necessary for conversion.
- (c) What are the rules which regulate the Sale by Auction under the Sale of Goods Act, 1930 ?
2. (a) Define the term acceptance under the Indian Contract Act, 1872. Explain the legal rules regarding a valid acceptance. 7
- (b) State the circumstances under which a LLP and its partners may face unlimited liability under the Limited Liability Partnership Act, 2008. 5
3. (a) (i) What do you mean by "Particular Partnership" under the Indian Partnership Act, 1932 ? 2
- OR**
- (ii) Who is a nominal partner under the Indian Partnership Act, 1932 ? What are his liabilities ? 2
- (b) "Business carried on by all or any of them acting for all." Discuss the statement under the Indian Partnership Act, 1932. 4

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- (c) Mr. B makes a proposal to Mr. S by post to sell his house for ₹ 10 lakhs and posted the letter on 10<sup>th</sup> April 2020 and the letter reaches to Mr. S on 12<sup>th</sup> April 2020. He reads the letter on 13<sup>th</sup> April 2020. Mr. S sends his letter of acceptance on 16<sup>th</sup> April 2020 and the letter reaches Mr. B on 20<sup>th</sup> April 2020. On 17<sup>th</sup> April Mr. S changed his mind and sends a telegram withdrawing his acceptance. Telegram reaches to Mr. B on 19<sup>th</sup> April 2020.

Examine with reference to the Indian Contract Act, 1872 :

- (i) On which date, the offer made by Mr. B will complete ?  
(ii) Discuss the validity of acceptance.  
(iii) What would be validity of acceptance if letter of revocation and letter of acceptance reached together ?

4. (a) What are the differences between a 'Condition' and 'Warranty' in a contract of sale ? Also explain, when shall a 'breach of condition' be treated as 'breach of warranty' under provisions of the Sale of Goods Act, 1930 ?

- (b) M, N and P were partners in a firm. The firm ordered JR Limited to supply the furniture. P dies, and M and N continues the business in the firm's name. The firm did not give any notice about P's death to the public or the persons dealing with the firm. The furniture was delivered to the firm after P's death, fact about his death was known to them at the time of delivery. Afterwards the firm became insolvent and failed to pay the price of furniture to JR Limited.

Explain with reasons :

- (i) Whether P's private estate is liable for the price of furniture purchased by the firm ?  
(ii) Whether does it make any difference if JR Limited supplied the furniture to the firm believing that all the three partners are alive ?

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5. (a) Mr. T was a retail trader of fans of various kinds. Mr. M came to his shop and asked for an exhaust fan for kitchen. Mr. T showed him different brands and Mr. M approved of a particular brand and paid for it. Fan was delivered at Mr. M's house; at the time of opening the packet he found that it was a table fan. He informed Mr. T about the delivery of the wrong fan. Mr. T refused to exchange the same, saying that the contract was complete after the delivery of the fan and payment of price. **6**
- (i) Discuss whether Mr. T is right in refusing to exchange as per provisions of Sale of Goods Act, 1930 ?
- (ii) What is the remedy available to Mr. M ?
- (b) Explain Doctrine of 'Indoor Management' under the Companies Act, 2013. Also state the circumstances where the outsider cannot claim relief on the ground of 'Indoor Management'. **6**
6. (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. **5**
- (b) Discuss the liability of a partner for the act of the firm and liability of firm for act of a partner to third parties as per Indian Partnership Act, 1932. **4**
- (c) SK Infrastructure Limited has a paid-up share capital divided into 6,00,000 equity shares of INR 100 each. 2,00,000 equity shares of the company are held by Central Government and 1,20,000 equity shares are held by Government of Maharashtra. Explain with reference to relevant provisions of the Companies Act, 2013, whether SK Infrastructure Limited can be treated as Government Company. **3**

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**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.

7. (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.

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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 ?                  | 1 |
| (ii) Most significant factor which determines the long run success of an organization ?   | 1 |
| (iii) Quality of goods and services cannot be compromised by organizations, give reasons. | 1 |
| (iv) Write the summary of the above passage.  | 2 |

(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

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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 straightforward 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. **3**

(ii) Write Summary. **2**

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8. (a) Emotional barriers affect communication, discuss. 2

(b) (i) Choose the word which best expresses the meaning of the given word : 1

**Repulsive**

(1) Attractive

(2) Normal

(3) Disgusting

(4) Confused

(ii) Select a suitable antonym for the word given under : 1

**Gratify**

(1) Frustrate

(2) Depress

(3) Discourage

(4) Distress

(iii) Change the following sentence to indirect speech : 1

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

(c) Write a precis and give appropriate title to the passage given below : 5

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.

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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 often 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.

9. (a) (i) Define circuit and star network under network in communication. 2

**OR**

(ii) Discuss the term "physical non – verbal communication" in communication. 2

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- (b) (i) Choose the word which best expresses the meaning of the given word : 1  
**Nostalgic**  
(1) Sharp  
(2) Painful  
(3) Delighted  
(4) Homesick
- (ii) Choose the word which best expresses the meaning of the given word : 1  
**Economise**  
(1) Reduce  
(2) Save  
(3) Minimise  
(4) Accumulate
- (iii) Change the following sentence into indirect speech : 1  
**He said to him, "Please wait here till I return."**
- (c) Draft a circular to warn the employees of Packing Department not to participate in strike. 5
10. (a) How do organizational structure barriers affect communication ? 2
- (b) (i) Change the sentence from Active to Passive Voice. 1  
**Rama was making a kite.**
- (ii) Change the sentence from Passive to Active Voice. 1  
**The lion was shot by the hunter.**
- (iii) Change the following sentence to indirect speech. 1  
**Father said to his son, "Work hard for success in life".**
- (c) Write an article of about 250 words on the topic "The Pleasures of reading". 5

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11. (a) What do you mean by diagonal communication ? **2**
- (b) Select the correct meaning of Idioms/Phrases given below:
- (i) Pen and Ink **1**
- (1) Modern day technology
- (2) Extensively
- (3) Wastage
- (4) In writing
- (ii) A snake in the grass **1**
- (1) Unforeseen happening
- (2) Secret or hidden enemy
- (3) Unreliable person
- (4) Unrecognizable danger
- (iii) Change the sentence into Active Voice **1**
- Twenty runs were scored by him.
- (iv) Choose the word which best expresses the meaning of the given word. **1**
- Applaud**
- (1) Flatter
- (2) Praise
- (3) Pray
- (4) Request
- (c) Mr. ABC is an IT manager in Quick Software Solutions Private Limited. Write a mail on behalf of Mr. ABC to Mr. MNJ, dealer of HP Laptops seeking quotation for 100 new laptops of model HP - 610. The laptops are required for new branch of Quick Software Solutions Private Limited. **4**

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(Hindi Version)

परीक्षार्थियों के लिए महत्वपूर्ण निर्देश

1. भाग 'अ' के प्रश्नों का उत्तर परीक्षार्थी ने जो माध्यम चुना है, उसमें ही देना है। वह परीक्षार्थी जिसने हिन्दी माध्यम नहीं चुना है, यदि हिन्दी में उत्तर देता है, तो उसके हिन्दी में दिये गये उत्तरों का मूल्यांकन नहीं होगा।
2. सभी परीक्षार्थियों (हिन्दी माध्यम के परीक्षार्थियों को सम्मिलित करके) को भाग 'ब', के प्रश्नों का उत्तर अंग्रेजी में ही लिखना है।
3. इसी उत्तर पुस्तिका में दोनों भागों का उत्तर देना है।

भाग-अ (60 Marks)

प्रश्न संख्या 1 अनिवार्य है।

शेष पाँच प्रश्नों में से किन्हीं चार प्रश्नों के उत्तर दीजिए।

1. (a) 58 वर्ष की आयु के श्रीमान एस (S) एक सरकारी विभाग में कार्यरत थे। वह दो साल बाद सेवानिवृत्त होने वाले थे। श्रीमान डी (D) ने श्रीमान एस (S) को अपने पद से स्वैच्छिक सेवानिवृत्ति लेने हेतु आवेदन का प्रस्ताव रखा ताकि श्रीमान डी (D) को उनके स्थान पर नियुक्त किया जा सके। श्रीमान डी (D) ने श्रीमान एस (S) को रिटायर लेने के बदले में प्रतिफल के रूप में ₹ 10 लाख का प्रस्ताव रखा।  
श्रीमान एस (S) ने पहले तो इन्कार कर दिया, लेकिन जब उन्होंने प्रतिफल के रूप में प्रस्ताव की गई राशि का मूल्यांकन किया तो दो साल के रोजगार के कार्यकाल के दौरान प्राप्त होने वाले उनके संचित पारिश्रमिक का दो गुना था। वह प्रतिफल स्वीकार करने के लिए तैयार हो गए और उन्होंने सेवानिवृत्ति के लिए धन लेने का प्रस्ताव स्वीकार कर लिया।  
क्या उपरोक्त करार मान्य है ? भारतीय अनुबन्ध अधिनियम, 1872 के प्रावधान के सन्दर्भ में समझाइये।

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- (b) ए बी सी (ABC) लिमिटेड को सार्वजनिक कम्पनी के रूप में पंजीकृत किया गया था। कंपनी में 245 सदस्य थे, उनका विवरण इस प्रकार है :

निदेशक और उनके सम्बन्धी 190

कर्मचारी 15

पूर्व कर्मचारी

(जब वे कर्मचारी थे तब शेयर आवंटित किये गये थे) 20

अन्य 20

(10 संयुक्त धारक जिनके पास संयुक्त रूप से पिता और पुत्र के नाम से अंश धारित किये हुए हैं उन्हें सम्मिलित करते हुए )

कम्पनी के निदेशक मण्डल ने इसे एक निजी कम्पनी में बदलने का प्रस्ताव दिया। सलाह दे कि रूपान्तरण के लिए सदस्यों की संख्या में कमी आवश्यक है या नहीं ?

- (c) वे कौन से नियम हैं जो नीलामी विक्रय को माल एवं विक्रय अधिनियम, 1930 के अधीन विनियमित करते हैं ? 4

2. (a) भारतीय अनुबंध अधिनियम, 1872 के अंतर्गत स्वीकृति की परिभाषा बताइए। वैध स्वीकृति के सम्बन्ध में वैधानिक नियम की विवेचना कीजिए। 7

- (b) सीमित दायित्व साझेदारी अधिनियम, 2008 के अधीन उन परिस्थितियों को बताइए जिनके तहत सीमित साझेदारी और उसके साझेदारों को असीमित दायित्व का सामना करना पड़ सकता है। 5

3. (a) (i) भारतीय साझेदारी अधिनियम, 1932 के अंतर्गत विशेष साझेदारी से आप क्या समझते हैं ? 2

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- (ii) भारतीय साझेदारी अधिनियम, 1932 के अंतर्गत नाममात्र के साझेदार कौन है और उनके क्या दायित्व है ? 2
- (b) "व्यापार सभी के द्वारा अथवा उनमें से किसी के द्वारा सभी के लिए कार्य करते हुए किया जाना चाहिए।" भारतीय साझेदारी अधिनियम, 1932 के अंतर्गत इस कथन की विवेचना कीजिए। 4
- (c) श्री बी (B) ने श्री एस (S) को डाक द्वारा अपना घर ₹ 10 लाख में बेचने के लिए एक प्रस्ताव 10 अप्रैल 2020 को भेजा। वह पत्र 12 अप्रैल 2020 को श्री एस (S) तक पहुँचता है। वह पत्र को 13 अप्रैल 2020 को पढ़ते हैं। 6

श्री एस (S) 16 अप्रैल 2020 को अपना स्वीकृति पत्र भेजते हैं और वह पत्र श्री बी (B) तक 20 अप्रैल 2020 को पहुँच जाता है। 17 अप्रैल 2020 को श्री एस (S) ने अपना विचार बदल दिया और एक तार (टेलिग्राम) भेजकर अपनी स्वीकृति को वापस ले लिया। 19 अप्रैल 2020 को तार श्री बी (B) तक पहुँचता है।

भारतीय अनुबंध अधिनियम, 1872 के सन्दर्भ में परीक्षण करें :

- (i) किस तारीख को श्री बी (B) के द्वारा स्थापित प्रस्ताव पूरा होगा ?
- (ii) स्वीकृति की वैधता पर चर्चा करें।
- (iii) यदि प्रतिसंहरण का पत्र और स्वीकृति का पत्र एक साथ पहुँच गए तो स्वीकृति की वैधता क्या होगी ?
4. (a) विक्रय अनुबंध के अंतर्गत शर्तें एवं आश्वासन के बीच क्या अन्तर हैं ? वस्तु विक्रय अधिनियम, 1930 के अंतर्गत यह भी विवेचना कीजिए कि कब शर्त भंग को आश्वासन भंग माना जाए ? 6

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- (b) एम (M), एन (N) और पी (P) एक फर्म में भागीदार थे। फर्म ने फर्नीचर की आपूर्ति करने के लिए जे आर (JR) लिमिटेड को आदेश दिया। पी (P) मर जाता है और एम (M) तथा एन (N) फर्म के नाम पर कारोबार जारी रखते हैं। फर्म ने पी (P) की मौत के बारे में जनता या फर्म के साथ काम करने वाले व्यक्तियों को कोई सूचना नहीं दी। पी (P) की मृत्यु के बाद फर्म को फर्नीचर सुपुर्द किया गया। सुपुर्दगी के समय उन्हें यह तथ्य पता था कि पी (P) की मृत्यु हो चुकी है। बाद में फर्म दिवालिया हो जाती है और जे आर (JR) लिमिटेड को फर्नीचर की कीमत चुकाने में विफल रहती है।

कारणों सहित बताइये : -

- फर्म द्वारा खरीदे गए फर्नीचर की कीमत के लिए पी (P) की निजी सम्पत्ति उत्तरदायी है या नहीं ?
- क्या इसमें कोई अन्तर आ सकता है यदि जे आर (JR) लिमिटेड उस फर्म को फर्नीचर की आपूर्ति यह विश्वास करते हुए करता कि फर्म के तीनों साझेदार जीवित हैं ?

5. (a) श्री टी (T) विभिन्न प्रकार के पंखों के खुदरा व्यापारी थे। श्री एम (M) उसकी दुकान पर आये और रसोई के लिए निकास पंखा मांगा। श्री टी (T) ने उन्हें अलग-अलग ब्राण्ड दिखाई और श्री एम (M) ने एक विशेष ब्राण्ड को मंजूरी दी और इसके लिए भुगतान किया। जब उनके घर पर पंखा दिया गया तो बॉक्स खोलने के बाद उन्होंने पाया कि वह एक टेबल फैन था। उन्होंने टी (T) को गलत पंखा सुपुर्द करने की जानकारी दी। श्री टी (T) ने यह कहते हुए उसको बदलने से इन्कार कर दिया कि पंखे की सुपुर्दगी और कीमत भुगतान के बाद संविदा की पूर्ति हो चुकी है। चर्चा करें कि -
- वस्तु विक्रय अधिनियम, 1930 के अन्तर्गत क्या श्री टी (T) बदलने से इन्कार करने में सही है ?
  - श्री एम (M) के पास क्या उपचार उपलब्ध है ?



(16)

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Marks

- (b) कम्पनी अधिनियम, 2013 के तहत आन्तरिक प्रबन्ध के सिद्धान्त को समझाइये । उन परिस्थितियों का भी उल्लेख करें जहाँ बाहरी व्यक्ति आन्तरिक प्रबन्ध के आधार पर राहत (relief) का दावा नहीं कर सकते । 6
6. (a) सामान्य नियम यह है कि बिना प्रतिफल के अनुबन्ध शून्य होता है । उन मामलों पर चर्चा करें जहाँ बिना प्रतिफल के अनुबन्ध भारतीय अनुबन्ध अधिनियम, 1872 के अनुसार मान्य और प्रत्यावर्तित होगा । 5
- (b) भारतीय साझेदारी अधिनियम, 1932 के अनुसार तीसरे पक्षकार के लिए एक भागीदार के कृत्य के लिए फर्म और फर्म के कृत्य के लिए एक भागीदार के दायित्व की चर्चा करें । 4
- (c) एस के (SK) इन्फ्रास्ट्रक्चर लिमिटेड की चुकता अंश पूंजी 6,00,000 प्रत्येक ₹ 100 के समता अंशों में विभाजित है । कम्पनी के 2,00,000 समता अंश केन्द्र सरकार के पास और 1,20,000 समता अंश महाराष्ट्र सरकार के पास है । कम्पनी अधिनियम, 2013 के सम्बन्धित प्रावधानों के सन्दर्भ में बताएँ कि क्या एस के (SK) इन्फ्रास्ट्रक्चर लिमिटेड को सरकारी कम्पनी के रूप में माना जा सकता है ? 3

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**PAPER – 2: BUSINESS LAWS & BUSINESS CORRESPONDENCE AND REPORTING**

**SECTION A – BUSINESS LAWS**

*Question No. 1 is compulsory.*

*Attempt any **four** questions from the remaining **five** questions.*

**Question 1**

- (a) *Mr. S aged 58 years was employed in a Government Department. He was going to retire after two years. Mr. D made a proposal to Mr. S to apply for voluntary retirement from his post so that Mr. D can be appointed in his place. Mr. D offered a sum of `10 Lakhs as consideration to Mr. S in order to induce him to retire.*

*Mr. S refused at first instance but when he evaluated the amount offered as consideration is just double of his cumulative remuneration to be received during the tenure of two years of employment, he agreed to receive the consideration and accepted the above agreement to receive money to retire from his office.*

*Whether the above agreement is valid? Explain with reference to provision of Indian Contract Act, 1872. **(4 Marks)***

- (b) *ABC Limited was registered as a public company. There were 245 members in the company. Their details are as follows:*

<i>Directors and their relatives</i>	<i>190</i>
<i>Employees</i>	<i>15</i>
<i>Ex-employees</i>	
<i>(shares were allotted when they were employees)</i>	<i>20</i>
<i>Others</i>	<i>20</i>

*(Including 10 joint holders holding shares jointly in the name of father and son)*

*The Board of directors of the company propose to convert it into a private company. Advice whether reduction in the number of members is necessary for conversion.*

**(4 Marks)**

- (c) *What are the rules which regulate the Sale by Auction under the Sale of Goods Act, 1930? **(4 Marks)***

**Answer**

- (a) Section 10 of the Indian Contract Act, 1872 provides for the legality of consideration and objects thereto. Section 23 of the said Act also states that every agreement of which the object or consideration is unlawful is void.

The given problem talks about entering into an agreement for traffic relating to public office, which is opposed to public policy. Public policy requires that there should be no money consideration for the appointment to an office in which the public is interested. Such consideration paid, being opposed to public policy, is unlawful.

In the given case, Mr. S, who was going to be retired after two years was proposed by Mr. D, to apply for voluntary retirement from his post, in order that he can be appointed in his place. In lieu of that Mr. D offered Mr. S a sum of ₹ 10 lakh as consideration. Mr. S refused initially but later accepted the said offer to receive money to retire from his office.

Here, Mr. S's promise of sale for Mr. D, an employment in the public services is the consideration for Mr. D's promise to pay ₹10 lakh. Therefore, in terms of the above provisions of the Indian Contract Act, the said agreement is not valid. It is void, as the consideration being opposed to public policy, is unlawful.

- (b) In the given case, ABC Limited was having 245 members in the company. The Board of Directors of said company proposes to convert it into private company. In lines with Section 2 (68) of the Companies Act, 2013, a private company by its Articles, limits the number of its members to 200.

Provided that, where two or more persons hold one or more shares in a company jointly, they shall, for the purposes of this clause, be treated as a single member.

It is further provided that, following persons shall not be included in the number of members-

- (i) Persons who are in the employment of the company; and
- (ii) Persons, who, having been formerly in the employment of the company, were members of the company while in that employment and have continued to be members after the employment ceased.

As per the facts, ABC Limited has members constituting of Directors & their relatives, employees, Ex-employees and others including 10 joint holders. In line with the requirement for being a private company, following shall be restricted to be as members i.e., Directors & their relatives & joint holders holding shares jointly constituting 200 members (190+10).

Accordingly, ABC Limited when converted to private company shall not be required to reduce the number of members as the number of members as per requirement of a private company, is fulfilled that is of maximum 200 members.

- (c) **Rules of Auction sale:** Section 64 of the Sale of Goods Act, 1930 provides following rules to regulate the sale by auction:

- (i) **Where goods are sold in lots:** Where goods are put up for sale in lots, each lot is *prima facie* deemed to be subject of a separate contract of sale.

- (ii) **Completion of the contract of sale:** The sale is complete when the auctioneer announces its completion by the fall of hammer or in any other customary manner and until such announcement is made, any bidder may retract from his bid.
- (iii) **Right to bid may be reserved:** Right to bid may be reserved expressly by or on behalf of the seller and where such a right is expressly reserved, but not otherwise, the seller or any one person on his behalf may bid at the auction.
- (iv) **Where the sale is not notified by the seller:** Where the sale is not notified to be subject to a right to bid on behalf of the seller, it shall not be lawful for the seller to bid himself or to employ any person to bid at such sale, or for the auctioneer knowingly to take any bid from the seller or any such person; and any sale contravening this rule may be treated as fraudulent by the buyer.
- (v) **Reserved price:** The reserved price is the lowest price at which a seller is willing to sell an item. The auction sale may be notified to be subject to a reserve or upset price; and
- (vi) **Pretended bidding:** If the seller makes use of pretended bidding to raise the price, the sale is voidable at the option of the buyer.

#### Question 2

- (a) Define the term acceptance under the Indian Contract Act, 1872. Explain the legal rules regarding a valid acceptance. **(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)**

#### Answer

- (a) **Definition of Acceptance:** In terms of Section 2(b) of the Indian Contract Act, 1872 the term acceptance is defined as “When the person to whom the proposal is made signifies his assent thereto, proposal is said to be accepted. The proposal, when accepted, becomes a promise”.

#### Legal Rules regarding a valid acceptance

- (1) **Acceptance can be given only by the person to whom offer is made.** In case of a specific offer, it can be accepted only by the person to whom it is made. In case of a general offer, it can be accepted by any person who has the knowledge of the offer.
- (2) **Acceptance must be absolute and unqualified:** As per section 7 of the Act, acceptance is valid only when it is absolute and unqualified and is also expressed in some usual and reasonable manner unless the proposal prescribes the manner in which it must be accepted. If the proposal prescribes the manner in which it must be accepted, then it must be accepted accordingly.

- (3) **The acceptance must be communicated:** To conclude a contract between the parties, the acceptance must be communicated in some perceptible form. Further when a proposal is accepted, the offeree must have the knowledge of the offer made to him. If he does not have the knowledge, there can be no acceptance. The acceptance must relate specifically to the offer made. Then only it can materialize into a contract.
- (4) **Acceptance must be in the prescribed mode:** Where the mode of acceptance is prescribed in the proposal, it must be accepted in that manner. But if the proposer does not insist on the proposal being accepted in the manner prescribed after it has been accepted otherwise, i.e., not in the prescribed manner, the proposer is presumed to have consented to the acceptance.
- (5) **Time:** Acceptance must be given within the specified time limit, if any, and if no time is stipulated, acceptance must be given within the reasonable time and before the offer lapses.
- (6) **Mere silence is not acceptance:** The acceptance of an offer cannot be implied from the silence of the offeree or his failure to answer, unless the offeree has in any previous conduct indicated that his silence is the evidence of acceptance.
- (7) **Acceptance by conduct/ Implied Acceptance:** Section 8 of the Act lays down that "the performance of the conditions of a proposal, or the acceptance of any consideration for a reciprocal promise which may be offered with a proposal, constitutes an acceptance of the proposal. This section provides the acceptance of the proposal by conduct as against other modes of acceptance i.e. verbal or written communication.

Therefore, when a person performs the act intended by the proposer as the consideration for the promise offered by him, the performance of the act constitutes acceptance.

- (b) As per Section 30 of the Limited Liability Partnership Act, 2008, LLP and its Partners may face unlimited liability in case of fraud. According to this section, the liability arises, in the event of an act carried out by an LLP or any of its partners -
- with intent to defraud creditors of the LLP,
  - or any other person, or
  - for any fraudulent purpose.

The liability of the LLP and partners who acted with intent to defraud creditors or for any fraudulent purpose shall be unlimited for all or any of the debts or other liabilities of the LLP. However, in case any such act is carried out by a partner, the LLP is liable to the same extent as the partner unless it is established by the LLP that such act was without the knowledge or the authority of the LLP.

Where LLP, Partner or employee of LLP has conducted the affairs of the LLP in fraudulent manner, then without prejudice to any criminal proceedings which may arise under any law for the time being in force, the LLP and any such partner or employee shall be liable to pay compensation to any such person who has suffered any loss by reason of such conduct.

**Question 3**

- (a) (i) What do you mean by "Particular Partnership" under the Indian Partnership Act, 1932? **(2 Marks)**

**OR**

- (ii) Who is a nominal partner under the Indian Partnership Act, 1932? What are his liabilities? **(2 Marks)**
- (b) "Business carried on by all or any of them acting for all." Discuss the statement under the Indian Partnership Act, 1932. **(4 Marks)**
- (c) Mr. B makes a proposal to Mr. S by post to sell his house for ` 10 lakhs and posted the letter on 10th April 2020 and the letter reaches to Mr. S on 12th April 2020. He reads the letter on 13th April 2020.

Mr. S sends his letter of acceptance on 16th April 2020 and the letter reaches Mr. B on 20th April 2020. On 17th April Mr. S changed his mind and sends a telegram withdrawing his acceptance. Telegram reaches to Mr. B on 19th April 2020.

Examine with reference to the Indian Contract Act, 1872:

- (i) On which date, the offer made by Mr. B will complete?
- (ii) Discuss the validity of acceptance.
- (iii) What would be validity of acceptance if letter of revocation and letter of acceptance reached together? **(6 Marks)**

**Answer**

- (a) (i) **Particular partnership:** A partnership may be organized for the prosecution of a single adventure as well as for the conduct of a continuous business. Where a person becomes a partner with another person in any particular adventure or undertaking, the partnership is called 'particular partnership'.

A partnership, constituted for a single adventure or undertaking is, subject to any agreement, dissolved by the completion of the adventure or undertaking.

**OR**

- (ii) **Nominal Partner:** A person who lends his name to the firm, without having any real interest in it, is called a nominal partner.

**Liabilities:** He is not entitled to share the profits of the firm. Neither he invests in the firm nor takes part in the conduct of the business. He is, however liable to third parties for all acts of the firm.

- (b) **Business carried on by all or any of them acting for all:** The business must be carried on by all the partners or by anyone or more of the partners acting for all. In other words, there should be a binding contract of mutual agency between the partners.

An act of one partner in the course of the business of the firm is in fact an act of all partners. Each partner carrying on the business is the principal as well as the agent for all the other partners. He is an agent in so far as he can bind the other partners by his acts and he is a principal to the extent that he is bound by the act of other partners.

It may be noted that the true test of partnership is mutual agency. If the element of mutual agency is absent, then there will be no partnership.

In *KD Kamath & Co.*, the Supreme Court has held that the two essential conditions to be satisfied are that:

- (1) there should be an agreement to share the profits as well as the losses of business; and
- (2) the business must be carried on by all or any of them acting for all, within the meaning of the definition of 'partnership' under section 4.

The fact that the exclusive power and control, by agreement of the parties, is vested in one partner or the further circumstance that only one partner can operate the bank accounts or borrow on behalf of the firm are not destructive of the theory of partnership provided the two essential conditions, mentioned earlier, are satisfied.

- (c) (i) According to Section 4 of the Indian Contract Act, 1872, "the communication of offer is complete when it comes to the knowledge of the person to whom it is made".

When a proposal is made by post, its communication will be complete when the letter containing the proposal reaches the person to whom it is made. Further, mere receiving of the letter is not sufficient, he must receive or read the message contained in the letter.

In the given question, Mr. B makes a proposal by post to Mr. S to sell his house. The letter was posted on 10<sup>th</sup> April 2020 and the letter reaches to Mr. S on 12<sup>th</sup> April 2020 but he reads the letter on 13<sup>th</sup> April 2020.

Thus, the offer made by Mr. B will complete on the day when Mr. S reads the letter, i.e. 13<sup>th</sup> April 2020.

- (ii) **When communication of acceptance is complete:** Where a proposal is accepted by a letter sent by the post, in terms of Section 4 of the Act, the communication of acceptance will be complete as against the proposer when the letter of acceptance is posted and as against the acceptor when the letter reaches the proposer.

**Revocation of Acceptance:** The acceptor can revoke his acceptance any time before the letter of acceptance reaches the offeror, if the revocation telegram arrives before or at the same time with the letter of acceptance, the revocation is absolute.

In the given question, when Mr. S accepts Mr. B's proposal and sends his acceptance by post on 16<sup>th</sup> April 2020, the communication of acceptance as against Mr. B is complete on 16<sup>th</sup> April 2020, when the letter is posted. As against Mr. S acceptance will be complete, when the letter reaches Mr. B i.e. 20<sup>th</sup> April 2020. Whereas, acceptor, will be bound by his acceptance only when the letter of acceptance has reached the proposer.

The telegram for revocation of acceptance reached Mr. B on 19<sup>th</sup> April 2020 i.e. before the letter of acceptance of offer (20<sup>th</sup> April 2020). Hence, the revocation is absolute. Therefore, acceptance to an offer is invalid.

- (iii) It will not make any difference even if the telegram of revocation and letter of acceptance would have reached on the same day, i.e. the revocation then also would have been absolute. As per law, acceptance can be revoked anytime before the communication of acceptance is complete. Since revocation was made before the communication of acceptance was complete and communication can be considered as complete only when the letter of acceptance reaches the proposer i.e. Mr. B.

#### Question 4

- (a) *What are the differences between a 'Condition' and 'Warranty' in a contract of sale? Also explain, when shall a 'breach of condition' be treated as 'breach of warranty' under provisions of the Sale of Goods Act, 1930?* **(6 Marks)**
- (b) *M, N and P were partners in a firm. The firm ordered JR Limited to supply the furniture. P dies, and M and N continues the business in the firm's name. The firm did not give any notice about P's death to the public or the persons dealing with the firm. The furniture was delivered to the firm after P's death, fact about his death was known to them at the time of delivery. Afterwards the firm became insolvent and failed to pay the price of furniture to JR Limited.*

*Explain with reasons:*

- (i) *Whether P's private estate is liable for the price of furniture purchased by the firm?*
- (ii) *Whether does it make any difference if JR Limited supplied the furniture to the firm believing that all the three partners are alive?* **(6 Marks)**



**Answer****(a) Difference between conditions and warranties:**

The following are important differences between conditions and warranties.

Point of differences	Condition	Warranty
<b>Meaning</b>	A condition is essential to the main purpose of the contract.	It is only collateral to the main purpose of the contract.
<b>Right in case of breach</b>	The aggrieved party can repudiate the contract or claim damages or both in the case of breach of condition.	The aggrieved party can claim only damages in case of breach of warranty.
<b>Conversion of stipulations</b>	A breach of condition may be treated as a breach of warranty.	A breach of warranty cannot be treated as a breach of condition.

**Breach of condition be treated as a breach of warranty**

Section 13 of the Sales of Goods Act, 1930, specifies cases where a breach of condition be treated as a breach of warranty. As a result of which the buyer loses his right to rescind the contract and can claim for damages only.

In the following cases, a contract is not avoided even on account of a breach of a condition:

- (i) Where the buyer altogether waives the performance of the condition. A party may for his own benefit, waive a stipulation.
  - (ii) Where the buyer elects to treat the breach of the conditions, as one of a warranty. That is to say, he may claim only damages instead of repudiating the contract.
  - (iii) Where the contract is non-severable and the buyer has accepted either the whole goods or any part thereof.
  - (iv) Where the fulfilment of any condition or warranty is excused by law by reason of impossibility or otherwise.
- (b)** According to Section 35 of the Indian Partnership Act, 1932, where under a contract between the partners the firm is not dissolved by the death of a partner, the estate of a deceased partner is not liable for any act of the firm done after his death.

Further, in order that the estate of the deceased partner may be absolved from liability for the future obligations of the firm, it is not necessary to give any notice either to the public or the persons having dealings with the firm.

In the given question, JR Limited has supplied furniture to the partnership firm, after P's death. The firm did not give notice about P's death to public or people dealing with the firm. Afterwards, the firm became insolvent and could not pay JR Limited.

In the light of the facts of the case and provisions of law:

- (i) Since the delivery of furniture was made after P's death, his estate would not be liable for the debt of the firm. A suit for goods sold and delivered would not lie against the representatives of the deceased partner. This is because there was no debt due in respect of the goods in P's lifetime.
- (ii) It will not make any difference even if JR Limited supplied furniture to the firm believing that all the three partners are alive, as it is not necessary to give any notice either to the public or the persons having dealings with the firm, so the estate of the deceased partner may be absolved from liability for the future obligations of the firm.

**Question 5**

- (a) *Mr. T was a retail trader of fans of various kinds. Mr. M came to his shop and asked for an exhaust fan for kitchen. Mr. T showed him different brands and Mr. M approved of a particular brand and paid for it. Fan was delivered at Mr. M's house; at the time of opening the packet he found that it was a table fan. He informed Mr. T about the delivery of the wrong fan. Mr. T refused to exchange the same, saying that the contract was complete after the delivery of the fan and payment of price.*
  - (i) *Discuss whether Mr. T is right in refusing to exchange as per provisions of Sale of Goods Act, 1930?*
  - (ii) *What is the remedy available to Mr. M?* **(6 Marks)**
- (b) *Explain Doctrine of 'Indoor Management' under the Companies Act, 2013. Also state the circumstances where the outsider cannot claim relief on the ground of 'Indoor Management'.* **(6 Marks)**

**Answer**

- (a) (i) **According to Section 15 of the Sale of Goods Act, 1930**, where the goods are sold by sample as well as by description, the implied condition is that the goods supplied shall correspond to both with the sample and the description. In case, the goods do not correspond with the sample or with description or vice versa or both, the buyer can repudiate the contract.

Further, as per Section 16(l) of the Sales of Goods Act, 1930, when the buyer makes known to the seller the particular purpose for which the goods are required and he relies on the judgment or skill of the seller, it is the duty of the seller to supply such goods as are reasonably fit for that purpose.

In the given case, Mr. M had revealed Mr. T that he wanted the exhaust fan for the kitchen. Since the table fan delivered by Mr. T was unfit for the purpose for which Mr. M wanted the fan, therefore, T cannot refuse to exchange the fan.

- (ii) When one party does not fulfill his obligation according to the agreed terms, the other party may treat the contract as repudiated or can insist for performance as per the original contract. Accordingly, the remedy available to Mr. M is that he can either rescind the contract or claim refund of the price paid by him or he may require Mr. T to replace it with the fan he wanted.
- (b) **Doctrine of Indoor Management (The Companies Act, 2013):** According to the “doctrine of indoor management” the outsiders, dealing with the company though are supposed to have satisfied themselves regarding the competence of the company to enter into the proposed contracts are also entitled to assume that as far as the internal compliance to procedures and regulations by the company is concerned, everything has been done properly. They are bound to examine the registered documents of the company and ensure that the proposed dealing is not inconsistent therewith, but they are not bound to do more. They are fully entitled to presume regularity and compliance by the company with the internal procedures as required by the Memorandum and the Articles. This doctrine is a limitation of the doctrine of “constructive notice” and popularly known as the rule laid down in the celebrated case of **Royal British Bank v. Turquand**. Thus, the doctrine of indoor management aims to protect outsiders against the company.

The above mentioned doctrine of Indoor Management or Turquand Rule has limitations of its own. That is to say, it is inapplicable to the following cases, namely:

- (a) **Actual or constructive knowledge of irregularity:** The rule does not protect any person when the person dealing with the company has notice, whether actual or constructive, of the irregularity.
- (b) **Suspicion of Irregularity:** The doctrine in no way, rewards those who behave negligently. Where the person dealing with the company is put upon an inquiry, for example, where the transaction is unusual or not in the ordinary course of business, it is the duty of the outsider to make the necessary enquiry.
- (c) **Forgery:** The doctrine of indoor management applies only to irregularities which might otherwise affect a transaction but it cannot apply to forgery which must be regarded as nullity.

#### Question 6

- (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. (5 Marks)*
- (b) *Discuss the liability of a partner for the act of the firm and liability of firm for act of a partner to third parties as per Indian Partnership Act, 1932. (4 Marks)*

- (c) *SK Infrastructure Limited has a paid-up share capital divided into 6,00,000 equity shares of INR 100 each. 2,00,000 equity shares of the company are held by Central Government and 1,20,000 equity shares are held by Government of Maharashtra. Explain with reference to relevant provisions of the Companies Act, 2013, whether SK Infrastructure Limited can be treated as Government Company. (3 Marks)*

**Answer**

- (a) The general rule is that an agreement made without consideration is void (Section 25 of the Indian Contract Act, 1872). In every valid contract, consideration is very important. A contract may only be enforceable when consideration is there. However, the Indian Contract Act contains certain exceptions to this rule.

In the following cases, the agreement though made without consideration, will be valid and enforceable.

**1. Natural Love and Affection:** Conditions to be fulfilled under section 25(1)

- (i) It must be made out of natural love and affection between the parties.
- (ii) Parties must stand in near relationship to each other.
- (iii) It must be in writing.
- (iv) It must also be registered under the law.

A written and registered agreement based on natural love and affection between the parties standing in near relation (e.g., husband and wife) to each other is enforceable even without consideration.

**2. Compensation for past voluntary services:** A promise to compensate, wholly or in part, a person who has already voluntarily done something for the promisor, is enforceable under Section 25(2). In order that a promise to pay for the past voluntary services be binding, the following essential factors must exist:

- (i) The services should have been rendered voluntarily.
- (ii) The services must have been rendered for the promisor.
- (iii) The promisor must be in existence at the time when services were rendered.
- (iv) The promisor must have intended to compensate the promisee.

**3. Promise to pay time barred debt:** Where a promise in writing signed by the person making it or by his authorised agent, is made to pay a debt barred by limitation it is valid without consideration [Section 25(3)].

**4. Agency:** According to Section 185 of the Indian Contract Act, 1872, no consideration is necessary to create an agency.

**5. Completed gift:** In case of completed gift i.e. when gift is made by a donor and accepted by the donee, the rule, no consideration no contract does not apply.

6. **Bailment:** In case, the delivery of goods is made by one person to another for a particular purpose, without transfer of ownership, no consideration is required.
7. **Charity:** If a promisee undertakes the liability on the promise of another person to contribute to charity, the contract shall be valid without consideration.

- (b) **Liability of a partner for acts of the firm (Section 25 of the Indian Partnership Act, 1932):** Every partner is liable, jointly with all the other partners and also severally, for all acts of the firm done while he is a partner. The partners are jointly and severally responsible to third parties for all acts which come under the scope of their express or implied authority. This is because that all the acts done within the scope of authority are the acts done towards the business of the firm.

The expression 'act of firm' connotes any act or omission by all the partners or by any partner or agent of the firm, which gives rise to a right enforceable by or against the firm. Again in order to bring a case under Section 25, it is necessary that the act of the firm, in respect of which liability is brought to be enforced against a party, must have been done while he was a partner.

**Liability of the firm for wrongful acts of a partner and for misapplication by partners (Sections 26 & 27 of the Indian Partnership Act, 1932):** Where, -

by the wrongful act or omission of a partner in the ordinary course of the business of a firm, or with the authority of his partners, loss or injury is caused to any third party, or any penalty is incurred, the firm is liable therefor to the same extent as the partner.

a partner acting within his apparent authority receives money or property from a third party and misapplies it, or a firm in the course of its business receives money or property from a third party, and the money or property is misapplied by any of the partners while it is in the custody of the firm, the firm is liable to make good the loss.

- (c) **Government Company [Section 2(45) of the Companies Act, 2013]:** Government Company means any company in which not less than 51% of the paid-up share capital is held by-

- (i) The Central Government, or
- (ii) By any State Government or Governments, or
- (iii) Partly by the Central Government and partly by one or more State Governments,

and the section includes a company which is a subsidiary company of such a Government company.

In the instant case, paid up share capital of SK Infrastructure Limited is 6,00,000 equity shares of ₹ 100 each. 200,000 equity shares are held by Central government and 1,20,000 equity shares are held by Government of Maharashtra. The holding of equity shares by both government is 3,20,000 which is more than 51% of total paid up equity shares.

Hence, SK Infrastructure Limited is a Government company.

## SECTION B – BUSINESS CORRESPONDENCE AND REPORTING

Question No. 7 is compulsory.

Attempt any **three** questions from the remaining **four** questions.

### Question 7

(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? **(1 Mark)**
- (ii) Most significant factor which determines the long run success of an organization ?  
**(1 Mark)**
- (iii) Quality of goods and services cannot be compromised by organizations, give reasons. **(1 Mark)**
- (iv) Write the summary of the above passage. **(2 Mark)**

(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 straightforward 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.*

**Answer**

- (a) (i) Good quality products can give reward to organization in following ways:
- It gives long term success to any organization.
  - It can give competitive edge i.e., higher profit and increased market share.
  - It leads to satisfied customers thus playing a significant role in increasing the customer base.
- (ii) Providing quality products at competitive prices is the most significant factor that determines the success of the organization in the long run.
- (iii) Increased awareness amongst customers regarding quality has led organizations to constantly improve the quality of products and services by adopting new technologies which satisfies the customer's demands to remain competitive. Thus, businesses cannot ignore this aspect, if they intend to sustain longer in the market.
- (iv) Organizations across the world whether in the manufacturing or service sectors pin their success on offering quality products and services at competitive prices. This is the mantra for long-term sustainable growth of any business. With growing consumer awareness about quality, markets have become highly competitive and more and more businesses embracing new technologies. In critical service sectors viz. healthcare, government and many online data/information processing services, quality relies on skilled and trained workforce. International trade and economy can grow only if stringent quality standards are maintained.

(b) (i) **Note Making**

**Business Presentation**

**1. Essen. for**

- 1.1 Large Bsns, startups & prfs.to
  - 1. sell product to clients
  - 2. share vision
    - 1.1.2.1 new staff policy and benefits
  - 3. find new investors
    - 1. discuss mutual benefits

**2. Objectives**

- 2.1 Engage the aud.
- 2.2 Tell a story
- 2.3 Give prsnlegs./anlgs.



**3. Do's and Don'ts**

## 3.1 research well

1. cap. det. info.
2. Do not prt. excess info.
3. Prt. 3-5 pts.
4. Expln. Briefly & prcly.
5. Prep. Cont. well
  1. Rvw. Imp. Info.
  2. Facts & data

**Key:**

- Bsns.: businesses
- Prfs.: professionals
- Aud.: audience
- Prsnl.: personal
- Egs.: examples
- Anlgs.: analogies
- Cap.: capture
- Det.: detailed
- Info.: information
- Prt.: present
- Expln.: explain
- Prcly.: precisely
- Prep.: prepare
- Cont.: content
- Rvw.: review
- Imp.: important

**(ii) Summary**

Preparation and presentation of Business Presentations are essential skills for owner of a large business, startup or a working professional alike. It is a useful tool to provide product details to clients, to share your ideas and vision with employees

about new policies and their benefits or to find investors to expand or diversify. The objective is to engage the target audience by spawning a story around your ideas by narrating personal anecdotes. For a good presentation you must research the subject in detail, do not swarm the audience with too much information. You must stick to 3-5 points and explain them with brevity and precision. Prepare the subject well and review important facts, figures and data.

**Question 8**

(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 Mark)

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

**Gratify**

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

(1 Mark)

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

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

(1 Mark)

(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 often 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)**

**Answer**

- (a) One of the chief barriers to open and free communications is the emotional barrier. Anger, fear of criticism or ridicule, mistrust of person, suspicion of intentions, jealousy, anxiety and many more feelings and sentiments we carry within us, affect our communication ability and quality. A person who is upset and disturbed cannot pass on or receive information appropriately and objectively. His/her emotions will colour his perception and assessment of the communication.
- (b) (i) (3) Disgusting  
(ii) (1) Frustrate  
(iii) He said that the horse had died in the night.
- (c) Precis

Title: Attitude of Gratitude

Gratitude means being genuinely thankful or showing heartfelt appreciation for those who have helped you in need and readiness to reciprocate the kindness. Conventionally, 'Thank You' is used frequently to show politeness. Yet a grateful attitude should be cultivated towards those who do even a small service for us. There are many army Generals, statesmen, poets and philosophers who have selflessly contributed their services. As a token of gratitude, monuments and inscriptions are erected to commemorate their service. Practically, one can plant trees so that the later generations can enjoy the benefits. A conscientious individual would always wish well for everyone without any expectations.

**NOTE:** Precis should be one third of the given text.

**Question 9**

- (a) (i) Define circuit and star network under network in communication. (2 Marks)

OR

- (ii) 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 into indirect speech:

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

(1 Marks)

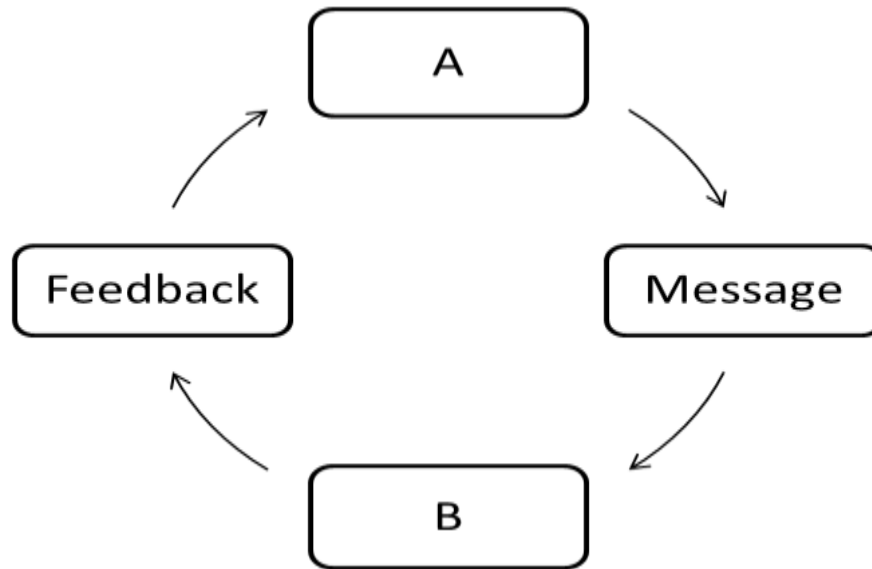
- (c) Draft a circular to warn the employees of Packing Department not to participate in strike.

(5 Marks)

**Answer**

**(a) Circuit Network:**

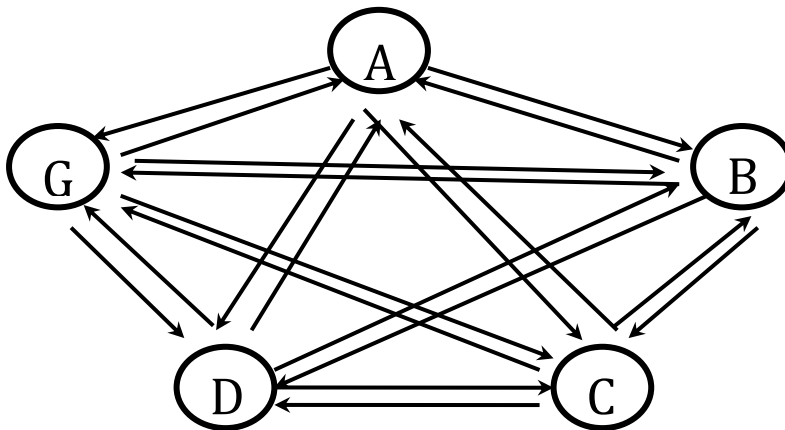
When two persons communicate with each other sending messages and feedbacks, they form a communication circuit. Therefore, it is known as circuit network. The two people interacting can be colleagues placed at the same hierarchical level in the organization.



**Circuit Network**

**Star Network:**

The star network communication has multiple channels of communication open between all members. This network propagates group communication and is essential where teamwork is involved. The members communicate and exchange information with each other freely and without hindrance or hesitation.



**Star Network**

OR

**Physical Non-verbal Communication**

**An individual's body language that is,** facial expressions, stances, gestures, touches, and other physical signals constitute this type of communication. For example, leaning forward may mean friendliness, acceptance and interest, while crossing arms can be interpreted as antagonistic or defensive posture.

Research estimates that physical, non-verbal communication accounts for 55 percent of all communication. Smiles, frowns, pursing of lips, clenching of hands etc. transmit emotions which are not expressed through verbal communication.

- (b) (i) (4) Homesick  
(ii) (2) Save  
(iii) He requested him to wait there till he returned.
- (c) **XXX Ltd**

**CIRCULAR**

**No.:** xxx/xxx/xxx

**Date:** xx-xx-xxxx

**To:** All Employees of Packing Department

It has been reported that a section of employees working in the Packing Department of the Company are proposing to go on strike on xx-xx-xxxx (date) to fulfil some unusual demands. It is hereby made known to all concerned employees that the proposed strike is illegal and unlawful and employees whosoever participate in such a strike shall be subjected to disciplinary action as per the company's service rules and other applicable laws.

Sd/-

XYZ

Manager, HR

**Question 10**

- (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. "The Pleasures of reading". (5 Marks)

**Answer**

- (a) Communication problems occur when the systems, structures and processes in the organization are not clear or have gaps in them. If the chain of command is unclear, a person may not know whom to contact for a particular issue. Inappropriate information transmission systems, lack of supervision, and unclear role and responsibility demarcations lead to confusion and inefficiency.
- (b) (i) A kite was being made by Rama.  
(ii) The hunter shot the lion.  
(iii) Father advised/said to/told his son to work hard for success in life.

**(c) The Pleasures of Reading**

**By: XYZ**

Ever since humankind invented the printed word, reading has been a learning exercise for some, pastime for many others. Undoubtedly, reading whets our quest for knowledge, our imagination and evokes a spectrum of emotions, thus offering instant gratification and pleasure.

Few can deny the joy of reading the daily newspaper while enjoying a cup of tea in the mornings, an ultimate start to a great day. It's a daily ritual we would not like to miss for anything. Who doesn't get glued to the highpoint or climax of a novel. It transcends us into a surreal world, away from the harsh realities where we slip into our favorite character etched out straight from the novel and become a part of the narrative, going through the whole gamut of emotions from respect to affection, pain to joy, despair to hope, failure to success and fulfillment. It induces heightened feelings of fear, suspense and adventure raising the adrenaline rush. The sheer delight of reading a piece of poetry laden with eloquence, rhythm and soul stirring emotions makes us feel high. While reading informative articles, journals and technical books develop our intellectual capability by enriching our knowledge and enhancing our analytical skills and critical thinking, creative and descriptive pieces enhance our vocabulary, expression and creative writing skills. On the lighter note, reading satire and comic pieces tickle our ribs and relieves stress.

Reading makes us aware of our emotional self and sensitizes us to appreciate feelings of others. It enlightens our mind and soul and makes us a better human being. We must inculcate the habit of reading everyday.

**Question 11**

- (a) What do you mean by diagonal communication? (2 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) *Mr. ABC is an IT manager in Quick Software Solutions Private*

*Limited. Write a mail on behalf of Mr. ABC to Mr. MNJ, dealer of HP Laptops seeking quotation for 100 new laptops of model HP - 610. The laptops are required for new branch of Quick Software Solutions Private Limited.*

**(4 Marks)**

**Answer**

(a) Cross-functional communication between employees at different levels of the organizational hierarchy is described as diagonal communication. Diagonal communication is increasingly common in larger organizations. It reduces the chances of distortion or misinterpretation by encouraging direct communication between the relevant parties. For example, a junior engineer reports directly to the General Manager regarding the progress on the project.



- (b) (i) (4) In writing  
(ii) (2) Secret or hidden enemy/ (4) Unrecognizable danger  
(iii) He scored twenty runs.  
(iv) (2) Praise

- (c) To [mnj@qwe.co.in](mailto:mnj@qwe.co.in)

Subject: Quotation for 100 new HP-60 laptops

Dear Mr. MNJ

Greetings! We at Quick Software Solutions Private Limited require the aforementioned laptops for our new branch at Noida, UP. The machines must have the latest malware for virus protection and anti-glare screens. Kindly send detailed quotation including:

Warranty

Insurance

Yearly Maintenance

After sales service charges

Looking forward to an earliest response.

Regards,

ABC

IT Manager,

Quick Software Solutions

Roll No. ....

Total No. of Questions – 11

Total No. of Printed Pages – 16

Time Allowed – 3 Hours

Maximum Marks – 100

## HYB-H

Questions 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 answer in Hindi, will not be evaluated.

Questions in Section – B, are to be answered in English only, by all the candidates, including those who have opted for Hindi medium.

Answer to both the Sections are to be written in the same answer book.

### SECTION-A

Marks : 60

Question No. 1 is compulsory.

Answer any **four** questions from the remaining **five** questions.

Marks

1. (a) Mr. X a businessman has been fighting a long drawn litigation with Mr. Y an industrialist. To support his legal campaign he enlists the services of Mr. C a Judicial officer stating that the amount of ₹ 10 lakhs would be paid to him if he does not take up the brief of Mr. Y. Mr. C agrees but, at the end of the litigation Mr. X refuses to pay to Mr. C. Decide whether Mr. C can recover the amount promised by Mr. X under the provisions of the Indian Contract Act, 1872 ?

HYB-H

P.T.O.

- (b) ABC Limited has allotted equity shares with voting rights to XYZ Limited worth ₹ 15 Crores and issued Non-Convertible Debentures worth ₹ 40 Crores during the Financial Year 2019-20. After that total Paid-up Equity Share Capital of the company is ₹ 100 Crores and Non-Convertible Debentures Stands at ₹ 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 ?

- (c) Write any four exceptions to the doctrine of Caveat Emptor as per The Sale of Goods Act, 1930. 4

2. (a) Define Misrepresentation and Fraud. Explain the difference between Fraud and Misrepresentation as per the Indian Contract Act, 1872. 7

- (b) State the circumstances under which LLP may be wound up by the Tribunal under the Limited Liability Partnership Act, 2008. 5

3. (a) (i) What do you mean by 'Partnership at will' as per the Indian Partnership Act, 1932 ? 2

**OR**

- (ii) Comment on 'the right to expel partner must be exercised in good faith' under the Indian Partnership Act, 1932.

**HYB-H**

(3)

**HYB-H**

**Marks**

(b) Referring to the Provisions of the Indian Partnership Act, 1932, **4**  
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 ?

(c) In light of provisions of the Indian Contract Act, 1872 answer the **6**  
following :

(i) Mr. S and Mr. R made contract wherein Mr. S agreed to deliver paper cup manufacture machine to Mr. R and to receive payment on delivery. On the delivery date, Mr. R didn't pay the agreed price. Decide whether Mr. S is bound to fulfil his promise at the time of delivery ?

(ii) Mr. Y given loan to Mr. G of INR 30,00,000. Mr. G defaulted the loan on due date and debt became time barred. After the time barred debt, Mr. G agreed to settle the full amount to Mr. Y. Whether acceptance of time barred debt Contract is enforceable in law ?

(iii) A & B entered into a contract to supply unique item, alternate of which is not available in the market. A refused to supply the agreed unique item to B. What directions could be given by the court for breach of such contract ?

**HYB-H**

**P.T.O.**

(4)

**HYB-H**

**Marks**

4. (a) Explain any six circumstances in detail in which non-owner can convey better title to Bona fide purchaser of goods for value as per The Sale of Goods Act, 1930. **6**

(b) P, Q, R and S are the partners in M/S PQRS & Co., a partnership firm which deals in trading of Washing Machines of various brands. **6**

Due to the conflict of views between partners, P & Q decided to leave the partnership firm and started competitive business on 31<sup>st</sup> July, 2019, in the name of M/S PQ & Co. Meanwhile, R & S have continued using the property in the name of M/S PQRS & Co. in which P & Q also has a share.

Based on the above facts, explain in detail the rights of outgoing partners as per the Indian Partnership Act, 1932 and comment on the following :

- (i) Rights of P & Q to start a competitive business.
- (ii) Rights of P & Q regarding their share in property of M/S PQRS & Co.

5. (a) Ms. R owns a Two Wheeler which she handed over to her friend Ms. K on sale or return basis. Even after a week Ms. K neither returned the vehicle nor made payment for it. She instead pledged the vehicle to Mr. A to obtain a loan. Ms. R now wants to claim the Two Wheeler from Mr. A. Will she succeed ? **6**

**HYB-H**

(5)

**HYB-H**

**Marks**

- (i) Examine with reference to the provisions of the Sale of Goods Act, 1930, what recourse is available to Ms. R ?
- (ii) Would your answer be different if it had been expressly provided that the vehicle would remain the property of Ms. R until the price has been paid ?
- (b) What are the significant points of Section 8 Company which are not applicable for other companies ? Briefly explain with reference to provisions of the Companies Act, 2013. **6**
6. (a) Enumerate the differences between 'Wagering Agreements' and 'Contract of Insurance' with reference to provision of the Indian Contract Act, 1872. **5**
- (b) Explain in detail the circumstances which lead to liability of firm for misapplication by partners as per provisions of the Indian Partnership Act, 1932. **4**
- (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**

**HYB-H**

**P.T.O.**

(6)

**HYB-H**

(Hindi Version)

उन परीक्षार्थियों को छोड़कर जिन्होंने हिन्दी माध्यम चुना है, भाग-अ में प्रश्नों के उत्तर केवल अंग्रेजी में ही देने हैं।

वह परीक्षार्थी जिसने हिन्दी माध्यम नहीं चुना है, यदि हिन्दी में उत्तर देता है, तो उसके हिन्दी में दिये गये उत्तरों का मूल्यांकन नहीं होगा।

सभी परीक्षार्थियों द्वारा भाग-ब के प्रश्नों के उत्तर केवल अंग्रेजी में ही देने हैं, उन परीक्षार्थियों द्वारा भी जिन्होंने हिन्दी माध्यम का चयन किया है।

दोनों भागों के उत्तर एक ही उत्तर-पुस्तिका में लिखने हैं।

**भाग-अ**

**Marks : 60**

प्रश्न संख्या 1 अनिवार्य है।

शेष पाँच प्रश्नों में से किन्हीं चार प्रश्नों के उत्तर दीजिए।

**Marks**

1. (a) X एक व्यवसायी है जो एक उद्योगपति Y के साथ लम्बी खींची मुकदमेबाजी में मुकदमा लड़ रहा है। अपने कानूनी अभियान का समर्थन पाने के लिए उसने C, एक न्यायिक अधिकारी की सेवाओं को सूचीबद्ध किया कि वह C को ₹ 10 लाख देगा यदि C, Y का पक्ष नहीं लेता है। 4

C इसके लिए सहमत हो गया परन्तु मुकदमेबाजी के अंत में X ने C को धन देने से मना कर दिया। निर्णय लें कि भारतीय अनुबन्ध अधिनियम, 1872 के प्रावधानों के अंतर्गत क्या C, X से यह राशि वसूल कर सकता है ?

- (b) ABC लि. ने ₹ 15 करोड़ मूल्य के मताधिकार वाले समता अंश तथा ₹ 40 करोड़ मूल्य के अपरिवर्तनशील ऋणपत्र वित्तीय वर्ष 2019-20 के दौरान XYZ लि. को निर्गमित किए। इसके पश्चात् कम्पनी की प्रदत्त पूँजी ₹ 100 करोड़ तथा अपरिवर्तनशील ऋणपत्रों का मूल्य ₹ 120 करोड़ हो गया। 4

**HYB-H**

(7)

**HYB-H**

**Marks**

सहायक कम्पनी का अर्थ परिभाषित करें और टिप्पणी करें कि क्या ABC लि. और XYZ लि. को भारतीय कम्पनी अधिनियम, 2013 के अनुसार सहायक कम्पनी कहा जाएगा ?

- (c) वस्तु विक्रय अधिनियम, 1930 के अनुसार “क्रेता सावधान रहे” के सिद्धांत के कोई चार अपवाद लिखें । 4
2. (a) मिथ्यावर्णन तथा कपट को परिभाषित करें । भारतीय अनुबन्ध अधिनियम, 1872 के अनुसार कपट तथा मिथ्यावर्णन के अंतरों की विवेचना करें । 7
- (b) सीमित दायित्व साझेदारी अधिनियम, 2008 के अन्तर्गत ट्रिब्यूनल के द्वारा किन परिस्थितियों में सीमित दायित्व साझेदारी का समापन किया जा सकता है । 5
3. (a) (i) भारतीय साझेदारी अधिनियम, 1932 के अनुसार स्वैच्छिक साझेदारी से आप क्या समझते हैं ? 2

**अथवा**

- (ii) “साझेदार को निष्काषित करने के अधिकार का प्रयोग सद्भाव में होना चाहिए” भारतीय साझेदारी अधिनियम, 1932 के अन्तर्गत उपरोक्त कथन पर टिप्पणी करें ।
- (b) भारतीय साझेदारी अधिनियम, 1932 के प्रावधानों के संदर्भ में निम्नलिखित का उत्तर दे : 4
- (i) साझेदारी फर्म के द्वारा पंजीकरण न कराने के क्या परिणाम होंगे ?
- (ii) पंजीकरण न कराने की दशा में साझेदारी फर्म के कौन से अधिकार प्रभावित नहीं होंगे ?
- (c) भारतीय अनुबन्ध अधिनियम, 1872 के प्रावधानों के संदर्भ में निम्न का उत्तर दे : 6
- (i) S और R के मध्य अनुबन्ध हुआ कि S पेपर कप बनाने वाली मशीन की सपुर्दगी R को देगा और सपुर्दगी के समय ही भुगतान लेगा । सपुर्दगी की तिथि पर R ने देय राशि का भुगतान नहीं किया । निर्णय कीजिए कि क्या S सपुर्दगी के समय अपने वचन को निभाने के लिए बाध्य है ?

**HYB-H**

**P.T.O.**



(8)

**HYB-H**

**Marks**

(ii) Y ने G को ₹ 30,00,000 का ऋण दिया। G देय तिथि पर ऋण का भुगतान नहीं कर पाया और ऋण समय बाधित हो गया। ऋण समय बाधित होने के बाद G, Y के साथ पूरी राशि निपटाने के लिए सहमत हो गया। क्या समय बाधित ऋण अनुबन्ध की स्वीकृति कानून के अन्तर्गत प्रवर्तनीय है ?

(iii) A तथा B ने अद्वितीय वस्तुओं की आपूर्ति का अनुबन्ध किया, ऐसी वस्तुएँ जिनका बाजार में कोई विकल्प न हो। A ने B को निश्चित अद्वितीय वस्तुओं की आपूर्ति करने से मना कर दिया। ऐसे अनुबन्ध के खण्डित होने की दशा में न्यायालय द्वारा क्या निर्देश दिए जा सकते हैं ?

4. (a) वस्तु बिक्री अधिनियम, 1930 के अनुसार किन्हीं छः परिस्थितियों का विस्तारपूर्वक वर्णन करें जिनमें गैर-स्वामी वास्तविक क्रेता को मूल्य के बदले वस्तुओं का अच्छा स्वामित्व प्रदान कर सकता है। 6

(b) M/S PQRS & Co, एक साझेदारी फर्म में P, Q, R, S साझेदार हैं जो कि कपड़े धोने वाली मशीन के विभिन्न ब्राण्डों में व्यापार करती है। 6

साझेदारों के मध्य विवाद उत्पन्न होने के कारण, P और Q ने साझेदारी फर्म को छोड़ने का निर्णय लिया और 31 जुलाई, 2019 को प्रतियोगी व्यापार प्रारम्भ किया जिसका नाम M/S PQ & Co. रखा। इसी दौरान R और S ने सम्पत्ति का प्रयोग करते हुए M/S PQRS & Co. के नाम से व्यवसाय जारी रखा जिसमें P और Q का भी हिस्सा था।

उपरोक्त कथनों के आधार पर, भारतीय साझेदारी अधिनियम, 1932 के अनुसार छोड़कर जाने वाले साझेदारों के पास क्या अधिकार हैं और निम्नलिखित पर टिप्पणी करें :

(i) P और Q के प्रतियोगी व्यापार करने के अधिकार

(ii) P और Q के M/S PQRS & Co. की सम्पत्तियों में हिस्से का अधिकार

**HYB-H**

(9)

HYB-H

Marks

5. (a) R जो कि दो पहिया वाहन की मालकिन है, उसने अपनी मित्र K को विक्रय या वापसी के आधार पर वाहन सौंपा । एक सप्ताह बीतने के बाद भी K ने न तो वाहन वापिस किया और न ही उसका भुगतान किया । इसके बजाए उसने ऋण प्राप्त करने के लिए वाहन को A के पास गिरवी रख दिया । अब R, A से दो पहिया वाहन वसूल करना चाहती है । क्या वह सफल होगी ?
- (i) वस्तु बिक्री अधिनियम, 1930 के प्रावधानों के संदर्भ में R के पास उपलब्ध विकल्पों का निरीक्षण करें ।
- (ii) क्या आपका उत्तर भिन्न होगा यदि यह स्पष्ट किया गया होता कि वाहन R की ही सम्पत्ति रहेगी जब तक कीमत का भुगतान नहीं किया जाता ?
- (b) धारा 8 के अन्तर्गत स्थापित कम्पनियों के क्या महत्वपूर्ण बिन्दु हैं जो कि दूसरी कम्पनियों पर लागू नहीं होते ? कम्पनी अधिनियम, 2013 के प्रावधानों के अनुसार संक्षेप में बताएँ ।
6. (a) भारतीय अनुबन्ध अधिनियम, 1872 के प्रावधानों के अनुसार बाजी के ठहराव और बीमा अनुबन्ध के अंतर स्पष्ट करें ।
- (b) भारतीय साझेदारी अधिनियम, 1932 के अनुसार साझेदार द्वारा किए गए गबन के लिए फर्म के दायित्वों का विस्तारपूर्वक वर्णन करें ।
- (c) Mike लि. कम्पनी जो कि भारत में सम्मिलित हुई है, उसका सम्पर्क कार्यालय सिंगापुर में है । कम्पनी अधिनियम, 2013 के प्रावधानों के अनुसार एक विदेशी कम्पनी का अर्थ बताएँ और विश्लेषण करें कि क्या Mike लि. को एक विदेशी कम्पनी कहा जा सकता है क्योंकि उसका सम्पर्क कार्यालय सिंगापुर में स्थापित है ?

HYB-H

P.T.O.

(10)

**HYB-H**

**Marks**

**SECTION-B**

**Marks : 40**

Question No. 7 is compulsory.

Answer any **three** questions from the remaining **four** questions.

7. (a) Mr. Ramesh, the HR Head of ABC Insurance Co. Ltd., who is having charge of training and development also, during his twelve years with the Company. He had the experience of training and developing numerous employees, only to see many of them leave the firm after getting their advanced degrees. The Company has a Policy of reimbursement of 90% of the cost incurred on tuition fee, books etc. for acquiring such qualifications. Only those employees who have taken prior permission of HR before enrolment in such program/degree and completed three years of service are eligible for seeking the reimbursement. A proof of its popularity was that most of the junior and middle level managers had availed this facility to advance their qualifications.

Mr. Kumar, a Sales Executive, who had joined the Company just three years ago had also availed the aforesaid facility for pursuing a course in Business Management and had recently completed his master's degree in business management and submitted the same to the Company for seeking reimbursement and recording additional qualifications acquired in official records.

Mr. Ramesh congratulated him and added the additional qualifications acquired by him in the Company records and assured him to consider him for higher position keeping in view his qualifications in near future and of course subject to availability of vacancy as per the approved Organisation Chart. Further Mr. Ramesh allowed reimbursement of 90% of the cost incurred as per the Policy. Mr. Kumar on his achievement when he came to see and thank HR

**HYB-H**

(11)

**HYB-H**

**Marks**

Head, but was strongly taken aback when he expressed his intention to leave the Company in favour of a competitor because he did not see any future for himself in ABC Insurance Co. Ltd. Head HR was annoyed as this had happened so many times in the past. He immediately rushed to see the Marketing Director to seek support for reviewing and discontinuing the Policy of educational reimbursement with immediate effect or to put a condition that all those employees who acquired such qualifications and reimbursed 90% of the expenses shall at least serve the Company for a minimum of 3 years after seeking such reimbursement.

- (i) What could be the possible reasons behind employees quitting the Company after acquiring higher qualifications ? **2**
- (ii) Is there any need to amend or abandon the Policy of educational reimbursement ? **1**
- (iii) What measures do you suggest for overcoming high employee attrition problem ? **2**

(b) Read the Passage :

- (i) Make Notes, using Headings, Subheadings and abbreviations whenever necessary. **3**
- (ii) Write Summary **2**

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.

**HYB-H**

**P.T.O.**

(12)

**HYB-H**

**Marks**

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.

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

(b) (i) Choose the word which best expresses the meaning of the given word : **1**

SCINTILLATING

- (1) Smouldering
- (2) Glittering
- (3) Touching
- (4) Warming

**HYB-H**

(13)

**HYB-H**

**Marks**

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

**1**

Fidelity

(1) Commitment

(2) Inconstancy

(3) Ambitious

(4) Devotion

(iii) Change the following sentence to indirect speech :

**1**

Varun Said, "Every Kid should learn coding".

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

**5**

These days, it is not unusual to see people listening to music or using their electronic gadgets while crossing busy roads or travelling on public transport, regardless of the risks involved. I have often wondered why they take such risks, is it because they want a sense of independence, or is it that they want to tell everybody to stop bothering them ? Or is it that they just want to show how cool they are? Whether it is a workman or an executive, earphones have become an inseparable part of our lives, sometimes even leading to tragicomic situations.

The other day, an electrician had come to our home to repair iron. We told him in detail what the fault was and needed to be done. But after he left, I found that the man had done almost nothing and iron was not working even after repair. It later turned out that he could not hear our directions clearly because he had an earphone on. Many of such earphones addicts commute by the Metro every day. While one should not be grudge anyone their moments of privacy or their love for music, the fact is 'iPod oblivion' can sometimes be very dangerous.

**HYB-H**

**P.T.O.**

(14)

**HYB-H**

**Marks**

Recently, I was travelling with my wife on the Metro. Since the train was approaching the last station, there weren't too many passengers. In our compartment, other than us, there were only two women sitting on the other side of the aisle. And then suddenly, I spotted a duffel bag. The bomb scare lasted for several minutes. Then suddenly, a youth emerged from nowhere and picked up the bag. When we tried to stop him, he looked at us, surprised. Then he took off his earpieces, lifted the bag, and told us that the bag belonged to him and that he was going to get off at the next station.

We were stunned but recovered in time to ask him where he was all this while. His answer was that in the compartment, leaning against the door totally involved in the music. He had no clue about what was going on around him. When he got off, earplugs in his hand, we could hear strains of the song.

9. (a) What is formal communication, explain. 2

**OR**

Encoding the matter is an important element of communication, comments ? 2

- (b) (i) Choose the word which best expresses the meaning of the given word : 1

Concise

- (1) Brief
- (2) Better
- (3) Important
- (4) Interesting

**HYB-H**

(15)

**HYB-H**

**Marks**

- (ii) Choose the word which best expresses the meaning of the given word : **1**
- Cryptic
- (1) Pertinent
- (2) Common
- (3) Mysterious
- (4) Loyalty
- (iii) Change the following sentence to indirect speech : **1**
- “Do you suppose you know better than your own father ?” jeered his angry mother.
- (c) Draft Newspaper Report on “Project to interconnect rivers in India” to be published in a national newspaper. **5**
10. (a) Explain how listening for Understanding helps in communication. **2**
- (b) (i) Change the sentence from Active to Passive Voice. **1**
- Question – The crew cleaned the entire stretch of highway.
- (ii) Change the sentence from Passive to Active Voice. **1**
- Question – The house was remodelled by the homeowners to help it sell.
- (iii) Change the following sentence to indirect speech. **1**
- Question – Socrates said, “Virtue is its own reward.”
- (c) Write an article of about 250 words on the topic, “The Pros and cons of online education in India”. **5**

**HYB-H**

**P.T.O.**



(16)

**HYB-H**

**Marks**

11. (a) Explain Wheel & Spoke network in communication. 2
- (b) Select the correct meaning of Idioms/Phrases given below :
- (i) To be a mastermind 1
- (1) To be a pioneer
- (2) To be an entrepreneur
- (3) To be an amateur
- (4) To be a villain
- (ii) At wit's end 1
- (1) Impoverished
- (2) Drained
- (3) Completed
- (4) Perplexed
- (iii) Change the sentence into Passive voice : 1
- Question – Will you tell me a story ?
- (iv) Choose the word which best expresses the meaning of the given word : 1
- COMBAT
- (1) Conflict
- (2) Quarrel
- (3) Feud
- (4) Fight
- (c) Write a letter to an applicant informing him about the postponement of his interview date. 4

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**HYB-H**

## PAPER – 2: BUSINESS LAW & BUSINESS CORRESPONDENCE AND REPORTING

### SECTION A – BUSINESS LAW

Question No. 1 is compulsory.

Attempt any **four** questions from the remaining **five** questions.

#### Question 1

- (a) Mr. X a businessman has been fighting a long drawn litigation with Mr. Y an industrialist. To support his legal campaign he enlists the services of Mr. C a Judicial officer stating that the amount of ₹10 lakhs would be paid to him if he does not take up the brief of Mr. Y.

Mr. C agrees but, at the end of the litigation Mr. X refuses to pay to Mr. C. Decide whether Mr. C can recover the amount promised by Mr. X under the provisions of the Indian Contract Act, 1872? **(4 Marks)**

- (b) ABC Limited has allotted equity shares with voting rights to XYZ Limited worth ₹ 15 Crores and issued Non-Convertible Debentures worth ₹ 40 Crores during the Financial Year 2019-20. After that total Paid-up Equity Share Capital of the company is ₹ 100 Crores and Non-Convertible Debentures stands at ₹ 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? **(4 Marks)**

- (c) Write any four exceptions to the doctrine of Caveat Emptor as per the Sale of Goods Act, 1930. **(4 Marks)**

#### Answer

- (a) The problem as asked in the question is based on Section 10 of the Indian Contract Act, 1872. This Section says that all agreements are contracts if they are made by the free consent of the parties competent to contract, for a lawful consideration and with a lawful object and are not expressly declared to be void. Further, Section 23 also states that every agreement of which the object is unlawful is void.

Accordingly, one of the essential elements of a valid contract in the light of the said provision is that the agreement entered into must not be which the law declares to be either illegal or void. An illegal agreement is an agreement expressly or impliedly prohibited by law. A void agreement is one without any legal effects.

The given instance is a case of interference with the course of justice and results as opposed to public policy. This can also be called as an agreement in restraint of legal proceedings. This agreement restricts one's right to enforce his legal rights. Such an agreement has been expressly declared to be void under section 28 of the Indian

Contract Act, 1872. Hence, Mr. C in the given case cannot recover the amount of ₹ 10 lakh promised by Mr. X because it is a void agreement and cannot be enforced by law.

- (b) As per Section 2(6) of the Companies Act, 2013, an Associate Company in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.

The term “significant influence” means control of at least 20% of total share capital, or control of business decisions under an agreement.

The term “Total Share Capital”, means the aggregate of the -

- (a) Paid-up equity share capital; and
- (b) Convertible preference share capital.

In the given case, as ABC Ltd. has allotted equity shares with voting rights to XYZ Limited of ₹ 15 crore, which is less than requisite control of 20% of total share capital (i.e. 100 crore) to have a significant influence of XYZ Ltd. Since the said requirement is not complied, therefore ABC Ltd. and XYZ Ltd. are not associate companies as per the Companies Act, 2013. Holding/allotment of non-convertible debentures has no relevance for ascertaining significant influence.

- (c) The doctrine of Caveat Emptor given under the Sale of Goods Act, 1930 is subject to the following exceptions:
1. **Fitness as to quality or use:** Where the buyer makes known to the seller the particular purpose for which the goods are required, it is the duty of the seller to supply such goods as are reasonably fit for that purpose [Section 16 (1)].
  2. **Goods purchased under patent or brand name:** In case where the goods are purchased under its patent name or brand name, there is no implied condition that the goods shall be fit for any particular purpose [Section 16(1)].
  3. **Goods sold by description:** Where the goods are sold by description there is an implied condition that the goods shall correspond with the description [Section 15]. If it is not so, then seller is responsible.
  4. **Goods of Merchantable Quality:** Where the goods are bought by description from a seller who deals in goods of that description there is an implied condition that the goods shall be of merchantable quality. The rule of Caveat Emptor is not applicable. [Section 16(2)].
  5. **Sale by sample:** Where the goods are bought by sample, this rule of Caveat Emptor does not apply if the bulk does not correspond with the sample [Section 17].
  6. **Goods by sample as well as description:** Where the goods are bought by sample as well as description, the rule of Caveat Emptor is not applicable in case the goods

do not correspond with both the sample and description or either of the condition [Section 15].

7. **Trade Usage:** An implied warranty or condition as to quality or fitness for a particular purpose may be annexed by the usage of trade and if the seller deviates from that, this rule of Caveat Emptor is not applicable [Section 16(3)].
8. **Seller actively conceals a defect or is guilty of fraud:** Where the seller sells the goods by making some misrepresentation or fraud and the buyer relies on it or when the seller actively conceals some defect in the goods so that the same could not be discovered by the buyer on a reasonable examination, then the rule of Caveat Emptor will not apply.

**Question 2**

- (a) *Define Misrepresentation and Fraud. Explain the difference between Fraud and Misrepresentation as per the Indian Contract Act, 1872.* **(7 Marks)**
- (b) *State the circumstances under which LLP may be wound up by the Tribunal under the Limited Liability Partnership Act, 2008.* **(5 Marks)**

**Answer**

**(a) Definition of Fraud under Section 17 of the Indian Contract Act, 1872:**

'Fraud' means and includes any of the following acts committed by a party to a contract, or with his connivance, or by his agent, with an intent to deceive another party thereto or his agent, or to induce him to enter into the contract:

- (1) the suggestion, as a fact, of that which is not true, by one who does not believe it to be true;
- (2) the active concealment of a fact by one having knowledge or belief of the fact;
- (3) a promise made without any intention of performing it;
- (4) any other act fitted to deceive;
- (5) any such act or omission as the law specially declares to be fraudulent.

**As per Section 18 of the Indian Contract Act, 1872, misrepresentation means and includes-**

- (1) the positive assertion, in a manner not warranted by the information of the person making it, of that which is not true, though he believes it to be true;
- (2) any breach of duty which, without an intent to deceive, gains an advantage to the person committing it, or anyone claiming under him; by misleading another to his prejudice or to the prejudice of anyone claiming under him;
- (3) causing, however, innocently, a party to an agreement to make a mistake as to the substance of the thing which is the subject of the agreement.

**Distinction between fraud and misrepresentation:**

Basis of difference	Fraud	Misrepresentation
<b>Intention</b>	To deceive the other party by hiding the truth.	There is no such intention to deceive the other party.
<b>Knowledge of truth</b>	The person making the suggestion believes that the statement as untrue.	The person making the statement believes it to be true, although it is not true.
<b>Rescission of the contract and claim for damages</b>	The injured party can repudiate the contract and claim damages.	The injured party is entitled to repudiate the contract or sue for restitution but cannot claim the damages.
<b>Means to discover the truth</b>	The party using the fraudulent act cannot secure or protect himself by saying that the injured party had means to discover the truth.	Party can always plead that the injured party had the means to discover the truth.

- (b) Section 64 of the Limited Liability Partnership Act, 2008 states circumstances in which limited liability partnership (LLP) may be wound up by Tribunal.
- if the limited liability partnership decides that limited liability partnership be wound up by the Tribunal;
  - if, for a period of more than six months, the number of partners of the limited liability partnership is reduced below two;
  - if the LLP is unable to pay its debts;
  - if the limited liability partnership has acted against the interests of the sovereignty and integrity of India, the security of the State or public order;
  - if the limited liability partnership has made a default in filing with the Registrar the Statement of Account and Solvency or annual return for any five consecutive financial years; or
  - if the Tribunal is of the opinion that it is just and equitable that the limited liability partnership be wound up.

**Question 3**

- (a) (i) *What do you mean by 'Partnership at will' as per the Indian Partnership Act, 1932?*

**(2 Marks)**

OR

- (ii) Comment on 'the right to expel partner must be exercised in good faith' under the Indian Partnership Act, 1932. **(2 Marks)**
- (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)**
- (c) In light of provisions of the Indian Contract Act, 1872 answer the following:
- (i) Mr. S and Mr. R made contract wherein Mr. S agreed to deliver paper cup manufacture machine to Mr. R and to receive payment on delivery. On the delivery date, Mr. R didn't pay the agreed price. Decide whether Mr. S is bound to fulfil his promise at the time of delivery?
- (ii) Mr. Y given loan to Mr. G of INR 30,00,000. Mr. G defaulted the loan on due date and debt became time barred. After the time barred debt, Mr. G agreed to settle the full amount to Mr. Y. Whether acceptance of time barred debt Contract is enforceable in law?
- (iii) A & B entered into a contract to supply unique item, alternate of which is not available in the market. A refused to supply the agreed unique item to B. What directions could be given by the court for breach of such contract? **(6 Marks)**

**Answer**

**(a) (i) Partnership at will under the Partnership Act, 1932**

According to Section 7 of the Act, partnership at will is a partnership when:

1. no fixed period has been agreed upon for the duration of the partnership; and
2. there is no provision made as to the determination of the partnership.

Where a partnership entered into for a fixed term is continued after the expiry of such term, it is to be treated as having become a partnership at will.

**OR**

- (ii) A partner may not be expelled from a firm by a majority of partners except in exercise, in good faith, of powers conferred by contract between the partners. It is, thus, essential that:

- (i) the power of expulsion must have existed in a contract between the partners;
- (ii) the power has been exercised by a majority of the partners; and
- (iii) it has been exercised in good faith.

If all these conditions are not present, the expulsion is not deemed to be in *bona fide* interest of the business of the firm.

**(b) (i) Consequences of Non-registration of partnership firm:**

Under Section 69 of the Indian Partnership Act, 1932 non-registration of partnership gives rise to a number of disabilities. Though registration of firms is not compulsory, yet the consequences or disabilities of non-registration have a persuasive pressure for their registration. Following are the consequences:

- (a) **No suit in a civil court by firm or other co-partners against third party:** The firm or any other person on its behalf cannot bring an action against the third party for breach of contract entered into by the firm.
- (b) **No relief to partners for set-off of claim:** If an action is brought against the firm by a third party, then neither the firm nor the partner can claim any set-off, if the suit be valued for more than ₹ 100 or pursue other proceedings to enforce the rights arising from any contract.
- (c) **Aggrieved partner cannot bring legal action against other partner or the firm:** A partner of an unregistered firm (or any other person on his behalf) is precluded from bringing legal action against the firm or any person alleged to be or to have been a partner in the firm.
- (d) **Third-party can sue the firm:** In case of an unregistered firm, an action can be brought against the firm by a third party.

**(ii) Non-registration of a firm does not, however, affect the following rights:**

1. The right of third parties to sue the firm or any partner.
2. The right of partners to sue for the dissolution of the firm or for the settlement of the accounts of a dissolved firm, or for realization of the property of a dissolved firm.
3. The power of an Official Assignees, Receiver of Court to release the property of the insolvent partner and to bring an action.
4. The right to sue or claim a set-off if the value of suit does not exceed ₹ 100 in value.

- (c) (i)** As per Section 51 of the Indian Contract Act, 1872, when a contract consists of reciprocal promises to be simultaneously performed, no promisor needs to perform his promise unless the promisee is ready and willing to perform his reciprocal promise. Such promises constitute concurrent conditions and the performance of one of the promise is conditional on the performance of the other. If one of the promises is not performed, the other too need not be performed.

Referring to the above provisions, in the given case, Mr. S is not bound to deliver goods to Mr. R since payment was not made by him at the time of delivery of goods.

- (ii) Promise to pay time-barred debts - Section 25 (3):** Where there is an agreement, made in writing and signed by the debtor or by his agent, to pay wholly or in part a

time barred debt, the agreement is valid and binding even though there is no consideration.

In the given case, the loan given by Mr. Y to Mr. G has become time barred. Thereafter, Mr. G agreed to make payment of full amount to Mr. Y.

Referring to above provisions of the Indian Contract Act, 1872 contract entered between parties post time barred debt is valid so, Mr. G is bound to pay the agreed amount to Mr. Y provided the above mentioned conditions of section 25 (3) are fulfilled.

- (iii) Where there is a breach of contract for supply of a unique item, mere monetary damages may not be an adequate remedy for the other party. In such a case, the court may give order for specific performance and direct the party in breach to carry out his promise according to the terms of contract. Here, in this case, the court may direct A to supply the item to B because the refusal to supply the agreed unique item cannot be compensated through money.

#### Question 4

- (a) Explain any six circumstances in detail in which non-owner can convey better title to Bona fide purchaser of goods for value as per the Sale of Goods Act, 1930. (6 Marks)
- (b) P, Q, R and S are the partners in M/S PQRS & Co., a partnership firm which deals in trading of Washing Machines of various brands.

Due to the conflict of views between partners, P & Q decided to leave the partnership firm and started competitive business on 31st July, 2019, in the name of M/S PQ & Co. Meanwhile, R & S have continued using the property in the name of M/S PQRS & Co. in which P & Q also has a share.

Based on the above facts, explain in detail the rights of outgoing partners as per the Indian Partnership Act, 1932 and comment on the following:

- (i) Rights of P & Q to start a competitive business.
- (ii) Rights of P & Q regarding their share in property of M/S PQRS & Co. (6 Marks)

#### Answer

- (a) In the following cases, a non-owner can convey better title to the bona fide purchaser of goods for value.

(1) **Sale by a Mercantile Agent:** A sale made by a mercantile agent of the goods for document of title to goods would pass a good title to the buyer in the following circumstances; namely;

- (a) If he was in possession of the goods or documents with the consent of the owner;



- (b) If the sale was made by him when acting in the ordinary course of business as a mercantile agent; and
- (c) If the buyer had acted in good faith and has at the time of the contract of sale, no notice of the fact that the seller had no authority to sell (Proviso to Section 27 of the Sale of Goods Act, 1930).
- (2) **Sale by one of the joint owners (Section 28):** If one of several joint owners of goods has the sole possession of them by permission of the co-owners, the property in the goods is transferred to any person who buys them of such joint owner in good faith and has not at the time of the contract of sale notice that the seller has no authority to sell.
- (3) **Sale by a person in possession under voidable contract:** A buyer would acquire a good title to the goods sold to him by a seller who had obtained possession of the goods under a contract voidable on the ground of coercion, fraud, misrepresentation or undue influence provided that the contract had not been rescinded until the time of the sale (**Section 29**).
- (4) **Sale by one who has already sold the goods but continues in possession thereof:** If a person has sold goods but continues to be in possession of them or of the documents of title to them, he may sell them to a third person, and if such person obtains the delivery thereof in good faith and without notice of the previous sale, he would have good title to them, although the property in the goods had passed to the first buyer earlier. A pledge or other disposition of the goods or documents of title by the seller in possession are equally valid [**Section 30(1)**].
- (5) **Sale by buyer obtaining possession before the property in the goods has vested in him:** Where a buyer with the consent of the seller obtains possession of the goods before the property in them has passed to him, he may sell, pledge or otherwise dispose of the goods to a third person, and if such person obtains delivery of the goods in good faith and without notice of the lien or other right of the original seller in respect of the goods, he would get a good title to them [**Section 30(2)**].
- However, a person in possession of goods under a 'hire-purchase' agreement which gives him only an option to buy is not covered within the section unless it amounts to a sale.
- (6) **Effect of Estoppel:** Where the owner is estopped by the conduct from denying the seller's authority to sell, the transferee will get a good title as against the true owner. But before a good title by estoppel can be made, it must be shown that the true owner had actively suffered or held out the other person in question as the true owner or as a person authorized to sell the goods.
- (7) **Sale by an unpaid seller:** Where an unpaid seller who had exercised his right of lien or stoppage in transit resells the goods, the buyer acquires a good title to the goods as against the original buyer [Section 54 (3)].

**(8) Sale under the provisions of other Acts:**

- (i) Sale by an Official Receiver or Liquidator of the Company will give the purchaser a valid title.
- (ii) Purchase of goods from a finder of goods will get a valid title under circumstances [Section 169 of the Indian Contract Act, 1872]
- (iii) A sale by pawnee can convey a good title to the buyer [Section 176 of the Indian Contract Act, 1872]

**(b) (i) Rights of outgoing partner to carry on competing business (Section 36 of the Indian Partnership Act, 1932)**

- (1) An outgoing partner may carry on business competing with that of the firm and he may advertise such business, but subject to contract to the contrary, he may not,-
  - (a) use the firm name,
  - (b) represent himself as carrying on the business of the firm or
  - (c) solicit the custom of persons who were dealing with the firm before he ceased to be a partner.
- (2) Although this provision has imposed some restrictions on an outgoing partner, it effectively permits him to carry on a business competing with that of the firm. However, the partner may agree with his partners that on his ceasing to be so, he will not carry on a business similar to that of the firm within a specified period or within specified local limits. Such an agreement will not be in restraint of trade if the restraint is reasonable [Section 36 (2)]

From the above, we can infer that P & Q can start competitive business in the name of M/S PQ & Co after following above conditions in the absence of any agreement.

**(ii) Right of outgoing partner in certain cases to share subsequent profits (Section 37 of the Indian Partnership Act, 1932)**

According to Section 37, where any member of a firm has died or otherwise ceased to be partner, and the surviving or continuing partners carry on the business of the firm with the property of the firm without any final settlement of accounts as between them and the outgoing partner or his estate, then, in the absence of a contract to the contrary, the outgoing partner or his estate is entitled at the option of himself or his representatives to such share of the profits made since he ceased to be a partner as may be attributable to the use of his share of the property of the firm or to interest at the rate of six per cent per annum on the amount of his share in the property of the firm.

In the instant case, P & Q can share in property of M/s PQRS & Co. keeping in view of the above provisions.

**Question 5**

- (a) *Ms. R owns a Two Wheeler which she handed over to her friend Ms. K on sale or return basis. Even after a week, Ms. K neither returned the vehicle nor made payment for it. She instead pledged the vehicle to Mr. A to obtain a loan. Ms. R now wants to claim the Two Wheeler from Mr. A. Will she succeed?*
- (i) *Examine with reference to the provisions of the Sale of Goods Act, 1930, what recourse is available to Ms. R?*
- (ii) *Would your answer be different if it had been expressly provided that the vehicle would remain the property of Ms. R until the price has been paid? (6 Marks)*
- (b) *What are the significant points of Section 8 Company which are not applicable for other companies? Briefly explain with reference to provisions of the Companies Act, 2013. (6 Marks)*

**Answer**

- (a) As per the provisions of Section 24 of the Sale of Goods Act, 1930, when goods are delivered to the buyer on approval or "on sale or return" or other similar terms, the property therein passes to the buyer-
- (a) when the buyer signifies his approval or acceptance to the seller or does any other act adopting the transaction;
- (b) if he does not signify his approval or acceptance to the seller but retains the goods without giving notice of rejection, then, if a time has been fixed for the return of the goods, on the expiration of such time, and, if no time has been fixed, on the expiration of a reasonable time; or
- (c) he does something to the good which is equivalent to accepting the goods e.g. he pledges or sells the goods.

Referring to the above provisions, we can analyse the situation given in the question.

- (i) In the instant case, Ms. K, who had taken delivery of the two wheeler on Sale or Return basis pledged the two wheeler to Mr. A, has attracted the third condition that she has done something to the good which is equivalent to accepting the goods e.g. she pledges or sells the goods. Therefore, the property therein (Two wheeler) passes to Mr. A. Now in this situation, Ms. R cannot claim back her two wheeler from Mr. A, but she can claim the price of the two wheeler from Ms. K only.
- (ii) It may be noted that where the goods have been delivered by a person on "sale or return" on the terms that the goods were to remain the property of the seller till they

are paid for, the property therein does not pass to the buyer until the terms are complied with, i.e., price is paid for.

Hence, in this case, it is held that at the time of pledge, the ownership was not transferred to Ms. K. Thus, the pledge was not valid and Ms. R could recover the two wheeler from Mr. A.

**(b) Section 8 Company- Significant points**

- ◆ Formed for the promotion of commerce, art, science, religion, charity, protection of the environment, sports, etc.
- ◆ Requirement of minimum share capital does not apply.
- ◆ Uses its profits for the promotion of the objective for which formed.
- ◆ Does not declare dividend to members.
- ◆ Operates under a special licence from the Central Government.
- ◆ Need not use the word Ltd./ Pvt. Ltd. in its name and adopt a more suitable name such as club, chambers of commerce etc.
- ◆ Licence revoked if conditions contravened.
- ◆ On revocation, the Central Government may direct it to
  - Converts its status and change its name
  - Wind – up
  - Amalgamate with another company having similar object.
- ◆ Can call its general meeting by giving a clear 14 days notice instead of 21 days.
- ◆ Requirement of minimum number of directors, independent directors etc. does not apply.
- ◆ Need not constitute Nomination and Remuneration Committee and Shareholders Relationship Committee.
- ◆ A partnership firm can be a member of Section 8 company.

**Question 6**

- (a) *Enumerate the differences between 'Wagering Agreements' and 'Contract of Insurance' with reference to provision of the Indian Contract Act, 1872. (5 Marks)*
- (b) *Explain in detail the circumstances which lead to liability of firm for misapplication by partners as per provisions of the Indian Partnership Act, 1932. (4 Marks)*
- (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)

**Answer**

**(a) Distinction between Wagering Agreement and Contract of Insurance**

	<b>Basis</b>	<b>Wagering Agreement</b>	<b>Contract of Insurance</b>
1.	<b>Meaning</b>	It is a promise to pay money or money's worth on the happening or non happening of an uncertain event.	It is a contract to indemnify the loss.
2.	<b>Consideration</b>	There is no consideration between the two parties. There is just gambling for money.	The crux of the insurance contract is the mutual consideration (premium and compensation amount).
3.	<b>Insurable Interest</b>	There is no property in case of wagering agreement. There is betting on other's life and properties.	Insured party has an insurable interest in the life or property sought to be insured.
4.	<b>Contract of Indemnity</b>	Loser has to pay the fixed amount on the happening of an uncertain event.	Except for life insurance, the contract of insurance indemnifies the insured person against loss
5.	<b>Enforceability</b>	It is void and unenforceable agreement.	It is valid and enforceable
6.	<b>Premium</b>	No such logical calculations are required in case of wagering agreement.	Calculation of premium is based on scientific and actuarial calculation of risks.
7.	<b>Public Welfare</b>	They have been regarded as against the public welfare.	They are beneficial to the society.

**(b) Liability of Firm for Misapplication by Partners (Section 27 of Indian Partnership Act, 1932): Where-**

- (a) a partner acting within his apparent authority receives money or property from a third party and misapplies it, or

- (b) a firm in the course of its business receives money or property from a third party, and the money or property is misapplied by any of the partners while it is in the custody of the firm, the firm is liable to make good the loss.

**Analysis of section 27:**

It may be observed that the workings of the two clauses of Section 27 are designed to bring out clearly an important point of distinction between the two categories of cases of misapplication of money by partners.

Clause (a) covers the case where a partner acts within his authority and due to his authority as a partner, he receives money or property belonging to a third party and misapplies that money or property. For this provision to be attracted, it is not necessary that the money should have actually come into the custody of the firm.

On the other hand, the provision of clause (b) would be attracted when such money or property has come into the custody of the firm and it is misapplied by any of the partners.

The firm would be liable in both the cases.

- (c) **Foreign Company [Section 2(42) of the Companies Act, 2013]:** It means any company or body corporate incorporated outside India which—
- (i) has a place of business in India whether by itself or through an agent, physically or through electronic mode; and
  - (ii) conducts any business activity in India in any other manner.

Since Mike Limited is a company incorporated in India, hence, it cannot be called as a foreign company. Even though, Liaison was officially established at Singapore, it would not be called as a foreign company as per the provisions of the Companies Act, 2013.

**SECTION B – BUSINESS CORRESPONDENCE AND REPORTING**

Question No. 7 is compulsory.

Attempt any **three** questions from the remaining **four** questions.

**Question 7**

- (a) Mr. Ramesh, the HR Head of ABC Insurance Co. Ltd., who is having charge of training and development also, during his twelve years with the Company. He had the experience of training and developing numerous employees, only to see many of them leave the firm after getting their advanced degrees. The Company has a Policy of reimbursement of 90% of the cost incurred on tuition fee, books etc. for acquiring such qualifications. Only those employees who have taken prior permission of HR before enrolment in such program/degree and completed three years of service are eligible for seeking the reimbursement. A proof of its popularity was that most of the junior and middle level managers had availed this facility to advance their qualifications.

Mr. Kumar, a Sales Executive, who had joined the Company just three years ago had also availed the aforesaid facility for pursuing a course in Business Management and had recently completed his master's degree in business management' and submitted the same to the Company for seeking reimbursement and recording additional qualifications acquired in official records.

Mr. Ramesh congratulated him and added the additional qualifications acquired by him in the Company records and assured him to consider him for higher position keeping in view his qualifications in near future and of course subject to availability of vacancy as per the approved Organisation Chart. Further Mr. Ramesh allowed reimbursement of 90% of the cost incurred as per the Policy. Mr. Kumar on his achievement when he came to see and thank HR

Head, but was strongly taken aback when he expressed his intention to leave the Company in favour of a competitor because he did not see any future for himself in ABC Insurance Co. Ltd. Head HR was annoyed as this had happened so many times in the past. He immediately rushed to see the Marketing Director to seek support for reviewing and discontinuing the Policy of educational reimbursement with immediate effect or to put a condition that all those employees who acquired such qualifications and reimbursed 90% of the expenses shall at least serve the Company for a minimum of 3 years after seeking such reimbursement.

- (i) What could be the possible reasons behind employees quitting the Company after acquiring higher qualifications? **(2 Marks)**
- (ii) Is there any need to amend or abandon the Policy of educational reimbursement? **(1 Marks)**
- (iii) What measures do you suggest for overcoming high employee attrition problem?

(2 Marks)

(b) Read the Passage :

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

(3 Marks)

(ii) Write Summary 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.

(2 Marks)

**Answer**

- (a) (i) The employees after acquiring higher qualifications expect a sizeable salary increment and career growth commensurate with their current qualifications. In absence of a concrete incentive or promotion policy aligned with qualification enhancement scheme, the employees start looking for better opportunities with other companies in the sector and quit the job as soon as they get it.
- (ii) The policy needs to be amended. Abandoning the policy will be demoralizing for the employees.
- (iii) Attrition can be contained in this organization by amending the current reimbursement policy. Here are a few recommended changes:



1. The policy needs to be aligned with a concrete incentive/promotion policy, with lucrative perks such as fully paid family holidays once a year.
  2. The policy should be offered to only the top 20% of employees who have been performing consistently for the last 3 years.
  3. The employees availing the policy should be bound by a commitment to serve the company for a stipulated period or pay double the amount, by making them sign a bond.
  4. The cost of qualification enhancement should be paid in 36 equal monthly instalments to make them stay at least for the next three years.
    - a. by the company
    - b. by the employee as an interest free loan
  5. Periodically benchmarking salary structure and perks vis-a-vis other organisations in the sector to ensure employee satisfaction.
  6. Adopting a robust periodically reviewed appraisal policy to ensure the inclusion of the deserving employees
  7. Providing fast-track career growth options, to the selected employees on the basis of their performance
  8. Ensuring a conducive, cordial and harmonious work environment, where team spirit is strongly inculcated and encouraged
  9. Establishing a strong ethical leadership that encourage employees to voice their grievances and initiate discussions and resolve their issues/predicaments objectively.
  10. Sponsoring and conducting periodic short and long term training programs /courses to enable employees to upgrade knowledge and enrich their skills.
- (b) (i)** Note Making, Recycle, Reuse, Reduce
- Recylyg,
    - 1.1 Prcsng. /reusing waste, create utility items
    - 1.2 Examples
      - 1.2.1 Prcsng. used paper, cups and cardboards
        - 1.2.1.1 Bnfts.
          - 1.2.1.1.1 Cnsrvs. envrmt.
          - 1.2.1.1.2 Mnmzs. Ctnng. of trees
      - 1.2.2 Reusing plastic

1.2.2.1 Bnfts.

1.2.2.1.1 Rdcs. air poltn.

1.2.2.1.2 Rdcs. water poltn.

1.3 Bnfts.

1.3.1 Cnsrvs. natural resources

1.3.2 Cnsrvs. energy

1.3.3 Rdcs. poltn.

1.3.4 Mnmzs. the need for raw material

1.3.5 Eco-friendly

1.3.6 Helps create better lvng. cndtns.

Key to Abbreviations:

1. Recyclg.- recycling
2. Prcsng. -processing
3. Bnfts.-benefits
4. Cnsrvs.-conserve
5. Envmt.-environment
6. Mnmzs.-minimizes
7. Ctng.-cutting
8. Rdcs.-reduces
9. Poltn.-pollution
10. Lvng.-living
11. Cndtns.-conditions

**(ii) Summary**

Recycling can be termed as processing or reusing waste to create new utility items. For example, used paper, cardboards and paper cups can be recycled to create new ones. This helps in conserving the environment by minimizing cutting of trees. Plastic can be reused thus, reducing air and water pollution. Recycling has many benefits including conservation of natural resources and energy, reducing pollution, minimizing the need for raw material, helping to create better living conditions on our planet earth.

**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) *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:*

*These days, it is not unusual to see people listening to music or using their electronic gadgets while crossing busy roads or travelling on public transport, regardless of the risks involved. I have often wondered why they take such risks, is it because they want a sense of independence, or is it that they want to tell everybody to stop bothering them? Or is it that they just want to show how cool they are? Whether it is a workman or an executive, earphones have become an inseparable part of our lives, sometimes even leading to tragicomic situations.*

*The other day, an electrician had come to our home to repair iron. We told him in detail what the fault was and needed to be done. But after he left, I found that the man had done almost nothing and iron was not working even after repair. It later turned out that he could not hear our directions clearly because he had an earphone on. Many of such earphones addicts commute by the Metro every day. While one should not be grudge anyone their moments of privacy or their love for music, the fact is 'iPod oblivion' can sometimes be very dangerous.*

*Recently, I was travelling with my wife on the Metro. Since the train was approaching the last station, there weren't too many passengers. In our compartment, other than us,*

*there were only two women sitting on the other side of the aisle. And then suddenly, I spotted a duffel bag. The bomb scare lasted for several minutes. Then suddenly, a youth emerged from nowhere and picked up the bag. When we tried to stop him, he looked at us, surprised. Then he took off his earpieces, lifted the bag, and told us that the bag belonged to him and that he was going to get off at the next station.*

*We were stunned but recovered in time to ask him where he was all this while. His answer was that in the compartment, leaning against the door totally involved in the music. He had no clue about what was going on around him. When he got off, earplugs in his hand, we could hear strains of the song.* (5 Marks)

**Answer**

(a) In most cases the body language comprising facial expressions, gesticulation and posture genuinely convey the speaker's intent which might not match with his speech. However, seasoned fraudsters and criminals can control their body language to match their words, hiding their true intent.

(b) (i) Glittering

(ii) Inconstancy

(iii) Varun suggested/said/advised that every kid should learn coding.

(c) **Precis**

Title: Ubiquitous Earphones and Probable Risks / Risks of Earphone

People are hooked to gadgets so much so that they use them while travelling and even crossing roads. Possible reasons are that they do not want to be bothered or they want to project themselves as being tech-savvy. Almost everybody is seen with earphones on, busy in their own virtual world, oblivious to the real world around. This leads to unexpected and serious events occurring in the most mundane situations. Skilled labour like electricians with the earphones on, do not pay heed to instructions thus do not deliver as per expectations, wasting precious man-hours and efforts. In public transport such as Metro, carefree passengers recklessly keep their luggage in any random corner. While they are engrossed in music, comfortably dozing off during travel, their unattended luggage sometimes leads to alarming situations such as bomb hoax causing an unnecessary ruckus and severe inconvenience to other commuters.

**Question 9**

(a) *What is formal communication, explain.* (2 Marks)

OR

*Encoding the matter is an important element of communication, comments?* (2 Marks)

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

*Concise*

(1) *Brief*

(2) *Better*

(3) *Important*

(4) *Interesting*

**(1 Marks)**

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

*Cryptic*

(1) *Pertinent*

(2) *Common*

(3) *Mysterious*

(4) *Loyalty*

**(1 Marks)**

(iii) Change the following sentence to indirect speech:

*"Do you suppose you know better than your own father?" jeered his angry mother.*

**(1 Marks)**

(c) Draft Newspaper Report on "Project to interconnect rivers in India" to be published in a national newspaper. **(5 Marks)**

### **Answer**

- (a) Formal communication, both oral and written, follows certain rules, principles and conventions in conveying the message. The hierarchy in the organization has to be followed. Formal format, style and language have to be used. The communication pattern can be vertical, horizontal or diagonal.
- Vertical: Information can flow upwards or downwards in the organization. Data that is collected flows up to the top levels of management for review and decision making, while instructions and orders are passed down from the management/ seniors to the subordinates for implementation.
  - Horizontal: Horizontal communication that involves communication between two parts of the organization at the same level. For example, the managers of a project in a company may hold a regular daily, weekly or monthly meeting to discuss the progress of the project.
  - Diagonal: Cross-functional communication between employees at different levels of the organizational hierarchy is described as diagonal communication. Diagonal communication is increasingly common in larger organizations. It reduces the chances of distortion or misinterpretation by encouraging direct communication between the

relevant parties. For example, a junior engineer reports directly to the General Manager regarding the progress on the project.

**OR**

Encoding is an important step in the process of communication as it converts/envelopes the message contents into a format/version that is amenable to be sent through the medium. It adds certain specific details to the message so that it can be easily sent across the medium and can be easily interpreted by the receiver at the other end of the medium. This step is built-in or rendered by the medium. For example for a message to be sent through an e-mail, it requires us to compose a message and then copy the contents of the message into the given interface. Without this step, the message cannot be sent. Likewise, if we want to send a message through postal service we need to enclose the message into an envelope with postal stamps in order to send it. In verbal communication, we add diction, tone, modulation, gestures and facial expressions to make the communication more effective.

- (b) (i) Brief**
- (ii) Mysterious**
- (iii) His angry mother jeered and asked (jeeringly asked) the son whether (if) he supposed he knew better than his father.**

**(c) Project to interconnect rivers in India**

By XXX

India is bestowed with abundant natural water resources in the form of a network of perennial and seasonal rivers flowing across the length and breadth of its landscape. But the lack of homogeneity of water resources has led to large scale research and implementation for water resources development in India in order to boost agricultural production, improve domestic water supply, and address the energy crisis.

The interlinking of rivers in India is an ambitious mega-project in engineering called the National River Linking Project (NRLP). It is in the planning stage that aims to connect Indian rivers through a network of reservoirs canals and dams. This would facilitate transfer of water from surplus regions in the north-east with major rivers i.e. the Ganges and the Brahmaputra, to the water scarce areas of western and southern India. It will connect 37 rivers and will have 3,000 storages.

The project will substantially increase the utilizable water resource and hydropower potential. Other major advantages include prevention of floods striking every year in the Ganga and Brahmaputra region, saving human lives, livelihood, preventing huge material losses and devastation. This will also provide water throughout the year to farmers who

will not be dependent on monsoon. The land under irrigation will increase by about 15%. The inland waterway transportation for nearly 15,000 km will be developed.

However, the mammoth mega-project poses a lot of challenges. Apart from an exorbitant cost estimate and the time required, there are various environmental and socio-economic and political challenges and concerns attributed with the project. Clearing the forest and adjoining land earmarked for reservoirs will change the landscape and environment drastically causing irreversible climate changes in the area. Local inhabitants including a sizeable tribal population will have to be rehabilitated, which might be faced with a strong backlash from their leaders and various NGOs. These concerns need to be diligently studied, researched and addressed before the project is embarked upon.

Source: National Water Planning Institute (NWPI)

### Question 10

- (a) Explain how listening for Understanding helps in communication. **(2Marks)**
- (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 an article of about 250 words on the topic, "The Pros and cons of online education in India". **(5 Marks)**

### Answer

- (a) As we 'hear' conversations, news, gossip and many other forms of speech, we do not listen to it carefully and therefore are not able to understand or partially understand or misunderstand the message. A good listener does not only listen to the spoken words, but observes carefully the nonverbal cues to understand the complete message. He absorbs the given information, processes it, understands its context and meaning to form an accurate, reasoned, intelligent response. The listener has to be objective, practical and in control of his emotions. Often the understanding of a listener is coloured by his own emotions, judgments, opinions, and reactions to what is being said. While listening for understanding, we focus on the individual and his agenda. A perceptive listener is able to satisfy a customer and suggest solutions as per the needs of the client.
- (b) (i) The entire stretch of the highway was cleaned by the crew.
- (ii) The homeowners remodelled the house to sell it. / The homeowners remodelled the house to help it sell.

(iii) Socrates said that virtue is its own reward.

**(c) The Pros and Cons of online education in India**

By S. Kumar

Online education in India, though not a new concept in higher education has become an inevitable reality for learners across the board at all levels including school colleges and universities. The recent paradigm shift in knowledge delivery from a physical classroom to a virtual one due to the sudden onslaught of COVID-19 pandemic has raised many a debate about the efficacy of online learning and credibility of courses offered.

There are many advantages of online learning, foremost is the flexibility and convenience of time and place. One can pursue course contents anytime, anywhere just using their smart devices. Short term courses can be pursued by enthusiastic learners ranging from enhancing their skills in communication, team dynamics and leadership to learning new languages, IT programming, online accounting software solutions and many others. These courses are much more cost effective as compared to regular class-room courses thus economically viable to a large spectrum of learners. Such courses inculcate discipline, responsibility, commitment and focus.

Before signing up for one, accreditation, relevance and contents of these courses must be duly verified and checked. Since there is little or no one-on-one interaction with the teachers, it may lead to learning gaps. With hardly any stipulation or protocol, most learners may lose interest or focus, may quit the course before completion or defer the end term exam, defeating the purpose of joining.

Online learning poses many constraints for young school children. They are not able to develop many skills that they would in a physical classroom such as interaction with peers and following instructions. Practical experiments which are integral to the senior school curriculum are difficult to demonstrate and explain. Therefore, online education is an effective mode of learning for mature and conscientious learners only.

(Source.....)

**Question 11**

(a) *Explain Wheel & Spoke network in communication.* **(2 Marks)**

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

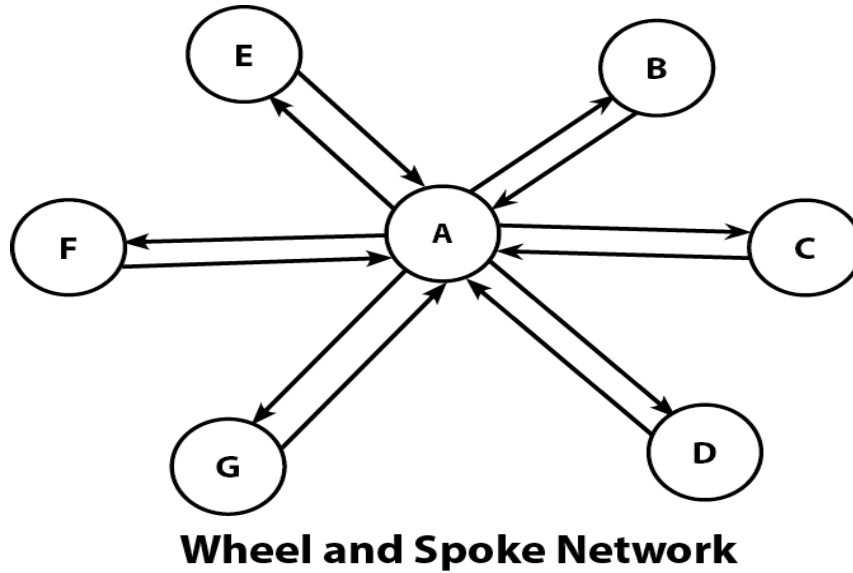
- (i) *To be a mastermind*
- (1) *To be a pioneer*
- (2) *To be an entrepreneur*
- (3) *To be an amateur*



- (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* (1 Marks)
- (c) *Write a letter to an applicant informing him about the postponement of his interview date.* (4 Marks)

**Answer**

- (a) In Wheel and Spoke network in communication there is a single controlling authority who gives instructions and orders to all employees working under him/her. All employees get instructions directly from the leader and report back to him/her. It is direct and efficient for a small business/company, but an inappropriate way of communication in a large organization with many people. A company with many employees needs a complete hierarchy of decision makers. In a big organisation, this network will fail if the central figure is not competent.



- (b) (i) To be a pioneer  
(ii) Perplexed  
(iii) Will a story be told to me by you?  
(iv) Fight

(c) **Letter**

ABC Consultants Pvt. Ltd,  
21, Spearhead Arcade,  
Eastern Avenue Road,  
Jackson Heights,  
New Delhi xx00xx.} Sender's address

To

Date: Dec 10, 20xx

Mr. XYZ,  
45-A, BSD Enclave,  
DFG Lane,  
Begumpur,  
New Delhi xx00xx  
Dear Mr. XYZ,

**Subject: Postponement of personal interaction to be held on Dec 15, 20xx**

Greetings! We hereby inform that your personal interaction with the HR team for the position of **Senior Manager Finance** scheduled to be held on Dec 15, 20xx has been postponed. The same has been rescheduled for Monday, Dec 21, 20xx at 10 a.m.

We regret any inconvenience caused and look forward to discussing your prospective role in context with the recent changes brought about by our management in the finance team.

Best Regards,

S. Kumar

Manager, HR

ABC Consultants Pvt. Ltd.

Roll No. ....

Total No. of Printed Pages : 12

Total No. of Questions : 11

Maximum Marks : 100

Time allowed : 3 Hours

### IMPORTANT INSTRUCTIONS TO CANDIDATES

1. Questions 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. Questions in Section B, are to be answered in English only, by all the candidates, including those who have opted for Hindi medium.
3. Answers 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.

1. (a) X found a wallet in a restaurant. He enquired of all the customers present there but the true owner could not be found. He handed over the same to the manager of the restaurant to keep till the true owner is found. After a week he went back to the restaurant to enquire about the wallet. The manager refused to return it back to X, saying that it did not belong to him.

In the light of the Indian Contract Act, 1872, can X recover it from the Manager?

(4 Marks)

LTC

SEAL

( 2 )

**LTC**

(b) Mr. Anil formed a One Person Company (OPC) on 16<sup>th</sup> April, 2018 for manufacturing electric cars. The turnover of the OPC for the financial year ended 31<sup>st</sup> March, 2019 was about Rs. 2.25 Crores. His friend Sunil wanted to invest in his OPC, so they decided to convert it voluntarily into a private limited company. Can Anil do so?

(4 Marks)

(c) State the various essential elements involved in the sale of unascertained goods and its appropriation as per the Sale of Goods Act 1930.

(4 Marks)

2. (a) Define consideration. What are the legal rules regarding consideration under the Indian Contract Act, 1872?

(7 Marks)

(b) Discuss the conditions under which LLP will be liable and not liable for the acts of the partner.

(5 Marks)

3. (a) (i) When the continuing guarantee can be revoked under the Indian Partnership Act, 1932?

(2 Marks)

**OR**

(ii) What do you mean by Goodwill as per the provisions of Indian Partnership Act, 1932?

(2 Marks)

(b) With reference to the provisions of Indian partnership Act, 1932 explain the various effects of insolvency of a partner.

(4 Marks)

(c) Mr. Sonumal a wealthy individual provided a loan of Rs. 80,000 to Mr. Datumal on 26.02.2019. The borrower Mr. Datumal asked for a further loan of Rs. 1,50,000. Mr. Sonumal agreed but provided the loan in parts at different dates. He provided Rs. 1,00,000 on 28.02.2019 and remaining Rs. 50,000 on 03.03.2019.

On 10.03.2019 Mr. Datumal while paying off part Rs. 75,000 to Mr. Sonumal insisted that the lender should adjusted Rs. 50,000 towards the loan taken on 03.03.2019 and balance as against the loan on 26.02.2019.

**LTC**

( 3 )

LTC

Mr. Sonumal objected to this arrangement and asked the borrower to adjust in the order of data of borrowal of funds.

Now you decide:

- (i) Whether the contention of Mr. Datumal correct or otherwise as per the provisions of the Indian Contract Act 1872?
- (ii) What would be the answer in case the borrower does not insist on such order of adjustment of repayment?
- (iii) What would the mode of adjustment/appropriation of such part payment in case neither Mr. Sonumal nor Mr. Datumal insist any order of adjustment on their part? (6 Marks)

4. (a) What are the rights of an unpaid seller against goods under the Sale of Goods Act, 1930? (6 Marks)
- (b) Master X was introduced to the benefits of partnership of M/s ABC & Co. with the consent of all partners. After attaining majority, more than six months elapsed and he failed to give a public notice as to whether he elected to become or not to become a partner in the firm. Later on, Mr. L, a supplier of material to M/s ABC & Co., filed a suit against M/s ABC & Co. for recovery of the debt due.

In the light of the Indian Partnership Act, 1932, explain:

- (i) To what extent X will be liable if he failed to give public notice after attaining majority?
  - (ii) Can Mr. L recover his debt from X? (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.

LTC

P.T.O.

( 4 )

**LTC**

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?

Explain the basic law on sale by sample under Sale of Goods Act 1930?

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)

(b) "The Memorandum of Association is a charter of a company". Discuss. Also explain in brief the contents of Memorandum of Association. (6 Marks)

6. (a) Explain the term 'Coercion' and what are the effects of coercion under Indian Contract Act, 1872. (5 Marks)

(b) "Dissolution of a firm is different from dissolution of Partnership". Discuss. (4 Marks)

(c) 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? (3 Marks)

**LTC**

(5)

LTC

SECTION B — (40 Marks)

Question No.7 is compulsory.

Answer any **THREE** questions from the remaining **FOUR** questions.

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)

LTC

P.T.O.



(6)

LTC

(b) Read the Passage :

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

(ii) Write summary (2 Marks)

People do not always do the things we want them to do. No matter how reasonable or minimal our expectations may be, there are times when we are let down. Naturally, we feel upset and hurt when our expectations are not met. We dread confrontations because they are unpleasant and can damage relationships.

Yet not confronting a person does not solve the problem because unresolved issues also affect relationships in an adverse way. Actually, the real problem lies in our style of confrontation, not in the issue.

Typically, we use character-based confrontations. They help in venting our anger and hurt, but that is the only thing they do. They lead to angry show-downs and bring all discussions to a grinding halt. It is important to remember that self-image is the most important possession of all human beings.

It is the way we view and regard ourselves in our own eyes and in the eyes of others. As self-conscious beings, we are actually aware of our image and constantly work towards protecting it from any damage.

We also seek approval from others about our own self-image. We feel distraught if we sense that there is even a slight threat to our self image, because our character is the essence of our lives. To ensure a rational dialogue over dashed expectations, we need to deploy issued based confrontations. They involve an explanation of which actions have bothered us, in what manner and what changes we would like from the other person.

LTC

(7)

LTC

8. (a) Discuss the process of communication. (2 Marks)
- (b) (i) Choose the word which best expresses the meaning of the given word : (1 Mark)

**Abundant**

- (1) Plentiful
- (2) Sufficient
- (3) Enough
- (4) Many

- (ii) Select a suitable antonym for the word given under: (1 Mark)

**Adumbrate**

- (1) Elaborate
- (2) Summarize
- (3) Angry
- (4) Happy

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

Reena said, "Nobody can solve the problem on the earth".

(1 Mark)

LTC

P.T.O.

## LTC

- (c) Write a Précis and give appropriate title to the passage given below:

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.

(5 Marks)

LTC

(9)

**LTC**

9. (a) (i) Discuss the term "Visual 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: (1 Mark)

**Relevant**

- (1) Related
- (2) Important
- (3) Pertinent
- (4) Common

- (ii) Choose the word which best expresses the meaning of the given word: (1 Mark)

**Unabashed**

- (1) Not fast
- (2) Not Finding
- (3) Not Embarrassed
- (4) Not Angry

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

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

- (c) Draft Newspaper Report on "Flood situation grim in southern, western states" to be published in a National newspaper. (5 Marks)

**LTC**

**P.T.O.**

( 10 )

LTC

10. (a) Explain how emotional awareness and control helps in communication? (2 Marks)
- (b) (i) Change the sentence from Active to Passive Voice. (1 Mark)  
The audience loudly cheered the Prime Minister's speech.
- (ii) Change the sentence from Passive to Active Voice (1 Mark)  
The Bird was killed by a cruel boy.
- (iii) Change the following sentence to indirect speech. (1 Mark)  
He said, "My Mother is writing letters".
- (c) Write an article of about 250 words on the topic, "The importance of water conservation" (5 Marks)
11. (a) Define the areas where chain network of communication is found in an organization. (2 Marks)
- (b) Select the correct meaning of Idioms/Phrases given below:
- (i) Takes Two to Tango (1 Mark)  
(1) Two people are required for dancing  
(2) Two people are required for creating mischief.  
(3) Two people required to clean floor.  
(4) Two people required to help others.
- (ii) Storm in a teacup (1 Mark)  
(1) Crave for something  
(2) Least importance  
(3) Emergency situation  
(4) Make a big issue out of a small thing.

LTC

( 11 )

**LTC**

(iii) Change the sentence into Active Voice: (1 Mark)  
They will be given a ticket for over speeding by the police inspector.

(iv) Choose the word which best expresses the meaning of the given word. (1 Mark)

Myriad

(1) Dramatic

(2) To Fetch

(3) Many

(4) Confusion

(c) Write a letter to a bank requesting them to stop payment of a cheque which has been reported lost. (4 Marks)

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**LTC**

**P.T.O.**

**PAPER – 2: BUSINESS LAW & BUSINESS CORRESPONDENCE AND REPORTING**

**SECTION A – BUSINESS LAWS**

*Question No. 1 is compulsory.*

*Attempt any **four** questions from the remaining **five** questions.*

**Question 1**

- (a) *X found a wallet in a restaurant. He enquired of all the customers present there but the true owner could not be found. He handed over the same to the manager of the restaurant to keep till the true owner is found. After a week he went back to the restaurant to enquire about the wallet. The manager refused to return it back to X, saying that it did not belong to him.*

*In the light of the Indian Contract Act, 1872, can X recover it from the Manager?*

**(4 Marks)**

- (b) *Mr. Anil formed a One Person Company (OPC) on 16<sup>th</sup> April, 2018 for manufacturing electric cars. The turnover of the OPC for the financial year ended 31<sup>st</sup> March, 2019 was about ₹ 2.25 Crores. His friend Sunil wanted to invest in his OPC, so they decided to convert it voluntarily into a private limited company. Can Anil do so?* **(4 Marks)**
- (c) *State the various essential elements involved in the sale of unascertained goods and its appropriation as per the Sale of Goods Act, 1930.* **(4 Marks)**

**Answer**

- (a) **Responsibility of finder of goods (Section 71 of the Indian Contract Act, 1872):** A person who finds goods belonging to another and takes them into his custody is subject to same responsibility as if he were a bailee.

Thus, a finder of lost goods has:

- (i) to take proper care of the property as man of ordinary prudence would take
- (ii) no right to appropriate the goods and
- (iii) to restore the goods if the owner is found.

In the light of the above provisions, the manager must return the wallet to X, since X is entitled to retain the wallet found against everybody except the true owner.

- (b) As per the provisions of Sub-Rule (7) of Rule 3 of the *Companies (Incorporation) Rules, 2014*, an OPC cannot convert voluntarily into any kind of company unless two years have expired from the date of its incorporation, except threshold limit (paid up share capital) is increased beyond fifty lakh rupees or its average annual turnover during the relevant period exceeds two crore rupees.

In the instant case, Mr. Anil formed an OPC on 16<sup>th</sup> April, 2018 and its turnover for the financial year ended 31<sup>st</sup> March, 2019 was Rs. 2.25 Crores. Even though two years have not expired from the date of its incorporation, since its average annual turnover during the period starting from 16<sup>th</sup> April, 2018 to 31<sup>st</sup> March, 2019 has exceeded Rs. 2 Crores, Mr. Anil can convert the OPC into a private limited company along with Sunil.

- (c) **Sale of unascertained goods and Appropriation (Section 23 of the Sale of Goods Act, 1930):** Appropriation of goods involves selection of goods with the intention of using them in performance of the contract and with the mutual consent of the seller and the buyer.

The essentials are:

- (a) There is a contract for the sale of unascertained or future goods.
- (b) The goods should conform to the description and quality stated in the contract.
- (c) The goods must be in a deliverable state.
- (d) The goods must be unconditionally appropriated to the contract either by delivery to the buyer or his agent or the carrier.
- (e) The appropriation must be made by:
  - (i) the seller with the assent of the buyer; or
  - (ii) the buyer with the assent of the seller.
- (f) The assent may be express or implied.
- (g) The assent may be given either before or after appropriation.

#### Question 2

- (a) *Define consideration. What are the legal rules regarding consideration under the Indian Contract Act, 1872?* **(7 Marks)**
- (b) *Discuss the conditions under which LLP will be liable and not liable for the acts of the partner.* **(5 Marks)**

#### Answer

- (a) **Consideration [Section 2(d) of the Indian Contract Act, 1872]:** When at the desire of the promisor, the promisee or any other person has done or abstained from doing, or does or abstains from doing or promises to do or abstain from doing something, such an act or abstinence or promise is called consideration for the promise.

#### Legal Rules Regarding Consideration

- (i) **Consideration must move at the desire of the promisor:** Consideration must be offered by the promisee or the third party at the desire or request of the promisor. This implies "return" element of consideration.



- (ii) **Consideration may move from promisee or any other person:** In India, consideration may proceed from the promisee or any other person who is not a party to the contract. In other words, *there can be a stranger to a consideration but not stranger to a contract.*
- (iii) **Executed and executory consideration:** A consideration which consists in the performance of an act is said to be executed. When it consists in a promise, it is said to be executory. The promise by one party may be the consideration for an act by some other party, and vice versa.
- (iv) **Consideration may be past, present or future:** It is a general principle that consideration is given and accepted in exchange for the promise. The consideration, if past, may be the motive but cannot be the real consideration of a subsequent promise. But in the event of the services being rendered in the past at the request or the desire of the promisor, the subsequent promise is regarded as an admission that the past consideration was not gratuitous.
- (v) **Consideration need not be adequate:** Consideration need not to be of any particular value. It need not be approximately of equal value with the promise for which it is exchanged but it must be something which the law would regard as having some value.
- (vi) **Performance of what one is legally bound to perform:** The performance of an act by a person who is legally bound to perform the same cannot be consideration for a contract. Hence, a promise to pay money to a witness is void, for it is without consideration. Hence such a contract is void for want of consideration.  
  
But where a person promises to do more than he is legally bound to do, such a promise provided it is not opposed to public policy, is a good consideration. It should not be vague or uncertain.
- (vii) **Consideration must be real and not illusory:** Consideration must be real and must not be illusory. It must be something to which the law attaches some value. If it is legally or physically impossible it is not considered valid consideration.
- (viii) **Consideration must not be unlawful, immoral, or opposed to public policy.** Only presence of consideration is not sufficient it must be lawful. Anything which is immoral or opposed to public policy also cannot be valued as valid consideration.

**(b) Conditions under which LLP will be liable [Section 27(2) of the LLP Act, 2008]**

The LLP is liable if a partner of a LLP is liable to any person as a result of a wrongful act or omission on his part in the course of the business of the LLP or with its authority.

**Conditions under which LLP will not be liable [Section 27(1) of the LLP Act, 2008]**

A LLP is not bound by anything done by a partner in dealing with a person if—

- (a) the partner in fact has no authority to act for the LLP in doing a particular act; and

- (b) the person knows that he has no authority or does not know or believe him to be a partner of the LLP.

**Question 3**

- (a) (i) *When the continuing guarantee can be revoked under the Indian Partnership Act, 1932?*  
(2 Marks)

**OR**

- (ii) *What do you mean by Goodwill as per the provisions of Indian Partnership Act, 1932?*  
(2 Marks)
- (b) *With reference to the provisions of Indian partnership Act, 1932 explain the various effects of insolvency of a partner.*  
(4 Marks)
- (c) *Mr. Sonumal a wealthy individual provided a loan of ₹ 80,000 to Mr. Datumal on 26.02.2019. The borrower Mr. Datumal asked for a further loan of ₹ 1,50,000. Mr. Sonumal agreed but provided the loan in parts at different dates. He provided ₹ 1,00,000 on 28.02.2019 and remaining ₹ 50,000 on 03.03.2019.*

*On 10.03.2019 Mr. Datumal while paying off part ₹ 75,000 to Mr. Sonumal insisted that the lender should adjusted ₹ 50,000 towards the loan taken on 03.03.2019 and balance as against the loan on 26.02.2019.*

*Mr. Sonumal objected to this arrangement and asked the borrower to adjust in the order of date of borrowal of funds.*

*Now you decide:*

- (i) *Whether the contention of Mr. Datumal correct or otherwise as per the provisions of the Indian Contract Act, 1872?*
- (ii) *What would be the answer in case the borrower does not insist on such order of adjustment of repayment?*
- (iii) *What would the mode of adjustment/appropriation of such part payment in case neither Mr. Sonumal nor Mr. Datumal insist any order of adjustment on their part?*

**(6 Marks)**

**Answer**

- (a) (i) **Revocation of continuing guarantee (Section 38 of the Indian Partnership Act, 1932)**

According to section 38, a continuing guarantee given to a firm or to third party in respect of the transaction of a firm is, in the absence of an agreement to the contrary, revoked as to future transactions from the date of any change in the constitution of the firm. Such change may occur by the death, or retirement of a partner, or by introduction of a new partner.

OR

- (ii) **Goodwill:** The term “Goodwill” has not been defined under the Indian Partnership Act, 1932. Section 14 of the Act lays down that goodwill of a business is to be regarded as a property of the firm.

Goodwill may be defined as the value of the reputation of a business house in respect of profits expected in future over and above the normal level of profits earned by undertaking belonging to the same class of business.

**(b) Effects of insolvency of a partner (Section 34 of the Indian Partnership Act, 1932):**

- (i) The insolvent partner cannot be continued as a partner.
- (ii) He will be ceased to be a partner from the very date on which the order of adjudication is made.
- (iii) The estate of the insolvent partner is not liable for the acts of the firm done after the date of order of adjudication.
- (iv) The firm is also not liable for any act of the insolvent partner after the date of the order of adjudication,
- (v) Ordinarily, the insolvency of a partner results in dissolution of a firm; but the partners are competent to agree among themselves that the adjudication of a partner as an insolvent will not give rise to dissolution of the firm.

**(c) Appropriation of Payments:** In case where a debtor owes several debts to the same creditor and makes payment which is not sufficient to discharge all the debts, the payment shall be appropriated (i.e. adjusted against the debts) as per the provisions of Section 59 to 61 of the Indian Contract Act, 1872.

- (i) As per the provisions of 59 of the Act, where a debtor owing several distinct debts to one person, makes a payment to him either with express intimation or under circumstances implying that the payment is to be applied to the discharge of some particular debt, the payment, if accepted, must be applied accordingly.

Therefore, the contention of Mr. Datumal is correct and he can specify the manner of appropriation of repayment of debt.

- (ii) As per the provisions of 60 of the Act, where the debtor has omitted to intimate and there are no other circumstances indicating to which debt the payment is to be applied, the creditor may apply it at his discretion to any lawful debt actually due and payable to him from the debtor, where its recovery is or is not barred by the law in force for the time being as to the limitation of suits.

Hence in case where Mr. Datural fails to specify the manner of appropriation of debt on part repayment, Mr. Sonumal the creditor, can appropriate the payment as per his choice.

- (iii) As per the provisions of 61 of the Act, where neither party makes any appropriation, the payment shall be applied in discharge of the debts in order of time, whether they are or are not barred by the law in force for the time being as to the limitation of suits. If the debts are of equal standing, the payments shall be applied in discharge of each proportionately.

Hence in case where neither Mr. Datural nor Mr. Sonumal specifies the manner of appropriation of debt on part repayment, the appropriation can be made in proportion of debts.

#### Question 4

- (a) *What are the rights of an unpaid seller against goods under the Sale of Goods Act, 1930?* **(6 Marks)**
- (b) *Master X was introduced to the benefits of partnership of M/s ABC & Co. with the consent of all partners. After attaining majority, more than six months elapsed and he failed to give a public notice as to whether he elected to become or not to become a partner in the firm. Later on, Mr. L, a supplier of material to M/s ABC & Co., filed a suit against M/s ABC & Co. for recovery of the debt due.*

*In the light of the Indian Partnership Act, 1932, explain:*

- (i) *To what extent X will be liable if he failed to give public notice after attaining majority?*
- (ii) *Can Mr. L recover his debt from X?* **(6 Marks)**

#### Answer

- (a) **Rights of an unpaid seller against the goods:** As per the provisions of Section 46 of the Sale of Goods Act, 1930, notwithstanding that the property in the goods may have passed to the buyer, the unpaid seller of goods, as such, has by implication of law-

- (a) a lien on the goods for the price while he is in possession of them;
- (b) in case of the insolvency of the buyer, a right of stopping the goods in transit after he has parted with the possession of them;
- (c) a right of re-sale as limited by this Act. [Sub-section (1)]

Where the property in goods has not passed to the buyer, the unpaid seller has, in addition to his other remedies, a right of withholding delivery similar to and co-extensive with his rights of lien and stoppage in transit where the property has passed to the buyer. [Sub-section (2)]

**These rights can be exercised by the unpaid seller in the following circumstances:**

- (i) **Right of lien (Section 47):** According to sub-section (1), the unpaid seller of goods who is in possession of them is entitled to retain possession of them until payment or tender of the price in the following cases, namely:-
  - (a) where the goods have been sold without any stipulation as to credit;
  - (b) where the goods have been sold on credit, but the term of credit has expired;
  - (c) where the buyer becomes insolvent.
- (ii) **Right of stoppage in transit (Section 50):** When the buyer of goods becomes insolvent, the unpaid seller who has parted with the possession of the goods has the right of stopping them in transit, that is to say, he may resume possession of the goods as long as they are in the course of transit, and may retain them until paid or tendered price of the goods.
- (iii) **Right to re-sell the goods (Section 54):** The unpaid seller can exercise the right to re-sell the goods under the following conditions:
  - 1. Where the goods are of a perishable nature
  - 2. Where he gives notice to the buyer of his intention to re-sell the goods
  - 3. Where an unpaid seller who has exercised his right of lien or stoppage in transit resells the goods
  - 4. A re-sale by the seller where a right of re-sale is expressly reserved in a contract of sale
  - 5. Where the property in goods has not passed to the buyer
- (b) As per the provisions of Section 30(5) of the Indian Partnership Act, 1932, at any time within six months of his attaining majority, or of his obtaining knowledge that he had been admitted to the benefits of partnership, whichever date is later, such person may give public notice that he has elected to become or that he has elected not to become a partner in the firm, and such notice shall determine his position as regards the firm.

However, if he fails to give such notice, he shall become a partner in the firm on the expiry of the said six months.

If the minor becomes a partner by his failure to give the public notice within specified time, his rights and liabilities as given in Section 30(7) are as follows:

- (A) He becomes personally liable to third parties for all acts of the firm done since he was admitted to the benefits of partnership.
- (B) His share in the property and the profits of the firm remains the same to which he was entitled as a minor.

- (i) In the instant case, since, X has failed to give a public notice, he shall become a partner in the M/s ABC & Co. and becomes personally liable to Mr. L, a third party.
- (ii) In the light of the provisions of Section 30(7) read with Section 30(5) of the Indian Partnership Act, 1932, since X has failed to give public notice that he has not elected to not to become a partner within six months, he will be deemed to be a partner after the period of the above six months and therefore, Mr. L can recover his debt from him also in the same way as he can recover from any other partner.

### Question 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 ₹ 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?*

*Explain the basic law on sale by sample under Sale of Goods Act 1930?*

*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)***

- (b) *"The Memorandum of Association is a charter of a company". Discuss. Also explain in brief the contents of Memorandum of Association. **(6 Marks)***

### Answer

- (a) (i) **As per the provisions of Sub-Section (2) of Section 17 of the Sale of Goods Act, 1930, in a contract of sale by sample, there is an implied condition that:**
- (a) the bulk shall correspond with the sample in quality;
- (b) the buyer shall have a reasonable opportunity of comparing the bulk with the sample.

In the instant case, in the light of the provisions of Sub-Clause (b) of Sub-Section (2) of Section 17 of the Act, Mrs. Geeta will not be successful as she casually examined the sample of rice (which exactly corresponded to the entire lot) without noticing the fact that even though the sample was that of Basmati Rice but it contained a mix of long and short grains.

- (ii) **Sale by Sample: (Section 17 of the Sale of Goods Act, 1930):** As per the provisions of Sub-Section (1) of section 17 of the Sale of Goods Act, 1930, a contract of sale is a contract for sale by sample where there is a term in the contract, express or implied, to that effect.

As per the provisions of Sub-Section (2) of section 17 of the Sale of Goods Act, 1930, in a contract of sale by sample, there is an implied condition that:

- (a) that the bulk shall correspond with the sample in quality;
- (b) that the buyer shall have a reasonable opportunity of comparing the bulk with the sample.
- (c) that the goods shall be free from any defect, rendering them unmerchantable, which would not be apparent on reasonable examination of the sample.

- (iii) In the instant case, the buyer does not have any option available to him for grievance redressal.
- (iv) In case Mrs. Geeta specified her exact requirement as to length of rice, then there is an implied condition that the goods shall correspond with the description. If it is not so, the seller will be held liable.

- (b) The Memorandum of Association of company is in fact its charter; it defines its constitution and the scope of the powers of the company with which it has been established under the Act. It is the very foundation on which the whole edifice of the company is built.

**Object of registering a memorandum of association:**

- It contains the object for which the company is formed and therefore identifies the possible scope of its operations beyond which its actions cannot go.
- It enables shareholders, creditors and all those who deal with company to know what its powers are and what activities it can engage in.

A memorandum is a public document under Section 399 of the Companies Act, 2013. Consequently, every person entering into a contract with the company is presumed to have the knowledge of the conditions contained therein.

- The shareholders must know the purposes for which his money can be used by the company and what risks he is taking in making the investment.

A company cannot depart from the provisions contained in the memorandum however imperative may be the necessity for the departure. It cannot enter into a contract or engage in any trade or business, which is beyond the power conferred on it by the memorandum. If it does so, it would be *ultra vires* the company and void.

**Contents of the memorandum:** The memorandum of a company shall state—

- (a) the name of the company (Name Clause) with the last word "Limited" in the case of a public limited company, or the last words "Private Limited" in the case of a private limited company. This clause is not applicable on the companies formed under section 8 of the Act.
- (b) the State in which the registered office of the company (Registered Office clause) is to be situated;
- (c) the objects for which the company is proposed to be incorporated and any matter considered necessary in furtherance thereof (Object clause);
- (d) the liability of members of the company (Liability clause), whether limited or unlimited
- (e) the amount of authorized capital (Capital Clause) divided into share of fixed amounts and the number of shares with the subscribers to the memorandum have agreed to take, indicated opposite their names, which shall not be less than one share. A company not having share capital need not have this clause.
- (f) the desire of the subscribers to be formed into a company. The Memorandum shall conclude with the association clause. Every subscriber to the Memorandum shall take at least one share, and shall write against his name, the number of shares taken by him.

#### Question 6

- (a) Explain the term 'Coercion' and what are the effects of coercion under Indian Contract Act, 1872. **(5 Marks)**
- (b) "Dissolution of a firm is different from dissolution of Partnership". Discuss. **(4 Marks)**
- (c) 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? **(3 Marks)**

#### Answer

- (a) **Coercion (Section 15 of the Indian Contract Act, 1872):** "Coercion' is the committing, or threatening to commit, any act forbidden by the Indian Penal Code or the unlawful detaining, or threatening to detain any property, to the prejudice of any person whatever, with the intention of causing any person to enter into an agreement."



**Effects of coercion under section 19 of Indian Contract Act, 1872**

- (i) Contract induced by coercion is voidable at the option of the party whose consent was so obtained.
- (ii) As to the consequences of the rescission of voidable contract, the party rescinding a void contract should, if he has received any benefit, thereunder from the other party to the contract, restore such benefit so far as may be applicable, to the person from whom it was received.
- (iii) A person to whom money has been paid or anything delivered under coercion must repay or return it.

**(b) DISSOLUTION OF FIRM VS. DISSOLUTION OF PARTNERSHIP**

S. NO.	BASIS OF DIFFERENCE	DISSOLUTION OF FIRM	DISSOLUTION OF PARTNERSHIP
1.	<b>Continuation of business</b>	It involves discontinuation of business in partnership.	It does not affect continuation of business. It involves only reconstitution of the firm.
2.	<b>Winding up</b>	It involves winding up of the firm and requires realization of assets and settlement of liabilities.	It involves only reconstitution and requires only revaluation of assets and liabilities of the firm.
3.	<b>Order of court</b>	A firm may be dissolved by the order of the court.	Dissolution of partnership is not ordered by the court.
4.	<b>Scope</b>	It necessarily involves dissolution of partnership.	It may or may not involve dissolution of firm.
5.	<b>Final closure of books</b>	It involves final closure of books of the firm.	It does not involve final closure of the books.

- (c) The House of Lords in *Salomon Vs Salomon & Co. Ltd.* laid down that a company is a person distinct and separate from its members, and therefore, has an independent separate legal existence from its members who have constituted the company. But under certain circumstances the separate entity of the company may be ignored by the courts. When that happens, the courts ignore the corporate entity of the company and look behind the corporate façade and hold the persons in control of the management of its

affairs liable for the acts of the company. Where a company is incorporated and formed by certain persons only for the purpose of evading taxes, the courts have discretion to disregard the corporate entity and tax the income in the hands of the appropriate assessee.

In *Dinshaw Maneckjee Petit* case it was held that the company was not a genuine company at all but merely the assessee himself disguised that the legal entity of a limited company. The assessee earned huge income by way of dividends and interest. So, he opened some companies and purchased their shares in exchange of his income by way of dividend and interest. This income was transferred back to assessee by way of loan. The court decided that the private companies were a sham and the corporate veil was lifted to decide the real owner of the income.

In the instant case, the four private limited companies were formed by A, the assessee, purely and simply as a means of avoiding tax and the companies were nothing more than the façade of the assessee himself. Therefore, the whole idea of Mr. A was simply to split his income into four parts with a view to evade tax. No other business was done by the company.

Hence, A cannot be regarded as separate from the private limited companies he formed.

## SECTION-B : BUSINESS CORRESPONDENCE AND REPORTING

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

*People do not always do the things we want them to do. No matter how reasonable or minimal our expectations may be, there are times when we are let down. Naturally, we feel upset and hurt when our expectations are not met. We dread confrontations because they are unpleasant and can damage relationships.*

*Yet not confronting a person does not solve the problem because unresolved issues also affect relationships in an adverse way. Actually, the real problem lies in our style of confrontation, not in the issue.*

*Typically, we use character-based confrontations. They help in venting our anger and hurt, but that is the only thing they do. They lead to angry show downs and bring all discussions to a grinding halt. It is important to remember that self-image is the most important possession of all human beings.*

*It is the way we view and regard ourselves in our own eyes and in the eyes of others. As self-conscious beings, we are actually aware of our image and constantly work towards protecting it from any damage.*

*We also seek approval from others about our own self-image. We feel distraught if we sense that there is even a slight threat to our self image, because our character is the essence of our lives. To ensure a rational dialogue over dashed expectations, we need to deploy issued based confrontations. They involve an explanation of which actions have bothered us, in what manner and what changes we would like from the other person.* **(2 Marks)**

**Answer**

- (a) (i) Marie did not like the fact that University in Warsaw was closed for women.  
(ii) Marie left Poland in 1891 and joined Sorbonne University, France, where she completed her doctorate in Physics.  
(iii) She got over her desolation when she became the first woman to join as a professor of Physics at the world renowned University of Sorbonne, France.  
(iv) **Summary:**

Marie, daughter of a physics professor was born in 1867 in Warsaw, Poland. Disappointed at not being allowed to join University in Warsaw, she left Poland in 1891 to enter the University of Sorbonne, France and completed her doctorate in Physics.

In 1895, Marie married Pierre Curie a great scientist at Sorbonne. Having spent many years together in research, shortly after they discovered Radium, Pierre Curie was killed in 1906.

She got over her desolation when she became the first woman to join as a professor of Physics at the world-renowned University of Sorbonne. In 1911, she received the

Nobel Prize in Physics for isolating Radium. Being overexposed to radium, she developed a fatal illness. She dedicated herself to the cause of science.

**(b) (i) Human Nature**

1. Hmn Ntr
  - 1.1 Expctns
    - 1.1.1 hurt when not met
  - 1.2 Cnfrntns
    - 1.2.1 are avoided by hmns
    - 1.2.2 are unplsnt
    - 1.2.3 dmgrlstnsps
    - 1.2.4 Styles of cnfrntns:
      - 1.2.4.1 Chrctrbsd
        - 1.2.4.1.1 Help vent anger
        - 1.2.4.1.2 Cse angry shwdns
        - 1.2.4.1.3 Halt dscssns
        - 1.2.4.1.4 Dtrmntl to slf-img
      - 1.2.4.2 Issue bsd
        - 1.2.4.2.1 Lead to rtnldlg
        - 1.2.4.2.2 Help anls:
          - 1.2.4.2.2.1 Prblm
          - 1.2.4.2.2.2 Cses
          - 1.2.4.2.2.3 Chngrqd in othrprsn
  - 1.3 Slf-img
    - 1.3.1 Is how we prcv ourselves
    - 1.3.2 How othrsprcv us
    - 1.3.3 We try avdngdmg
    - 1.3.4 Seek aprvlfrmothrs
    - 1.3.5 Bldschrctr

**Key:**

Hmn: Human/s

Ntr: Nature

Exptns: Expectations  
cnfrntns: confrontations  
unplsnt: unpleasant  
dmg: damage  
rlstnsps: relationships  
chrctr: character  
bsd: based  
cse: cause  
shwdns: showdowns  
dscsns: discussions  
dtrmntl: detrimental  
slf-img: self-image  
rtnl:rational  
dlg: dialogue  
anls: analyse  
prblm:problem  
chnng:change  
rqd: required  
othr:other  
prsn:person  
prcv: perceive  
othr: other/s  
avdng: avoiding  
aprvl: approval  
blds: builds

**(ii) Summary**

We feel hurt when our expectations from others are not met. We avoid confrontations, as they are displeasing and can affect relations. More often, it is the style of confrontation that causes problems rather than the underlying issue. We generally indulge in character-based confrontations, letting out our anger. Our image is important as it builds our character. Therefore, we must indulge in issue-

based confrontations where we analyze our disagreements and identify the actions in others that bother us and to resolve the issue.

Candidates who have given abbreviations as below or any other suitable abbreviations, should also be given due credit. For Example:

Confrontation	- Confront
Expectation	- Expat
Self-Image	- Selfina
Problem	- Probe

**Question 8**

(a) *Discuss the process of communication.*

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

**Abundant**

- (1) *Plentiful*
- (2) *Sufficient*
- (3) *Enough*
- (4) *Many*

**(1 Mark)**

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

**Adumbrate**

- (1) *Elaborate*
- (2) *Summarize*
- (3) *Angry*
- (4) *Happy*

**(1 Marks)**

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

*Reena said, "Nobody can solve the problem on the earth".*

**(1 Mark)**

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

*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.*

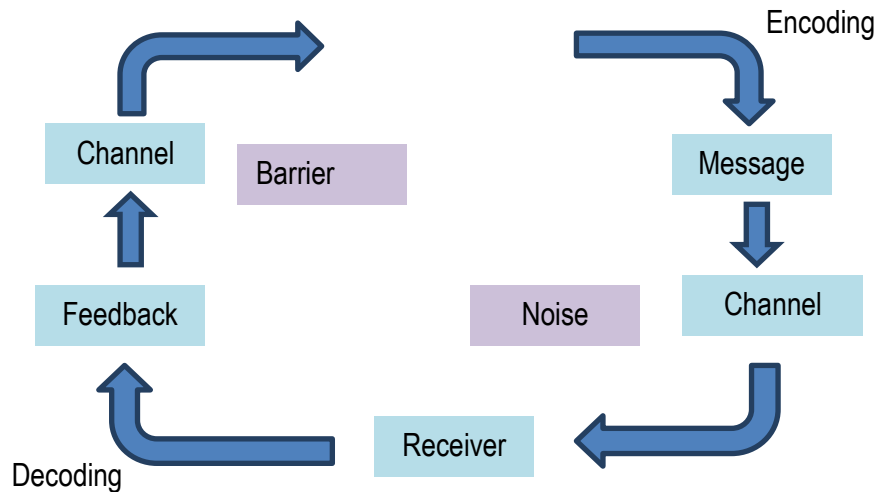
**(5 Marks)**

#### **Answer**

##### **(a) The process of communication entails :**

1. The purpose or reason for the communication.
2. The framing of the content of the message
3. The medium used for conveying the message. (For example, internet, written text, speech, pictures, gestures and so on).
4. Transmitting the formulated message.
5. Messages are often misinterpreted due to external disturbances such as noise created by humans, traffic and natural forces. These factors can result in miscommunication.
6. Receiving the message.
7. Deciphering and making sense of the message. decode
8. Interpreting and figuring out what the receiver thinks is the real message.





- (b) (i) (1) Plentiful  
 (ii) (1) Elaborate  
 (iii) Reena commented/said that nobody could solve the problem on the earth.

(c) **Précis':**

Exploring ancient DNA: Innovations and Findings

Contrary to their earlier belief, in the late 1980s, scientists/researchers could search for remnants of DNA that existed in the primitive era/times after the development of the PCR technique (Polymerase Chain Reaction) that could copy minute quantities of DNA.

More recently, researchers have isolated DNA from 20-million-year-old magnolia leaves and successfully extracted DNA from a 135-million-year-old weevil found in amber. Microbiologist Scoot R. Woodward with his team were the first to find genetic material belonging to a dinosaur. He pulled two bone fragments from a Cretaceous siltstone layer from the top of a coal seam from which researchers isolated strands of DNA and used PCR to copy a segment that codes for a protein called Cytochrome b. DNA sequence was determined from the copies. Due care was taken to avoid contamination of samples with modern DNA. Evidence indicated that the samples found belonged to one or two dinosaur species.

**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) Draft Newspaper Report on "Flood. situation grim in southern, western states" to be published in a National newspaper. **(5 Marks)**

**Answer**

(a) (i) Visual communication through visual aids such as signs, typography, drawing, graphic design, illustration, color and other electronic resources usually reinforces written communication. Sometimes, it may replace written communication altogether. Visual communication is powerful medium. It is the reason that the print and audio-visual media makes effective use of visuals to convey their message. Visuals like graphs, pie charts and other diagrammatic presentations convey clearly and concisely a great deal of information. They are an essential part of official presentations these days.

(ii) Attitude barriers refer to personal attitudes of employees that can affect communication within the organization. A proactive, motivated worker will facilitate the communication process, whereas a dissatisfied, disgruntled, shy, introvert or lazy employee can delay, hesitate in taking the initiative, or refuse to communicate.

Attitude problems can be addressed by good management, periodic training and regular interaction with staff members.

- (b) (i) (3) Pertinent  
(ii) (3) Not Embarrassed  
(iii) He asked if everyone would come for the meeting.
- (c) **Flood situation grim in Western, Southern Indian states:** With heavy downpours, up to 330 mm, the flood situation continues to worsen particularly in the western and southern states of Maharashtra, Gujarat, Karnataka and Kerala. Over 500 people have died in landslide, deluge related incidents, thousands have gone missing, as many as 40 lakh people have been displaced and over 8 lakh people have been moved to relief camps in these states. Almost half a metre of rain fell in Vadodara alone in the last 24 hours, disrupting railways and air routes. Major rivers viz. Krishna and Tungabhadra are flowing at record high levels creating severe to extreme flood situation in the states. Red alert has been issued in most of these areas. The recent floods have damaged crops over 10 lakh hectares of land in Maharashtra, Karnataka and Kerala making survival even more difficult. According to the meteorological department, the situation is likely to improve in the days to come with meager or intermittent rains.

Union Home Minister has carried out an aerial survey of the worst affected areas and the Prime Minister has declared immediate monetary relief to these states. Campaigns are being carried out to appeal to masses in other states to contribute to the mass relief operations. Several NGOs and non profit agencies have join hands with the army in carrying out immediate relief operations in worst hit areas. Their volunteers are propagating the message through social media to collect clothes, food and funds for those stranded after deluge. To contribute to the Prime Minister's Disaster Relief Fund you may directly transfer funds through

NEFT details are as under:

Favour of: PM's Relief Fund

Account No.:

IFSC code::

Source: *Press Trust of India.*

**Question 10**

- (a) *Explain how emotional awareness and control helps in communication?* **(2 Marks)**
- (b) (i) *Change the sentence from Active to Passive Voice.*  
*The audience loudly cheered the Prime Minister's speech.* **(1 Mark)**
- (ii) *Change the sentence from Passive to Active Voice*  
*The Bird was killed by a cruel boy.* **(1 Mark)**

(iii) Change the following sentence to indirect speech.

He said, "My Mother is writing letters".

(1 Mark)

(c) Write an article of about 250 words on the topic, "The Importance of water conservation".

(5 Marks)

### Answer

(a) Emotions play a major role in our interactions with other people. They are a powerful force that affect our perception of reality regardless of how hard we try to be unbiased. In fact, intense emotions can undermine a person's capacity for rational decision-making, even when the individual is aware of the need to make careful decisions.

Emotional awareness is a necessary element of good communication. While interacting with another person or a group, it is important to understand the emotions you and he/she/ they are bringing to the discussion. Managing your own and others emotions and communicating keeping in mind the emotional state of others helps in smooth interaction avoiding conflict resulting in successful completion of the communication process.

(b) (i) The Prime Minister's speech was cheered loudly by the audience.

(ii) A cruel boy killed the bird.

(iii) He told that his mother was writing letters.

(c) **Article: The Importance of Water Conservation**

-By ..... (Writer's name)

Water is one of the three basic resources for the survival of human kind besides air and food. More than 90 percent of human body is composed of water. Though water is abundantly available on our planet, with 2/3<sup>rd</sup> of earth covered by water, still fresh, clean water is a limited resource. Rivers, fresh water lakes, waterfalls, natural springs, ground water and rain are the natural resources of fresh water.

With indiscriminate rise in human population worldwide, the pressure on these natural resources has increased manifold. In many developing countries, due to incessant industrialization leading to exponential rise in migration to big cities/townships, contamination of ground water and rivers has not only led to scarcity of pure drinking water but also emerged as a serious health hazard.

Over reliance on ground water and rivers for construction/infrastructure development projects in urban areas and little or no awareness about water conservation has led to fast depletion of these natural resources. It is about time we realized the importance of clean water as water tables are fast declining, rivers and lakes are drying or being polluted/contaminated especially in thickly populated urban areas such as New Delhi,

Hyderabad and Bangalore. According to a study these urban areas will have little or no ground water left that will lead to a drought like situation in a few years time.

As progressive citizens, we must take immediate measures to not only restrict our water consumption but also devise innovative conservation methods to provide sustainable sources of clean drinking water. While Rain water harvesting and reducing water consumption are effective methods of water conservation in urban areas, construction of small dams to provide huge water reservoirs holds the key to effective water conservation in rural areas.

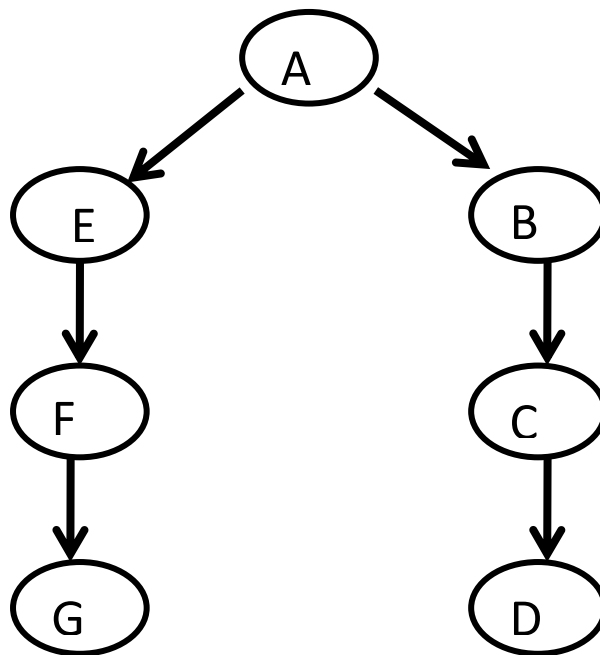
**Question 11**

- (a) *Define the areas where chain network of communication is found in an organization.*  
**(2 Marks)**
- (b) *Select the correct meaning of Idioms/Phrases given below:*
- (i) *Takes Two to Tango*
- (1) *Two people are required for dancing*
  - (2) *Two people are required for creating mischief.*
  - (3) *Two people required to clean floor.*
  - (4) *Two people required to help others.* **(1 Mark)**
- (ii) *Storm in a teacup*
- (1) *Crave for something*
  - (2) *Least importance*
  - (3) *Emergency situation*
  - (4) *Make a big issue out of a small thing.* **(1 Mark)**
- (iii) *Change the sentence into Active Voice;*  
*They will be given a ticket for over speeding by the police inspector.* **(1 Mark)**
- (iv) *Choose the word which best expresses the meaning of the given word.*  
**Myriad**
- (1) *Dramatic*
  - (2) *To Fetch*
  - (3) *Many*
  - (4) *Confusion* **(1 Mark)**
- (c) *Write a letter to a bank requesting them to stop payment of a cheque which has been reported lost.* **(4 Mark)**

**Answer**

- (a) Communication pattern that follows the chain of command from the senior to the junior is called the chain network. Communication starts at the top, like from a CEO, and works its way down to the different levels of employees. The supervisor/ manager/ CEO gives commands or instructions to those working under him/her in the organization.

B, C, D and E, F, G are the subordinates to A in the organizational hierarchy and receive commands from 'A' as shown in the diagram. The chain network often takes up time, and communication may not be clear.



**Chain of Command**

- (b) (i) (2) Two people are required for creating mischief.  
(ii) (4) Make a big issue out of a small thing.  
(iii) The police inspector will give them a ticket for over speeding.  
(iv) (3) Many

(c) **Letter:**

From:

ABC Private Limited,  
Nariman Point, Mumbai

November 13, 2019

XYZ Bank  
106 Millenum Tower  
Prashant Lok  
Mumbai-02

Sir/Madam,

**Subject: Request to Stop Payment of the Cheque No. xxxxxx**

On behalf of ABC Pvt Ltd, I request you to stop payment of the cheque number xxxxxx issued against our company Bank Account Number 123-456-789 maintained by your branch. This cheque was issued to our vendor PQR Ltd amounting to ₹ 3 Lakh dated XX/XX/XXXX and has been misplaced as reported by their accounts department. We will issue a new cheque after your response.

Thanks for your cooperation.

Regards,

ASD

Senior Manager, Accounts

Roll No. ....

Total No. of Printed Pages : 16

Total No. of Questions : 11

Maximum Marks : 100

Time allowed : 3 Hours

**IMPORTANT INSTRUCTIONS TO CANDIDATES**

1. Questions 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. Questions in Section B, are to be answered in English only by all the candidates, including those who have opted for Hindi medium.
3. Answers 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.

1. (a) Mr. Sohanlal sold 10 acres of his agricultural land to Mr. Mohanlal on 25<sup>th</sup> September 2018 for ₹ 25 Lakhs. The Property papers mentioned a condition, amongst other details, that whosoever purchases the land is free to use 9 acres as per his choice but the remaining 1 acre has to be allowed to be used by Mr. Chotelal, son of the seller for carrying out farming or other activity of his choice. On 12<sup>th</sup> Oct 2018, Mr. Sohanlal died leaving behind his son and wife. On 15<sup>th</sup> Oct 2018 purchaser started construction of an auditorium on the whole 10 acres of land and denied any land to the son.

Now Mr. Chotelal wants to file a case against the purchaser and get a suitable redressed. Discuss the above in light of provisions of Indian Contract Act, 1872 and decide upon Mr. Chotelal's plan of action? (4 Marks)

**MAP2**



(2)

**MAP2**

- (b) Sound Syndicate Ltd. a public company, its articles of association empowers the managing agents to borrow both short and long term loans on behalf of the company. Mr. Liddle, the director of the company, approached Easy finance Ltd. a nonbanking finance company for a loan of Rs. 25,00,000 in name of the company.

The Lender agreed and provided the above said loan. Later on Sound Syndicate Ltd. refused to repay the money borrowed on the pretext that no resolution authorizing such loan have been actually passed by the company and the lender should have enquired about the same prior providing such loan hence company not liable to pay such loan.

Analyse the above situation in terms of the provisions of Doctrine of Indoor Management under the Companies Act, 2013 and examine whether the contention of Sound Syndicate Ltd. is correct or not? (4 Marks)

- (c) Discuss the various types of implied warranties as per the Sales of Goods Act 1930? (4 Marks)

**MAP2**

(3)

**MAP2**

2. (a) "Mere silence is not fraud" but there are some circumstances where the "silence is fraud". Explain the circumstances as per the provision of Indian Contract Act 1872? (7 Marks)
- (b) "LLP is an alternative corporate business form that gives the benefits of limited liability of a company and the flexibility of a partnership". Explain. (5 Marks)
3. (a) (i) What is the provision related to the effect of notice to an acting partner of the firm as per Indian Partnership Act 1932? (2 Marks)

**OR**

- (ii) Discuss the provisions regarding personal profits earned by a partner under the Indian Partnership Act 1932? (2 Marks)
- (b) "Whether a group of persons is or is not a firm, or whether a person is or not a partner in a firm." Explain the mode of determining existence of partnership as per The Indian Partnership Act 1932? (4 Marks)
- (c) Mr. Rich aspired to get a self-portrait made by an artist. He went to the workshop of Mr. C an artist and asked whether he could sketch the former's portrait on oil painting canvass. Mr. C agreed to the offer and asked for ₹ 50,000 as full advance payment for the above creative work. Mr. C clarified that the painting shall be completed in 10 sittings and shall take 3 months.

**MAP2**

P.T.O.

(4)

**MAP2**

On reaching to the workshop for the 6<sup>th</sup> sitting, Mr. Rich was informed that Mr. C became paralyzed and would not be able to paint for near future. Mr. C had a son Mr. K who was still pursuing his studies and had not taken up his father's profession yet?

Discuss in light of Indian Contract Act 1872?

- (i) Can Mr. Rich ask Mr. K to complete the artistic work in lieu of his father?
- (ii) Could Mr. Rich ask Mr. K for refund of money paid in advance to his father? (6 Marks)

4. (a) "A non-owner can convey better title to the bonafide purchaser of goods for value." Discuss the cases when a person other than the owner can transfer title in goods as per the provisions of Sales of Goods Act 1930? (6 Marks)
- (b) M/S XYZ & Associates, a partnership firm with X, Y, Z as senior partners were engaged in the business of carpet manufacturing and exporting to foreign countries. On 25<sup>th</sup> Aug 2016 they inducted Mr. G an expert in the field of carpet manufacturing as their partner. On 10<sup>th</sup> Jan 2018, Mr. G was blamed for unauthorized activities and thus expelled from the partnership by united approval of rest of the partners.
- (i) Examine whether action by the partners was justified or not?
  - (ii) What should have the factors to be kept in mind prior expelling a partner from the firm by other partners according to the provisions of the Indian Partnership Act, 1932? (6 Marks)

**MAP2**

**MAP2**

5. (a) 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.

- (i) Explain the duty of the buyer as well as the seller according to the doctrine of "Caveat Emptor".
- (ii) Whether Mr. Das would be able to get the money back or the right kind of wood as required serving his purpose? (6 Marks)
- (b) What do you mean by "Companies with charitable purpose" (section 8) under the Companies Act 2013? Mention the conditions of the issue and revocation of the licence of such company by the government. (6 Marks)

(6)

**MAP2**

6. (a) Discuss the essentials of Undue Influence as per the Indian Contract Act, 1872. (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) Popular Products Ltd. is a company incorporated in India, having a total Share Capital of ₹ 20 Crores. The Share capital comprises of 12 Lakh equity shares of ₹ 100 each and 8 Lakhs Preference Shares of ₹ 100 each. Delight Products Ltd. and Happy products Ltd. hold 2,50,000 and 3,50,000 shares respectively in Popular Products Ltd. Another company Cheerful products ltd. holds 2,50,000 shares in Popular Products Ltd. Jovial Ltd. is the holding company for all above three companies namely Delight Products Ltd; Happy products ltd; Cheerful products ltd. Can Jovial Ltd., be termed as subsidiary company of Popular Products Ltd., if it Controls composition of directors of Popular Products Ltd. State the related provision in the favour of your answer. (3 Marks)

**MAP2**

(7)

**MAP2**

**SECTION B — (40 Marks)**

Question No.7 is compulsory.

Answer any **THREE** questions from the remaining **FOUR** questions.

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

Coral reefs are one of the most fragile, biologically complex, and diverse marine ecosystems on Earth. This ecosystem is one of the fascinating paradoxes of the biosphere. Found along the sea coasts they are formed in various shapes and sizes. They constitute as one of the beautiful creations of nature. Symbiotic cells of algae known as zooxanthellae carry out photosynthesis using the metabolic wastes of the coral thereby producing food for themselves, for their corals, hosts, and even for other members of the reef community. This symbiotic process allows organisms in the reef community to use sparse nutrient resources efficiently.

Unfortunately for coral reefs, however, a variety of human activities are causing worldwide degradation of shallow marine habitats by adding nutrients to the water. Agriculture, slash-and-burn land clearing, sewage disposal and manufacturing that create waste by-products all increase nutrient loads in these waters. Typical symptoms of reef decline are destabilized herbivore populations and an increasing abundance of algae and filter-feeding animals. Declines in reef communities are consistent with observations that nutrient input is increasing in direct proportion to growing human populations, thereby threatening reef communities sensitive to subtle changes in nutrient input to their waters.

**MAP2**

**P.T.O.**

(8)

**MAP2**

- (i) What are the indicators of reef decay? (1 Mark)
- (ii) How does Algae carry out the process of photosynthesis? (1 Mark)
- (iii) How is man responsible for destruction of Natural Reef? (1 Mark)
- (iv) Write a Summary of the above Passage. (2 Marks)
- (b) Read the passage :
- (i) Make Notes, using Headings, Sub headings and abbreviations whenever necessary. (3 Marks)
- (ii) Write Summary. (2 Marks)

In most sectors of the economy, it is the seller who attempts to attract a potential buyer with various inducements of price, quality and utility and it is the buyer who makes the decision. Where circumstances permit the buyer no choice because there is effectively only one seller and the product is relatively essential, government usually asserts monopoly and places the industry under price and other regulations. Neither of these conditions prevails in most of the health-care industry.

**MAP2**

(9)

**MAP2**

In the health-care industry, the doctor-patient relationship is the mirror image of the ordinary relationship between producer and consumer. Once an individual has chosen to see a physician—and even then there may be no real choice—it is the physician who usually makes all significant purchasing decisions: whether the patient should return “next Wednesday,” whether X-rays are needed, whether drugs should be prescribed, etc. It is a rare and sophisticated patient who will challenge such professional decisions or raise in advance questions about price, especially when the ailment is regarded as serious.

This is particularly significant in relation to hospital care. The physician must certify the need for hospitalization, determine what procedures will be performed and announce when the patient may be discharged. The patient may be consulted about some of these decisions, but in the main it is the doctor's judgments that are final. Little wonder then that in the eyes of the hospital it is the physician who is the real “consumer.” As a consequence, the medical staff represents the “power centre” in hospital policy and decision-making, not the administration.

**MAP2**

P.T.O.



(10)

**MAP2**

Although usually there are in this situation four identifiable participants—the physician, the hospital, the patient, and the payer — the physician makes the essential decisions for all of them. The hospital becomes an extension of the physician; the payer generally meets most of the bonafide, a bill generated by the physician/hospital; and for the most part the patient plays a passive role. In routine or minor illnesses, or just plain worries, the patient's options are, of course, much greater with respect to use and price. In illnesses that are of some significance, however, such choices tend to evaporate or away: DISAPPEAR “my despair evaporated J. F. Wharton”, and it is for these illnesses that the bulk of the health-care dollar is spent. We estimate that about 75-80 percent of health-care expenditures are determined by physicians, not patients. For this reason, economy measures directed at patients or the general publics are relatively ineffective.

8. (a) Define Vertical & Chain Network under network in communication?

(2 Marks)

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

(1 Mark)

**Crooked**

(1) Straight

(2) Tapering

(3) Twisted

(4) Circle

**MAP2**

( 11 )

**MAP2**

- (ii) Select a suitable antonym for the word given under : (1 Mark)

**Predicament**

- (1) Injury (2) Ease  
(3) Accident (4) Horrifying

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

Pari said to me "I have been living in London since last December"

- (c) Write a précis and give appropriate title to the passage given below :

India has witnessed great expansion of educational opportunities since the attainment of independence. However, the disabled children have not yet benefited in any substantial manner from the growth in educational facilities. Education of handicapped children, ultimately become more dependent and non productive. It is therefore believed that scarce national resources should not be wasted on them. Further, it has been our misconceived notion that the education of handicapped children requires highly specialized people and as such, it must essentially be very costly. Maybe, precisely for these wrong notions we have not been able to involve clinical and educational specialization programmers of training and education exclusively meant for handicapped children. It is encouraging to note that the new National Policy

**MAP2**

P.T.O.

(12)

**MAP2**

on Education has recommended the placement of such children in regular schools so as to provide them integrated education along with normal students. The integrated education will take care of the different needs of various categories and types of disabled children. The objective is to place the disabled children in ordinary schools for imparting education with the help of special teachers, aids and other resources. For fulfilling this objective an array of the necessary infrastructure by way of training of teachers, provision of equipment and book etc. are some of the basic pre-requisition. Hopefully, the parents and their handicapped children will be greatly relieved when the latter are transferred to regular schools. (5 Marks)

9. (a) (i) Discuss the "Gender Barrier" in communication. (2 Marks)

Or

(ii) What do you mean by Informal Communication? (2 Marks)

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

(i) **Reckless** (1 Mark)

(1) Cautious

(2) Clear

(3) Careless

(4) Fearless

**MAP2**

( 13 )

**MAP2**

(ii) **Humongous** (1 Mark)

(1) Minute

(2) Huge

(3) Hungry

(4) Hassel

(iii) Change the following sentence into indirect speech : (1 Mark)

She said "I am watching a television show"

(c) Draft Newspaper Report on "Six Lane highway connecting two states inaugurated" to be published in a national newspaper. (5 Marks)

10. (a) "The listener has to be objective, practical and control his emotions" Explain with reference to importance of listening in communication? (2 Marks)

(b) (i) Change the sentence from Active to Passive Voice. (1 Mark)

The teacher always answers the students' questions.

(ii) Change the sentence from Passive to Active Voice. (1 Mark)

Every night, the office is vacuumed and dusted by the cleaning crew.

**MAP2**

P.T.O.

(14)

**MAP2**

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

She said "My Father came yesterday".

- (c) Write an article of about 250 words on the topic "The Fearless Indian Army". (5 Marks)

11. (a) Define the importance of Para language in Non Verbal Communication. (2 Marks)

- (b) Select the correct meaning of idioms / phrases given below :

- (i) Cry over spilled milk (1 Mark)

- (1) Drain milk
- (2) Complain about something that cannot be rectified
- (3) Get into altercation with someone
- (4) Misbehave with someone

- (ii) Judge a book by its cover. (1 Mark)

- (1) Reading a book
- (2) To detect a fraud
- (3) Rely on outward appearances
- (4) To be intimated by appearances

**MAP2**

( 15 )

**MAP2**

(iii) Change the sentence into Active Voice : (1 Mark)

The Grand Canyon is visited by thousands of tourists every year.

(iv) Choose the word which best expresses the meaning of the given word : (1 Mark)

Mesmerized

(1) Enthrall

(2) Gruesome

(3) Scary

(4) Harmony

(c) Write a Formal E Mail: Mail is written by the Manager to the employees about the changed dress code for Republic day function including time and venue of function. (4 Marks)

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**MAP2**

P.T.O.

**PAPER – 2: BUSINESS LAW & BUSINESS CORRESPONDENCE AND REPORTING**

**SECTION A – BUSINESS LAW**

Question No. 1 is compulsory.

Attempt any **four** questions from the remaining **five** questions.

**Question 1**

- (a) Mr. Sohanlal sold 10 acres of his agricultural land to Mr. Mohanlal on 25<sup>th</sup> September 2018 for ₹ 25 Lakhs. The Property papers mentioned a condition, amongst other details, that whosoever purchases the land is free to use 9 acres as per his choice but the remaining 1 acre has to be allowed to be used by Mr. Chotelal, son of the seller for carrying out farming or other activity of his choice. On 12<sup>th</sup> October, 2018, Mr. Sohanlal died leaving behind his son and wife. On 15<sup>th</sup> October, 2018 purchaser started construction of an auditorium on the whole 10 acres of land and denied any land to the son.

Now Mr. Chotelal wants to file a case against the purchaser and get a suitable redressed. Discuss the above in light of provisions of Indian Contract Act, 1872 and decide upon Mr. Chotelal's plan of action? **(4 Marks)**

- (b) Sound Syndicate Ltd., a public company, its articles of association empowers the managing agents to borrow both short and long term loans on behalf of the company, Mr. Liddle, the director of the company, approached Easy Finance Ltd., a non banking finance company for a loan of ₹ 25,00,000 in name of the company.

The Lender agreed and provided the above said loan. Later on, Sound Syndicate Ltd. refused to repay the money borrowed on the pretext that no resolution authorizing such loan have been actually passed by the company and the lender should have enquired about the same prior providing such loan hence company not liable to pay such loan.

Analyse the above situation in terms of the provisions of Doctrine of Indoor Management under the Companies Act, 2013 and examine whether the contention of Sound Syndicate Ltd. is correct or not? **(4 Marks)**

- (c) Discuss the various types of implied warranties as per the Sales of Goods Act, 1930?

**(4 Marks)**

**Answer**

- (a) Problem as asked in the question is based on the provisions of the Indian Contract Act, 1872 as contained in section 2(d) and on the principle 'privity of consideration'. Consideration is one of the essential elements to make a contract valid and it can flow from the promisee or any other person. In view of the clear language used in definition of 'consideration' in Section 2(d), it is not necessary that consideration should be furnished by the promisee only. A promise is enforceable if there is some consideration for it and it

is quite immaterial whether it moves from the promisee or any other person. The leading authority in the decision of the *Chinnaya Vs. Ramayya*, held that the consideration can legitimately move from a third party and it is an accepted principle of law in India.

In the given problem, Mr. Sohanlal has entered into a contract with Mr. Mohanlal, but Mr. Chotelal has not given any consideration to Mr. Mohanlal but the consideration did flow from Mr. Sohanlal to Mr. Mohanlal on the behalf of Mr. Chotelal and such consideration from third party is sufficient to enforce the promise of Mr. Mohanlal to allow Mr. Chotelal to use 1 acre of land. Further the deed of sale and the promise made by Mr. Mohanlal to Mr. Chotelal to allow the use of 1 acre of land were executed simultaneously and therefore they should be regarded as one transaction and there was sufficient consideration for it.

Moreover, it is provided in the law that "in case covenant running with the land, where a person purchases land with notice that the owner of the land is bound by certain duties affecting land, the covenant affecting the land may be enforced by the successor of the seller."

In such a case, third party to a contract can file the suit although it has not moved the consideration.

Hence, Mr. Chotelal is entitled to file a petition against Mr. Mohanlal for execution of contract.

**(b) Doctrine of Indoor Management**

According to this doctrine, persons dealing with the company need not inquire whether internal proceedings relating to the contract are followed correctly, once they are satisfied that the transaction is in accordance with the memorandum and articles of association.

Stakeholders need not enquire whether the necessary meeting was convened and held properly or whether necessary resolution was passed properly. They are entitled to take it for granted that the company had gone through all these proceedings in a regular manner.

The doctrine helps protect external members from the company and states that the people are entitled to presume that internal proceedings are as per documents submitted with the Registrar of Companies.

Thus,

1. What happens internal to a company is not a matter of public knowledge. An outsider can only presume the intentions of a company, but do not know the information he/she is not privy to.
2. If not for the doctrine, the company could escape creditors by denying the authority of officials to act on its behalf.



In the given question, Easy Finance Ltd. being external to the company, need not enquire whether the necessary resolution was passed properly. Even if the company claim that no resolution authorizing the loan was passed, the company is bound to pay the loan to Easy Finance Ltd.

**(c) Various types of implied warranties**

1. **Warranty as to undisturbed possession [Section 14(b) of the Sales of Goods Act, 1930]:** An implied warranty that the buyer shall have and enjoy quiet possession of the goods. That is to say, if the buyer having got possession of the goods, is later on disturbed in his possession, he is entitled to sue the seller for the breach of the warranty.
2. **Warranty as to non-existence of encumbrances [Section 14(c)]:** An implied warranty that the goods shall be free from any charge or encumbrance in favour of any third party not declared or known to the buyer before or at the time the contract is entered into.
3. **Warranty as to quality or fitness by usage of trade [Section 16(3)]:** An implied warranty as to quality or fitness for a particular purpose may be annexed or attached by the usage of trade.
4. **Disclosure of dangerous nature of goods:** Where the goods are dangerous in nature and the buyer is ignorant of the danger, the seller must warn the buyer of the probable danger. If there is a breach of warranty, the seller may be liable in damages.

**Question 2**

(a) *"Mere silence is not fraud" but there are some circumstances where the "silence is fraud". Explain the circumstances as per the provision of Indian Contract Act, 1872?*

**(7 Marks)**

(b) *"LLP is an alternative corporate business form that gives the benefits of limited liability of a company and the flexibility of a partnership". Explain.*

**(5 Marks)**

**Answer**

**(a) Mere silence is not fraud**

Mere silence as to facts likely to affect the willingness of a person to enter into a contract is not fraud, unless the circumstances of the case are such that, regard being had to them, it is the duty of the person keeping silence to speak, or unless his silence is, in itself, equivalent to speech.

It is a rule of law that mere silence does not amount to fraud. A contracting party is not duty bound to disclose the whole truth to the other party or to give him the whole information in his possession affecting the subject matter of the contract.

The rule is contained in explanation to Section 17 of the Indian Contract Act which clearly states the position that mere silence as to facts likely to affect the willingness of a person to enter into a contract is not fraud.

**Silence is fraud:**

1. **Duty of person to speak:** Where the circumstances of the case are such that it is the duty of the person observing silence to speak.

Following contracts come within this category:

- (a) **Fiduciary Relationship:** Here, the person in whom confidence is reposed is under a duty to act with utmost good faith and make full disclosure of all material facts concerning the agreement, known to him.
- (b) **Contracts of Insurance:** In contracts of marine, fire and life insurance, there is an implied condition that full disclosure of material facts shall be made, otherwise the insurer is entitled to avoid the contract.
- (c) **Contracts of marriage:** Every material fact must be disclosed by the parties to a contract of marriage.
- (d) **Contracts of family settlement:** These contracts also require full disclosure of material facts within the knowledge of the parties.
- (e) **Share Allotment contracts:** Persons issuing 'Prospectus' at the time of public issue of shares/debentures by a joint stock company have to disclose all material facts within their knowledge.

2. **Where the silence itself is equivalent to speech:** For example, A says to B "If you do not deny it, I shall assume that the horse is sound." A says nothing. His silence amounts to speech.

- (b) **LLP is an alternative corporate business form that gives the benefits of limited liability of a company and the flexibility of a partnership**

**Limited Liability:** Every partner of a LLP is, for the purpose of the business of LLP, the agent of the LLP, but not of other partners (Section 26 of the LLP Act, 2008). The liability of the partners will be limited to their agreed contribution in the LLP, while the LLP itself will be liable for the full extent of its assets.

**Flexibility of a partnership:** The LLP allows its members the flexibility of organizing their internal structure as a partnership based on a mutually arrived agreement. The LLP form enables entrepreneurs, professionals and enterprises providing services of any kind or engaged in scientific and technical disciplines, to form commercially efficient vehicles suited to their requirements. Owing to flexibility in its structure and operation, the LLP is a suitable vehicle for small enterprises and for investment by venture capital.

**Question 3**

- (a) (i) *What is the provision related to the effect of notice to an acting partner of the firm as per the Indian Partnership Act, 1932?* **(2 Marks)**

OR

- (ii) *Discuss the provisions regarding personal profits earned by a partner under the Indian Partnership Act, 1932?* **(2 Marks)**
- (b) *"Whether a group of persons is or is not a firm, or whether a person is or not a partner in a firm." Explain the mode of determining existence of partnership as per the Indian Partnership Act, 1932?* **(4 Marks)**
- (c) *Mr. Rich aspired to get a self-portrait made by an artist. He went to the workshop of Mr. C an artist and asked whether he could sketch the former's portrait on oil painting canvass. Mr. C agreed to the offer and asked for ₹ 50,000 as full advance payment for the above creative work. Mr. C clarified that the painting shall be completed in 10 sittings and shall take 3 months.*

*On reaching to the workshop for the 6<sup>th</sup> sitting, Mr. Rich was informed that Mr. C became paralyzed and would not be able to paint for near future. Mr. C had a son Mr. K who was still pursuing his studies and had not taken up his father's profession yet?*

*Discuss in light of the Indian Contract Act, 1872?*

- (i) *Can Mr. Rich ask Mr. K to complete the artistic work in lieu of his father?*
- (ii) *Could Mr. Rich ask Mr. K for refund of money paid in advance to his father?*

**(6 Marks)**

**Answer**

- (a) (i) **Effect of notice to an acting partner of the firm**

According to Section 24 of the Indian Partnership Act, 1932, notice to a partner who habitually acts in the business of the firm of any matter relating to the affairs of the firm operates as notice to the firm, except in the case of a fraud on the firm committed by or with the consent of that partner.

Thus, the notice to one is equivalent to the notice to the rest of the partners of the firm, just as a notice to an agent is notice to his principal. This notice must be actual and not constructive. It must further relate to the firm's business. Only then it would constitute a notice to the firm.

OR

- (ii) **Personal Profit earned by Partners (Section 16 of the Indian Partnership Act, 1932)**

According to section 16, subject to contract between the partners:

- (a) If a partner derives any profit for himself from any transaction of the firm, or from the use of the property or business connection of the firm or the firm name, he shall account for that profit and pay it to the firm;
- (b) If a partner carries on any business of the same nature and competing with that of the firm, he shall account for and pay to the firm all profits made by him in that business.

**(b) Mode of determining existence of partnership (Section 6 of the Indian Partnership Act, 1932):** In determining whether a group of persons is or is not a firm, or whether a person is or not a partner in a firm, regard shall be had to the real relation between the parties, as shown by all relevant facts taken together.

For determining the existence of partnership, it must be proved.

1. There was an **agreement** between all the persons concerned
2. The agreement was to **share the profits** of a business and
3. the business was **carried on by all or any of them** acting for all.

**1. Agreement:** Partnership is created by agreement and not by status (Section 5). The relation of partnership arises from contract and not from status; and in particular, the members of a Hindu Undivided family carrying on a family business as such are not partners in such business.

**2. Sharing of Profit:** Sharing of profit is an essential element to constitute a partnership. But, it is only a *prima facie* evidence and not conclusive evidence, in that regard. The sharing of profits or of gross returns accruing from property by persons holding joint or common interest in the property would not by itself make such persons partners. Although the right to participate in profits is a strong test of partnership, and there may be cases where, upon a simple participation in profits, there is a partnership, yet whether the relation does or does not exist must depend upon the whole contract between the parties.

**3. Agency:** Existence of Mutual Agency which is the cardinal principle of partnership law, is very much helpful in reaching a conclusion in this regard. Each partner carrying on the business is the principal as well as an agent of other partners. So, the act of one partner done on behalf of firm, binds all the partners. If the elements of mutual agency relationship exist between the parties constituting a group formed with a view to earn profits by running a business, a partnership may be deemed to exist.

**(c)** A contract which involves the use of personal skill or is founded on personal consideration comes to an end on the death of the promisor. As regards any other contract the legal representatives of the deceased promisor are bound to perform it unless a contrary intention appears from the contract (Section 37 of the Indian Contract

Act, 1872). But their liability under a contract is limited to the value of the property they inherit from the deceased.

- (i) In the instant case, since painting involves the use of personal skill and on becoming Mr. C paralyzed, Mr. Rich cannot ask Mr. K to complete the artistic work in lieu of his father Mr. C.
- (ii) According to section 65 of the Indian Contract Act, 1872, when an agreement is discovered to be void or when a contract becomes void, any person who has received any advantage under such agreement or contract is bound to restore it, or to make compensation for it to the person from whom he received it.

Hence, in the instant case, the agreement between Mr. Rich and Mr. C has become void because of paralysis to Mr. C. So, Mr. Rich can ask Mr. K for refund of money paid in advance to his father, Mr. C.

#### Question 4

- (a) *“A non-owner can convey better title to the bonafide purchaser of goods for value.” Discuss the cases when a person other than the owner can transfer title in goods as per the provisions of the Sales of Goods Act, 1930? (6 Marks)*
- (b) *M/s XYZ & Associates, a partnership firm with X, Y, Z as senior partners were engaged in the business of carpet manufacturing and exporting to foreign countries. On 25<sup>th</sup> August, 2016, they inducted Mr. G, an expert in the field of carpet manufacturing as their partner. On 10<sup>th</sup> January 2018, Mr. G was blamed for unauthorized activities and thus expelled from the partnership by united approval of rest of the partners.*
  - (i) *Examine whether action by the partners was justified or not?*
  - (ii) *What should have the factors to be kept in mind prior expelling a partner from the firm by other partners according to the provisions of the Indian Partnership Act, 1932? (6 Marks)*

#### Answer

- (a) In the following cases, a non-owner can convey better title to the bona fide purchaser of goods for value:
  - (1) **Sale by a Mercantile Agent:** A sale made by a mercantile agent of the goods for document of title to goods would pass a good title to the buyer in the following circumstances; namely,
    - (a) If he was in possession of the goods or documents with the consent of the owner;
    - (b) If the sale was made by him when acting in the ordinary course of business as a mercantile agent; and

- (c) If the buyer had acted in good faith and has at the time of the contract of sale, no notice of the fact that the seller had no authority to sell (Proviso to Section 27 of the Sale of Goods Act, 1930).
- (2) **Sale by one of the joint owners (Section 28):** If one of several joint owners of goods has the sole possession of them by permission of the co-owners, the property in the goods is transferred to any person who buys them of such joint owner in good faith and has not at the time of the contract of sale notice that the seller has no authority to sell.
- (3) **Sale by a person in possession under voidable contract:** A buyer would acquire a good title to the goods sold to him by a seller who had obtained possession of the goods under a contract voidable on the ground of coercion, fraud, misrepresentation or undue influence provided that the contract had not been rescinded until the time of the sale (Section 29).
- (4) **Sale by one who has already sold the goods but continues in possession thereof:** If a person has sold goods but continues to be in possession of them or of the documents of title to them, he may sell them to a third person, and if such person obtains the delivery thereof in good faith and without notice of the previous sale, he would have good title to them, although the property in the goods had passed to the first buyer earlier. [Section 30(1)]
- (5) **Sale by buyer obtaining possession before the property in the goods has vested in him:** Where a buyer with the consent of the seller obtains possession of the goods before the property in them has passed to him, he may sell, pledge or otherwise dispose of the goods to a third person, and if such person obtains delivery of the goods in good faith and without notice of the lien or other right of the original seller in respect of the goods, he would get a good title to them [Section 30(2)].
- (6) **Effect of Estoppel:** Where the owner is estopped by the conduct from denying the seller's authority to sell, the transferee will get a good title as against the true owner. But before a good title by estoppel can be made, it must be shown that the true owner had actively suffered or held out the other person in question as the true owner or as a person authorized to sell the goods.
- (7) **Sale by an unpaid seller:** Where an unpaid seller who had exercised his right of lien or stoppage in transit resells the goods, the buyer acquires a good title to the goods as against the original buyer [Section 54 (3)].
- (8) **Sale under the provisions of other Acts:**
- (i) Sale by an Official Receiver or Liquidator of the Company will give the purchaser a valid title.
  - (ii) Purchase of goods from a finder of goods will get a valid title under circumstances [Section 169 of the Indian Contract Act, 1872]

- (iii) A sale by pawnee can convey a good title to the buyer [Section 176 of the Indian Contract Act, 1872]

**(b) Expulsion of a Partner (Section 33 of the Indian Partnership Act, 1932):**

A partner may not be expelled from a firm by a majority of partners except in exercise, in good faith, of powers conferred by contract between the partners.

The test of good faith as required under Section 33(1) includes three things:

- The expulsion must be in the interest of the partnership.
- The partner to be expelled is served with a notice.
- He is given an opportunity of being heard.

If a partner is otherwise expelled, the expulsion is null and void.

- (i) Action by the partners of M/s XYZ & Associates, a partnership firm to expel Mr. G from the partnership was justified as he was expelled by united approval of the partners exercised in good faith to protect the interest of the partnership against the unauthorized activities charged against Mr. G. A proper notice and opportunity of being heard has to be given to Mr. G.
- (ii) The following are the factors to be kept in mind prior expelling a partner from the firm by other partners:
- (a) the power of expulsion must have existed in a contract between the partners;
  - (b) the power has been exercised by a majority of the partners; and
  - (c) it has been exercised in good faith.

**Question 5**

- (a) *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.*

- (i) Explain the duty of the buyer as well as the seller according to the doctrine of "Caveat Emptor".
- (ii) Whether Mr. Das would be able to get the money back or the right kind of wood as required serving his purpose? **(6 Marks)**
- (b) What do you mean by "Companies with charitable purpose" (section 8) under the Companies Act, 2013? Mention the conditions of the issue and revocation of the licence of such company by the government. **(6 Marks)**

**Answer**

- (a) (i) **Duty of the buyer according to the doctrine of "Caveat Emptor"**: In case of sale of goods, the doctrine 'Caveat Emptor' means '**let the buyer beware**'. When sellers display their goods in the open market, it is for the buyers to make a proper selection or choice of the goods. If the goods turn out to be defective he cannot hold the seller liable. The seller is in no way responsible for the bad selection of the buyer. The seller is not bound to disclose the defects in the goods which he is selling.

**Duty of the seller according to the doctrine of "Caveat Emptor"**: The following exceptions to the Caveat Emptor are the duties of the seller:

1. Fitness as to quality or use
2. Goods purchased under patent or brand name
3. Goods sold by description
4. Goods of Merchantable Quality
5. Sale by sample
6. Goods by sample as well as description
7. Trade usage
8. Seller actively conceals a defect or is guilty of fraud

- (ii) As Mr. Das has specifically mentioned that he required the wood which would be best suited for the purpose of making wooden doors and window frames but the seller supplied Mango tree wood which is most unsuitable for the purpose. Mr. Das is entitled to get the money back or the right kind of wood as required serving his purpose. It is the duty of the seller to supply such goods as are reasonably fit for the purpose mentioned by buyer. [Section 16(1) of the Sale of Goods Act, 1930]

- (b) **Formation of companies with charitable purpose etc. (Section 8 company):**

Section 8 of the Companies Act, 2013 deals with the formation of companies which are formed to

- promote the charitable objects of commerce, art, science, sports, education, research, social welfare, religion, charity, protection of environment etc.



Such company intends to apply its profit in

- promoting its objects and
- prohibiting the payment of any dividend to its members.

**Examples** of section 8 companies are FICCI, ASSOCHAM, National Sports Club of India, CII etc.

**Power of Central government to issue the license–**

- (i) Section 8 allows the Central Government to register such person or association of persons as a company with limited liability without the addition of words 'Limited' or 'Private limited' to its name, by issuing licence on such conditions as it deems fit.
- (ii) The registrar shall on application register such person or association of persons as a company under this section.
- (iii) On registration the company shall enjoy same privileges and obligations as of a limited company.

**Revocation of license:** The Central Government may by order revoke the licence of the company where the company contravenes any of the requirements or the conditions of this sections subject to which a licence is issued or where the affairs of the company are conducted fraudulently, or violative of the objects of the company or prejudicial to public interest, and on revocation the Registrar shall put 'Limited' or 'Private Limited' against the company's name in the register. But before such revocation, the Central Government must give it a written notice of its intention to revoke the licence and opportunity to be heard in the matter.

**Question 6**

- (a) *Discuss the essentials of Undue Influence as per the Indian Contract Act, 1872. (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) *Popular Products Ltd. is company incorporated in India, having a total Share Capital of ₹ 20 Crores. The Share capital comprises of 12 Lakh equity shares of ₹ 100 each and 8 Lakhs Preference Shares of ₹ 100 each. Delight Products Ltd. and Happy Products Ltd. hold 2,50,000 and 3,50,000 shares respectively in Popular Products Ltd. Another company Cheerful Products Ltd. holds 2,50,000 shares in Popular Products Ltd. Jovial Ltd. is the holding company for all above three companies namely Delight Products Ltd; Happy Products Ltd.; Cheerful Products Ltd. Can Jovial Ltd. be termed as subsidiary company of Popular products. Ltd., if it. Controls composition of directors of Popular Products Ltd. State the related provision in the favour of your answer. (3 Marks)*

**Answer**

- (a) The essentials of Undue Influence as per the Indian Contract Act, 1872 are the following:
- (1) **Relation between the parties:** A person can be influenced by the other when a near relation between the two exists.
  - (2) **Position to dominate the will:** Relation between the parties exist in such a manner that one of them is in a position to dominate the will of the other. A person is deemed to be in such position in the following circumstances:
    - (a) **Real and apparent authority:** Where a person holds a real authority over the other as in the case of master and servant, doctor and patient and etc.
    - (b) **Fiduciary relationship:** Where relation of trust and confidence exists between the parties to a contract. Such type of relationship exists between father and son, solicitor and client, husband and wife, creditor and debtor, etc.
    - (c) **Mental distress:** An undue influence can be used against a person to get his consent on a contract where the mental capacity of the person is temporarily or permanently affected by the reason of mental or bodily distress, illness or of old age.
    - (d) **Unconscionable bargains:** Where one of the parties to a contract is in a position to dominate the will of the other and the contract is apparently unconscionable i.e., unfair, it is presumed by law that consent must have been obtained by undue influence. Unconscionable bargains are witnessed mostly in money lending transactions and in gifts.
  - (3) **The object must be to take undue advantage:** Where the person is in a position to influence the will of the other in getting consent, must have the object to take advantage of the other.
  - (4) **Burden of proof:** The burden of proving the absence of the use of the dominant position to obtain the unfair advantage will lie on the party who is in a position to dominate the will of the other.
- (b) Under the English Law, the registration of firms is compulsory. Therefore, there is a penalty for non-registration of firms. But the Indian Partnership Act, 1932 does not make the registration of firms compulsory nor does it impose any penalty for non-registration. The registration of a partnership is optional and one partner cannot compel another partner to join in the registration of the firm. It is not essential that the firm should be registered from the very beginning.

However, **under Section 69**, non-registration of partnership gives rise to a number of disabilities which are as follows:

- (i) **No suit in a civil court by firm or other co-partners against third party:** The firm or any other person on its behalf cannot bring an action against the third party for

breach of contract entered into by the firm, unless the firm is registered and the persons suing are or have been shown in the register of firms as partners in the firm.

- (ii) **No relief to partners for set-off of claim:** If an action is brought against the firm by a third party, then neither the firm nor the partner can claim any set-off, if the suit be valued for more than ₹ 100 or pursue other proceedings to enforce the rights arising from any contract.
  - (iii) **Aggrieved partner cannot bring legal action against other partner or the firm:** A partner of an unregistered firm (or any other person on his behalf) is precluded from bringing legal action against the firm or any person alleged to be or to have been a partner in the firm.
  - (iv) **Third party can sue the firm:** In case of an unregistered firm, an action can be brought against the firm by a third party.
- (c) In the present case, the total share capital of Popular Products Ltd. is ₹ 20 crores comprised of 12 Lakh equity shares and 8 Lakhs preference shares.

Delight Products Ltd., Happy Products Ltd. and Cheerful Products Ltd together hold 8,50,000 shares (2,50,000+3,50,000+2,50,000) in Popular Products Ltd. Jovial Ltd. is the holding company of all above three companies. So, Jovial Ltd. along with its subsidiaries hold 8,50,000 shares in Popular Products Ltd. which amounts to less than one-half of its total share capital. Hence, Jovial Ltd. by virtue of share holding is not a holding company of Popular Products Ltd.

Secondly, it is given that Jovial Ltd. controls the composition of directors of Popular Products Ltd., hence, Jovial Ltd. is a holding company of Popular Products Ltd. and not a subsidiary company. [Section 2(87) of the Companies Act, 2013]

**PAPER – 2: BUSINESS LAW & BUSINESS CORRESPONDENCE AND REPORTING**

**SECTION-B : BUSINESS CORRESPONDENCE AND REPORTING**

*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:*

*Coral reefs are one of the most fragile, biologically complex, and diverse marine ecosystems on Earth. This ecosystem is one of the fascinating paradoxes of the biosphere. Found along the sea coasts they are formed in various shapes and sizes. They constitute as one of the beautiful creations of nature. Symbiotic cells of algae known as zooxanthellae carry out photosynthesis using the metabolic wastes of the coral thereby producing food for themselves; for their corals, hosts, and even for other members of the reef community. This symbiotic process allows organisms in the reef community to use sparse nutrient resources efficiently.*

*Unfortunately for coral reefs, however, a variety of human activities are causing worldwide degradation of shallow marine habitats by adding nutrients to the water. Agriculture, slash-and-burn<sup>1</sup> and clearing, sewage disposal and manufacturing that create waste by-products all increase nutrient loads in these waters. Typical symptoms of reef decline are destabilized herbivore populations and an increasing abundance of algae and filter-feeding animals. Declines in reef communities are consistent with observations that nutrient input is increasing in direct proportion to growing human populations, thereby threatening reef communities sensitive to subtle changes in nutrient input to their waters.*

(i) *What are the indicators of reef decay?* **(1 Mark)**

(ii) *How does Algae carry out the process of photosynthesis?* **(1 Mark)**

(iii) *How is man responsible for destruction of Natural Reef?* **(1 Mark)**

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

(b) *Read the passage :*

(i) *Make Notes, using Headings, Sub headings and abbreviations whenever necessary.* **(3 Marks)**

(ii) *Write Summary,*

*In most sectors of the economy, it is the seller who attempts to attract' a potential buyer with various inducements of price, quality and utility and it is the buyer who makes the decision. Where circumstances permit the buyer no choice because*

*there is effectively only one seller and the product is relatively essential, government usually asserts monopoly and places the industry under price and other regulations. Neither of these conditions prevails in most of the health-care industry;*

*In the health-care industry, the doctor-patient relationship is the mirror image of the ordinary relationship between producer and consumer. Once an individual has chosen to see a physician and even then there may be real choice-it is the physician who usually makes all significant purchasing decisions whether the patient should return "next Wednesday," whether X-rays are needed, whether drugs should be prescribed, etc. It is a rare and sophisticated patient who will challenge such professional decisions or raise in advance questions about price, especially when the ailment is regarded as serious.*

*This is particularly significant in relation to hospital care. The physician must certify the need for hospitalization, determine what procedures will be performed and announce when the patient may be discharged. The patient may be consulted about some of these decisions; but in the main it is the doctor's judgment that are final. Little wonder then that in the eyes of the hospital it is the physician who is the real "consumer." As a consequence, the medical staff represents the "power centre" in hospital policy and decision-making, not the administration;*

*Although usually there are in this situation four identifiable participants the physician, the hospital, the patient, and the payer the physician makes the essential decisions for all of them. The hospital becomes an extension of the physician; the payer generally meets most of the bill, a bill generated by the physician/hospital; and for the most part the patient plays a passive role. In routine or minor illnesses, or just plain worries, the patient's options are, of course, much greater with respect to use and price. In illnesses that are of some significance, however, such choices tend to evaporate or away: DISAPPEAR "my despair evaporated J. F. Wharton", and it is for these illnesses that the bulk of the health-care dollar, is spent. We estimate that about 75-80 percent of health-care expenditures are determined by physicians, not patients; For this reason, economy measures directed at patients or the general public are relatively ineffective.*

**(2 Marks)**

**Answer**

- (a) (i) Indicators of reef decay include destabilized herbivore populations and an increasing abundance of algae and filter-feeding animals.
- (ii) Algae carry out the process of photosynthesis by using the metabolic wastes of the coral thereby producing food for themselves, for their corals, hosts, and even for other members of the reef community.

- (iii) Man is responsible for decay of reef because activities such as agriculture, slash-and-burn land clearing, sewage disposal and manufacturing that create waste by-products all increase nutrient loads in these waters that cause degradation of reef.
- (iv) Summary of the above passage-

Coral reefs are one of the most fragile and complex, marine ecosystem on Earth. Cells of algae known as zooxanthellae carry out photosynthesis using the metabolic wastes of the coral thereby producing food for themselves, for their corals, and for other members of the reef community. Man on other hand is destroying the coral reefs by carrying out agriculture, slash-and-burn land clearing etc. Thus the reef communities are in decline.

**(b) (i) Notes, using Headings, Sub-headings and Abbreviations-**

**MONOPOLY IN HEALTH CARE INDUSTRY**

**A. Govt. regulates industry.**

- a. In Economics: the seller attracts buyers
- b. In Monopoly: Govt. puts price/other curbs against industry.
- c. but in HC Industry Govt. fails to put such curbs.

**B. HC Industry.**

- a. Dr.- Pt. relationship = Producer-Consumer.
- b. It's the Dr. who decides everything i.e. Pt. visit; test types;
- c. Rarely the Dr.'s decision is questioned.

**C. Hospital Care.**

- a. Dr. decides hospitalization need; procedures to be performed; discharge period.
- b. Dr. decision final.

**D. Participants.**

- a. Four participants - Dr. Hospital; Pt.; payer.
- b. Payer pays bills as decided by hospital; dr.
- c. Pt. is passive.
- d. Health care expenses determined by physicians.

**Key**

1. Dr. = Doctor
2. Pt. = patient
3. HC = health care
4. Govt. –Government.

(ii) **Summary-**

The health care industry has four participants namely the physician; the hospital; the patient; and the payer. The physician and hospitals are at the commanding position. They dominate over the patient and the payers with regard to type of medication and test needed. The medical staff is the power centre; the hospital comes secondary. Unlike other sector where the government puts checks to curb monopoly of the industry over the customers, restrictions do not work for the health care industry and hence any progressive measures started by the government towards patients and public becomes ineffective.

**Question 8**

(a) Define Virtual & Chain Network under network in communication? **(2 Marks)**

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

**Crooked**

(1) Straight (2) Tapering (3) Twisted (4) Circle

**(1 Mark)**

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

**Predicament**

(1) Injury (2) Ease (3) Accident (4) Horrifying

**(1 Mark)**

(iii) Change the following sentence to indirect speech:

Pari said to me "I have been living in London since last December"

**(1 Mark)**

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

*India has witnessed great expansion of educational opportunities since the attainment of independence. However, the disabled children have not yet benefited in any substantial manner from the growth in educational facilities.*

*Education of handicapped children, ultimately become more dependent and non productive. It is therefore believed that scarce national resources should not be wasted on them. Further, it has been our misconceived notion that the education of handicapped children requires highly specialized people and as such, it must essentially be very costly. Maybe, precisely for these wrong notions we have not been able to involve clinical and educational specialization programmers of training and education exclusively 'meant' for handicapped children. It is encouraging to note that the new National Policy on Education has recommended the placement of such children in Regular schools so as to provide them integrated education along with normal students. The integrated education will take care of the different needs of various categories and types of disabled children. The objective is to place the disabled children in ordinary*

*schools for imparting education in the help of special teachers, aids and other resources. For fulfilling this objective an array, of the necessary infrastructure by way of training of teachers, provision of equipment and book etc. are some of the basic pre-requisition. Hopefully, the parents and their handicapped children will be greatly relieved when the latter are transferred to regular schools.* **(5 Marks)**

**Answer****(a) Vertical and Chain Network**

Vertical network: The vertical network is a formal network. It is usually between a higher ranking employee and a subordinate. This is a two-way communication in which immediate feedback is possible.

Chain Network: The communication pattern that follows the chain of command from the senior to junior is called the chain network. Communication starts at the top, like from a CEO, and works its way down to the different levels of employees.

**(b) (i) Crooked = Twisted**

(ii) Predicament = Ease

(iii) Pari told me she had been living in London since last December.

**(c) Précis****Education for handicapped children**

Education opportunities for handicapped children are sparse as compared to the normal children. Expenditure on their education is treated as a wastage and rather non-productive. The view that education for handicapped requires higher costs and specialized people has led to discouragement towards development of measures towards the same. The National Education Policy recommends integrating the education for handicapped with the normal children with the help of specialized teachers and other aids. Training of teachers and necessary infrastructure shall help the handicapped children and shall relieve their parents regarding worries about their education.

**Question 9**

(a) (i) *Discuss the "Gender Barrier" in communication.* **(2 Marks)**

**Or**

(ii) *What do you mean by Informal Communication?* **(2 Marks)**

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

(i) **Reckless**

(1) *Cautious*      (2) *Clear*      (3) *Careless*      (4) *Fearless*

**(1 Mark)**



(ii) **Humongous**

(1) Minute (2) Huge (3) Hungry (4) Hassel

(1 Mark)

(iii) Change the following sentence into indirect speech.

She said "I am watching a television show"

(1 Mark)

(c) Draft Newspaper Report on "Six Lane highway connecting two states inaugurated" to be published in a national newspaper. (5 Marks)

**Answer**

(a) (i) Gender barriers may be defined as the communication gap created due to the different ways of inherent mindsets of men and women as given by nature. Men talk in linear, logical and compartmentalized manner whereas the women use both logic and emotion, and are more verbose. This may be cause of communication problem in an office where both men and women work side by side. Men can be held guilty of providing insufficient information, while women maybe blamed for providing too much detail.

**OR**

(ii) Informal communication is the casual, friendly and unofficial. It is spontaneous conversation and exchange of information between two or more persons without conforming to the prescribed official rules, processes, systems, formalities, and chain of command. Informal communication is between family, friends, neighbours, members of community and other social relations that are based on common interests, tastes and dispositions. Information can flow from any source in any direction.

(b) (i) **Reckless = Careless**

(i) Humongous = Huge

(ii) She said that she was watching a television show.

(c) **Six Lane Highway Connecting Two States Inaugurated**

**Indian Express**

Anpara (UP), Feb 01, 2019.

The honourable Chief Minister of the Uttar Pradesh Mr. XY inaugurated the all new six lane highway between the States of Uttar Pradesh and Madhya Pradesh on 01<sup>st</sup> Feb, 2019. The six lane highway ranging 65 kilometers has been completed by Highway Authority of India at a record period of 24 months. The Highway will connect Anpara (U.P.) with Satna (M.P.).

The chief Minister in his inaugural speech said "the need that was being felt for the several years for a highway that shall connect the bordering areas of the two biggest

States of India. I personally thank the local people who have given their land for construction of the highway”.

The Highway has been constructed with an approved width of 43.6 Meters with speed limit indicators; caution indicators at every 6 Kilometers of the route. Energy saving LED lights have been put up at both sides of the Lanes so that perfect visibility of the road can be ensured at nights. The Toll Plaza has been set-up at 35 kilometers from Anapara near Shakti Nagar (U.P.)

The Six Lane Highway shall encourage the journey of the local people by road, thus reducing the traffic load on railways. The communication of commercial traffic shall be facilitated which will significantly reduce the time required earlier for the above purpose.

**Source: PTI**

**Question 10**

- (a) *"The listener has to be objective, practical and control his emotions" Explain with reference to importance of listening in communication? (2 Marks)*
- (b) (i) *Change the sentence from Active to Passive Voice.*  
*The teacher always answers the students' questions. (1 Mark)*
- (ii) *Change the sentence from Passive to Active Voice;*  
*Every night the office is vacuumed and dusted by the cleaning crew. (1 Mark)*
- (iii) *Change the following sentence to indirect speech.*  
*She said "My Father came yesterday". (1 Mark)*
- (c) *Write an article of about 250 words on the topic "The Fearless Indian Army": (5 Marks)*

**Answer**

- (a) A good listener does not only listen to the spoken words, but observes carefully the non-verbal cues to understand the complete message. He absorbs the given information, processes it, understands its context and meaning and forms an accurate, reasoned, intelligent response. The listener has to be objective, practical and in control of his emotions. Often the understanding of a listener is coloured by his own emotions judgements, opinions, and reactions to what is being said.
- (b) (i) The student questions are always answered by the teacher.  
 (ii) The cleaning crew vacuums and dusts the office every night.  
 (iii) She said that her father had come the day before.
- (c) **The Fearless Indian Army**

The Indian army is undoubtedly one of the finest armies in the world. Since prehistoric to modern times the Indian soldiers are one of the bravest, fighting both for homeland as well as for ensuring peace even on foreign lands such as peace keeping force in Sri Lanka.

Our soldiers never surrendered before enemies. Their motto has always been 'do or die'. During Indo- china war of October – November, 1962 and later on in the Indo-Pak war of September 1965, one Indian Soldier killed many soldiers of enemy armies on various fronts. During the World war II the Indian soldiers proved their mettle on the foreign land of Europe' Africa and the Korea on various missions.

The Indian army has proved their superiority whenever the neighboring country Pakistan challenged us. The Kargil war In 1999 was triggered by the spring and summer incursion of Pakistan backed armed forces into territory on the Indian side of the LOC around Kargil in State of Jammu & Kashmir. The Indian forces were prepared for a major high altitude offensive against Pakistani posts along the border in the Kashmir region. India had to move five infantry divisions, five independent brigades and 44 battalions of paramilitary troops to Kashmir. The total Indian army troop strength in the region reached to 7,30,000. The build-up included the deployment of around 60 frontline aircraft. The Indian army campaign to repel the intrusion left 524 Indian soldiers dead and 1,363 wounded, as per the data released by then Indian defence minister Shri George Fernandez on December 01, 1999.

**Question 11**

- (a) *Define the importance of Para language Hi Non Verbal Communication.*
- (b) *Select the correct meaning of idioms/phrases given below:*
- (i) *Cry over spilled milk*
- (1) *Drain milk*
- (2) *Complain about something that cannot be rectified*
- (3) *Get into altercation with someone*
- (4) *Misbehave with someone* **(1 Mark)**
- (ii) *Judge a book by its cover.*
- (1) *Reading a book*
- (2) *To detect a fraud*
- (3) *Rely on outward appearances*
- (4) *To be intimated by appearances* **(1 Mark)**
- (iii) *Change the sentence into Active Voice: The Grand Canyon is visited by thousands of tourists every year.* **(1 Mark)**
- (iv) *Cheese the word which best expresses the meaning of the given word:*
- Mesmerized**
- (1) *Enthrall* (2) *Gruesome* (3) *Scary* (4) *Harmony* **(1 Mark)**

- (c) Write a Formal E Mail: 'Mail is written by the Manager to the employees about the changed dress code for Republic day function including time and venue of function.

**(4 Marks)**

**Answer**

- (a) Paralanguage may be defined as the way a person says something. It reveals more than the actual words used, the intent of the message. The voice quality, intonation, pitch, stress, emotion, tone and style of speaking, communicants' approval, interest or the lack of it are depicted through paralanguage. Research estimates that tone of the voice accounts for 38 percent of all communications.
- (b) (i) Complain about something that cannot be rectified.  
 (ii) Rely on outward appearances.  
 (iii) Thousands of tourists visit the Grand Canyon every year.  
 (iii) Enthrall
- (c) To: Mr. A; Mr. B; Mr. c .....

Subject: Dress code for Republic Day Function as on 26<sup>th</sup> January, 2019

Dear sir/madam,

Greetings of the day.

As you all be aware that the Republic day is round the corner. Your company is organising a flag hoisting followed by cultural program and traditional get together of all the rank and file of the organization including the executive heads.

The ceremony shall be held at 9.00 A.M. sharp at the ground in front of company's gate.

The company has decided a mandatory dress code for the occasion for all participants as-

For Men- White Kurta- Payjama

For Women- Saree preferably of white colour.

Dress code is mandatory.

Hope that all our esteemed employees and executives will grace the function by their benign presence at the time and venue in the prescribed dress code.

Thanks & Regards.

Sd/-

Company secretary,

XWZ Ltd.

Roll No. ....

Foundation (New Syllabus)

Paper - 2

NOV 2018

Total No. of Questions – 11

Business Law & Business  
Correspondence and Reporting

Total No. of Printed Pages – 20

Time Allowed – 3 Hours

Maximum Marks – 100

## MCQS-H

Questions 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.

Questions in Section B, are to be answered in English only, by all the candidates, including those who have opted for Hindi medium.

Answers 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.

**Marks**

1. (a) Mr. X and Mr. Y entered into a contract on 1<sup>st</sup> August, 2018, by which Mr. X had to supply 50 tons of sugar to Mr. Y at a certain price strictly within a period of 10 days of the contract. Mr. Y also paid an amount of ₹ 50,000 towards advance as per the terms of the above contract. The mode of transportation available between their places is roadway only. Severe flood came on 2<sup>nd</sup> August, 2018 and the only road connecting their places was damaged and could not be repaired within fifteen days. Mr. X offered to supply sugar on 20<sup>th</sup> August, 2018 for which Mr. Y did not agree. On 1<sup>st</sup> September, 2018, Mr. X claimed compensation of ₹ 10,000 from Mr. Y for refusing to accept the supply of sugar, which was not there within the purview of the contract. On the other hand, Mr. Y claimed for refund of ₹ 50,000, which he had paid as advance in terms of the contract. Analyse the above situation in terms of the provisions of the Indian Contract Act, 1872 and decide on Y's contention.

**4**

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- (b) A company registered under Section 8 of the Companies Act, 2013, earned huge profits during the financial year ended on 31<sup>st</sup> March, 2018 due to some favourable policies declared by the Government of India and implemented by the company. Considering the development, some members of the company wanted the company to distribute dividends to the members of the company. They approached you to advise them about the maximum amount of dividend that can be declared by the company as per the provisions of the Companies Act, 2013. Examine the relevant provisions of the Companies Act, 2013 and advise the members accordingly. 4
- (c) Differentiate between Ascertained and Unascertained Goods with example. 4
2. (a) What is Contingent Contract ? Discuss the essentials of Contingent Contract as per the Indian Contract Act, 1872. 7
- (b) Explain the essential elements to incorporate a Limited Liability Partnership and the steps involved therein under the LLP Act, 2008. 5
3. (a) "Though a minor cannot be a partner in a firm, he can nonetheless be admitted to the benefits of partnership."  
(I) Referring to the provisions of the Indian Partnership Act, 1932, state the rights which can be enjoyed by a minor partner. 4

**MCQS-H**

(3)

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**Marks**

- (II) A. State the liabilities of a minor partner both : **2**
- (i) Before attaining majority and
  - (ii) After attaining majority.

**OR**

- B. State the legal position of a minor partner after attaining majority : **2**
- (i) When he opts to become a partner of the same firm.
  - (ii) When he decide not to become a partner.
- (b) (i) Mr. Ramesh promised to pay ₹ 50,000 to his wife Mrs. Lali so that she can spend the sum on her 30<sup>th</sup> birthday. Mrs. Lali insisted her husband to make a written agreement if he really loved her. Mr. Ramesh made a written agreement and the agreement was registered under the law. Mr. Ramesh failed to pay the specified amount to his wife Mrs. Lali. Mrs. Lali wants to file a suit against Mr. Ramesh and recover the promised amount. Referring to the applicable provisions of the Contract Act, 1872, advise whether Mrs. Lali will succeed. **3**
- (ii) A shop-keeper displayed a pair of dress in the show-room and a price tag of ₹ 2,000 was attached to the dress. Ms. Lovely, looked at the tag and rushed to the cash counter. Then she asked the shop-keeper to receive the payment and pack up the dress. The shop-keeper refused to hand-over the dress to Ms. Lovely in consideration of the price stated in the price tag attached to the dress. Ms. Lovely seeks your advice whether she can sue the shop-keeper for the above cause under the Indian Contract Act, 1872. **3**

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**P.T.O.**

(4)

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Marks

4. (a) What is the Doctrine of "Caveat Emptor" ? What are the exceptions to the Doctrine of "Caveat Emptor" ?

6

(b) (i) Mr. A, Mr. B and Mr. C were partners in a partnership firm M/s ABC & Co., which is engaged in the business of trading of branded furniture. The name of the partners was clearly written along with the firm name in front of the head office of the firm as well as on letter-head of the firm. On 1<sup>st</sup> October, 2018, Mr. C passed away. His name was neither removed from the list of partners as stated in front of the head office nor from the letter-heads of the firm. As per the terms of partnership, the firm continued its operations with Mr. A and Mr. B as partners. The accounts of the firm were settled and the amount due to the legal heirs of Mr. C was also determined on 10<sup>th</sup> October, 2018. But the same was not paid to the legal heirs of Mr. C. On 16<sup>th</sup> October, 2018, Mr. X, a supplier supplied furniture worth ₹ 20,00,000 to M/s ABC & Co. M/s ABC & Co. could not repay the amount due to heavy losses. Mr. X wants to recover the amount not only from M/s ABC & Co., but also from the legal heirs of Mr. C.

3

Analyse the above situation in terms of the provisions of the Indian Partnership Act, 1932 and decide whether the legal heirs of Mr. C can also be held liable for the dues towards Mr. X.

(ii) Mr. M, Mr. N and Mr. P were partners in a firm, which was dealing in refrigerators. On 1<sup>st</sup> October, 2018, Mr. P retired from partnership, but failed to give public notice of his retirement.

3

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(5)

**MCQS-H**

**Marks**

After his retirement, Mr. M, Mr. N and Mr. P visited a trade fair and enquired about some refrigerators with latest techniques. Mr. X, who was exhibiting his refrigerators with the new techniques was impressed with the interactions of Mr. P and requested for the visiting card of the firm. The visiting card also included the name of Mr. P as a partner even though he had already retired. Mr. X supplied some refrigerators to the firm and could not recover his dues from the firm. Now, Mr. X wants to recover the dues not only from the firm, but also from Mr. P.

Analyse the above case in terms of the provisions of the Indian Partnership Act, 1932 and decide whether Mr. P is liable in this situation.

5. (a) Mr. G sold some goods to Mr. H for certain price by issue of an invoice, but payment in respect of the same was not received on that day. The goods were packed and lying in the godown of Mr. G. The goods were inspected by H's agent and were found to be in order. Later on, the dues of the goods were settled in cash. Just after receiving cash, Mr. G asked Mr. H that goods should be taken away from his godown to enable him to store other goods purchased by him. After one day, since Mr. H did not take delivery of the goods, Mr. G kept the goods out of the godown in an open space. Due to rain, some goods were damaged.

**6**

Referring to the provisions of the Sale of Goods Act, 1930, analyse the above situation and decide who will be held responsible for the above damage. Will your answer be different, if the dues were not settled in cash and are still pending ?

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**P.T.O.**

(6)

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**Marks**

- (b) There are cases where company law disregards the principle of corporate personality or the principle that the company is a legal entity distinct from its shareholders or members. Elucidate. **6**
6. (a) Explain the modes of revocation of an offer as per the Indian Contract Act, 1872. **5**
- (b) State any four grounds on which Court may dissolve a partnership firm in case any partner files a suit for the same. **4**
- (c) Mr. X had purchased some goods from M/s ABC Limited on credit. A credit period of one month was allowed to Mr. X. Before the due date Mr. X went to the company and wanted to repay the amount due from him. He found only Mr. Z there, who was the factory supervisor of the company. Mr. Z told Mr. X that the accountant and the cashier were on leave, he is in-charge of receiving money and he may pay the amount to him. Mr. Z issued a money receipt under his signature. After two months M/s ABC Limited issued a notice to Mr. X for non-payment of the dues within the stipulated period. Mr. X informed the company that he had already cleared the dues and he is no more responsible for the same. He also contended that Mr. Z is an employee of the company to whom he had made the payment and being an outsider, he trusted the words of Mr. Z as duty distribution is a job of the internal management of the company. **3**

Analyse the situation and decide whether Mr. X is free from his liability.

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(7)

MCQS-H

Marks

(Hindi Version)

भाग 'अ' के प्रश्नों का उत्तर परीक्षार्थी ने जो माध्यम चुना है, उसमें ही देना है। वह परीक्षार्थी जिसने हिन्दी माध्यम नहीं चुना है, यदि हिन्दी में उत्तर देता है, तो उसके हिन्दी में दिये गये उत्तरों का मूल्यांकन नहीं होगा।

सभी परीक्षार्थियों (हिन्दी माध्यम के परीक्षार्थियों को सम्मिलित करके) को भाग 'ब', के प्रश्नों का उत्तर अंग्रेजी में ही लिखना है।

इसी उत्तर पुस्तिका में दोनों भागों का उत्तर देना है।

भाग - अ

Marks : 60

प्रश्न संख्या 1 अनिवार्य है।

शेष पाँच प्रश्नों में से किन्हीं चार प्रश्नों के उत्तर दीजिए।

1. (a) श्रीमान् X एवं श्रीमान् Y, 1 अगस्त 2018 को एक अनुबन्ध करते हैं, जिसके अनुसार श्रीमान् X को निश्चित तौर पर अनुबन्ध के दस दिन में श्रीमान् Y को निश्चित कीमत पर 50 टन चीनी की आपूर्ति करनी थी। श्रीमान् Y ने अनुबन्ध के अनुसार ₹ 50,000 अग्रिम धनराशि के रूप में अदा कर दी। उनके बीच केवल सड़क यातायात ही एकमात्र साधन था। 2 अगस्त, 2018 को भीषण बाढ़ की वजह से उनके बीच की एकमात्र सड़क भी नष्ट हो जाती है जो कि 15 दिन से पहले ठीक भी नहीं हो सकती थी। श्रीमान् X, 20 अगस्त, 2018 को चीनी की आपूर्ति का प्रस्ताव रखते हैं जिसके लिए श्रीमान् Y सहमत नहीं होते हैं। 1 सितम्बर, 2018 को श्रीमान् X, श्रीमान् Y द्वारा उनके प्रस्ताव को ठुकराने के एवज में ₹ 10,000 मुआवजे की माँग करते हैं जो कि इस अनुबन्ध के अनुसार नहीं थी। इसी समय श्रीमान् Y, ₹ 50,000 जो कि उन्होंने अग्रिम धनराशि के रूप में दिए थे उनकी पुनः माँग करते हैं। भारतीय संविदा अधिनियम, 1872 के प्रावधानों के अनुसार उपरोक्त स्थिति का विश्लेषण कीजिए तथा Y के मतानुसार निर्णय लीजिए।

MCQS-H

P.T.O.

(8)

MCQS-H

Marks

- (b) एक कम्पनी, कम्पनी अधिनियम, 2013 की धारा 8 के अन्तर्गत पंजीकृत होती है तथा सरकार द्वारा घोषित कुछ हितकारी नीतियों तथा कम्पनी द्वारा उनको लागू करने की वजह से 31 मार्च, 2018 को खत्म होने वाले वित्तीय साल में अच्छा मुनाफा कमाती है। इस विकास को देखते हुए कम्पनी के कुछ सदस्य चाहते हैं कि कम्पनी अपने सदस्यों को लाभांश वितरित करे। कम्पनी अधिनियम, 2013 के प्रावधानों के अनुसार कम्पनी अधिकाधिक कितने लाभांश की घोषणा कर सकती है इसके सुझाव के लिए वे आपसे सम्पर्क करते हैं। कम्पनी अधिनियम, 2013 के उपयुक्त प्रावधानों की जाँच कीजिए और उसके अनुसार सदस्यों को सुझाव दीजिए। 4
- (c) निर्धारित तथा अनिर्धारित माल में उदाहरण सहित अन्तर बताइये। 4
2. (a) 'सांयोगिक अनुबन्ध' क्या होते हैं ? भारतीय संविदा अधिनियम, 1872 के अनुसार सांयोगिक अनुबन्ध के आवश्यक लक्षणों का उल्लेख कीजिए। 7
- (b) सीमित दायित्व साझेदारी के समामेलन हेतु आवश्यक तत्त्व तथा सीमित दायित्व साझेदारी अधिनियम, 2008 के अनुसार इसके विभिन्न चरणों की व्याख्या कीजिए। 5
3. (a) "एक अवयस्क न तो फर्म का साझेदार बन सकता है, ना ही साझेदारी के लाभों के प्रति शामिल हो सकता है।" 4
- (I) भारतीय साझेदारी अधिनियम, 1932 के प्रावधानों के संदर्भ में एक अवयस्क साझेदार को प्राप्त होने वाले अधिकार बताइये। 4

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(9)

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Marks

- (II) A. एक अवयस्क साझेदार के दायित्व बताइये : 2
- (i) वयस्क होने से पूर्व
- (ii) वयस्कता प्राप्त करने के बाद
- अथवा
- B. एक अवयस्क साझेदार की वयस्कता प्राप्त करने के बाद वैधानिक स्थिति बताइये : 2
- (i) जब वह उसी फर्म में साझेदार बनता है ।
- (ii) जब वह साझेदार न बनने का निर्णय लेता है ।
- (b) (i) श्रीमान् रमेश अपनी पत्नी श्रीमती लाली को ₹ 50,000 देने का वादा करते हैं जिसे वह अपने 30वें जन्मदिन पर खर्च कर सके । श्रीमती लाली अपने पति को लिखित करार के लिए बाधित करती है अगर वो उससे सच्चा प्यार करते है । श्रीमान् रमेश लिखित करार बना देते हैं तथा वह करार विधिवत पंजीकृत हो जाता है । श्रीमान् रमेश अपनी पत्नी श्रीमती लाली को वह निश्चित राशि देने में असमर्थ हो जाते हैं । श्रीमती लाली, श्रीमान् रमेश के विरुद्ध वाद प्रस्तुत करना तथा उनसे वादे की रकम वसूल करना चाहती है । भारतीय संविदा अधिनियम, 1872 के अनुसार इस स्थिति पर लागू होने वाले प्रावधानों के संदर्भ में सुझाव दीजिए कि क्या श्रीमती लाली को सफलता मिलेगी । 3
- (ii) एक दुकानदार अपने शोरूम में एक जोड़ा ड्रेस प्रदर्शित करता है जिस पर ₹ 2,000 की कीमत लगी थी । मिस लवली उस कीमत को देखकर दुकानदार के पास आती है और उस दुकानदार को कीमत लेकर ड्रेस पैक करने के लिए कहती है । दुकानदार उस ड्रेस के ऊपर लगी कीमत के प्रतिफल में उसे ड्रेस देने से इंकार कर देता है । मिस लवली आपका सुझाव चाहती है कि क्या वह भारतीय संविदा अधिनियम, 1872 के अन्तर्गत उस दुकानदार के विरुद्ध उपरोक्त कारण से वाद प्रस्तुत कर सकती है । 3

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P.T.O.

(10)

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4. (a) “क्रेता सावधान रहें” नियम से आप क्या समझते हैं ? ‘क्रेता सावधान रहें’ नियम के क्या अपवाद हैं ?

6

(b) (i) श्रीमान् A, B एवं C, M/s ABC & Co. एक साझेदारी फर्म में साझेदार थे जो कि ब्रांडिड फर्नीचर का व्यापार करती थी। साझेदारों के नाम उनकी फर्म के नाम सहित फर्म के प्रमुख कार्यालय के बाहर तथा साथ ही फर्म के लेटरहेड्स पर लिखे हुए थे। 1 अक्टूबर, 2018 को श्रीमान् C गुजर जाते हैं। उनका नाम ना तो प्रमुख कार्यालय के बाहर लगी भागीदारों की सूची में से और ना ही लेटरहेड्स से हटाया जाता है। साझेदारी के नियमानुसार फर्म की कार्यविधियाँ A और B साझेदारों के साथ नियमित रहती हैं। फर्म का लेखा-जोखा तैयार कर लिया जाता है और 10 अक्टूबर, 2018 तक श्रीमान् C के कानूनी उत्तराधिकारी की देय राशि भी तय कर ली जाती है परन्तु वह राशि श्रीमान् C के कानूनी उत्तराधिकारी को अदा नहीं की जाती। 16 अक्टूबर, 2018 को श्रीमान् X ने M/s ABC & Co. में ₹ 20,00,000 के फर्नीचर की आपूर्ति की परन्तु कम्पनी में भारी नुकसान की वजह से उनको यह राशि अदा नहीं की गई। श्रीमान् X ये राशि ना केवल M/s ABC & Co. से वरन् श्रीमान् C के कानूनी उत्तराधिकारी से भी वसूल करना चाहते हैं।

3

भारतीय साझेदारी अधिनियम, 1932 के प्रावधानों के अनुसार उपरोक्त स्थिति की व्याख्या कीजिए तथा निर्णय कीजिये कि क्या श्रीमान् C का कानूनी उत्तराधिकारी भी श्रीमान् X को देय राशि के लिए दायी है।

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- (ii) श्रीमान् M, N और P एक साझेदारी फर्म में साझेदार थे, जो कि रेफ्रिजिरेटर का व्यापार करती थी। 1 अक्टूबर, 2018 को P बिना कोई सार्वजनिक सूचना दिये फर्म से सेवानिवृत्त हो जाते हैं। उनके सेवानिवृत्त होने के बाद श्रीमान् M, N एवं P एक व्यापार मेला देखने जाते हैं और कुछ नई तकनीकियों वाले रेफ्रिजिरेटर के लिए पूछताछ करते हैं। श्रीमान् X, जो कि अपने नई तकनीकियों वाले रेफ्रिजिरेटर को प्रदर्शित कर रहे थे वो श्रीमान् P के साथ संवाद से प्रभावित होते हैं और उनसे उनकी फर्म का विजिटिंग कार्ड माँगते हैं। उस विजिटिंग कार्ड में अभी भी उनका नाम एक साझेदार के रूप में सम्मिलित होता है यद्यपि वह सेवानिवृत्त हो चुके है। श्रीमान् X कुछ रेफ्रिजिरेटर की आपूर्ति उस फर्म में करते हैं लेकिन फर्म से अपनी देय राशि वसूल नहीं कर पाते हैं। अब श्रीमान् X अपनी देय राशि ना केवल फर्म से वरन् श्रीमान् P से भी वसूल करना चाहते हैं।

3

भारतीय साझेदारी अधिनियम, 1932 के प्रावधानों के अनुसार उपरोक्त मामले की व्याख्या कीजिए तथा निर्णय कीजिए कि क्या श्रीमान् P इस स्थिति में दायी हैं।

5. (a) श्रीमान् G एक निश्चित कीमत पर बीजक पारित करके कुछ माल श्रीमान् H को बेचते हैं लेकिन उसकी कीमत उस दिन प्राप्त नहीं कर पाते हैं। सारा माल पैक होकर श्रीमान् G के गोदाम में पड़ा रहता है। वो माल श्रीमान् H के अभिकर्ता को निरीक्षण में सही दशा में प्राप्त होता है। बाद में उस माल का भुगतान नकद में कर दिया जाता है। नकद प्राप्त करने के बाद श्रीमान् G, श्रीमान् H को वह माल उसके गोदाम से ले जाने के लिए कहते हैं क्योंकि वह अपना और खरीदा हुआ माल रखने में सक्षम हो सकें। एक दिन के बाद भी श्रीमान् H अपने माल की सुपुर्दगी नहीं लेते। इस पर श्रीमान् G सारा माल गोदाम से बाहर निकाल कर खुले में रख देते हैं। बारिश की वजह से कुछ माल नष्ट हो जाता है।

6

वस्तु विक्रय अधिनियम, 1930 के प्रावधानों के संदर्भ में उपरोक्त स्थिति का विश्लेषण कीजिए तथा निर्णय लीजिए की उपरोक्त क्षति के लिए कौन उत्तरदायी होगा। अगर देय राशि नकद में अभी तक चुकायी नहीं जाती तो क्या इस स्थिति में आपका जवाब बदल जाता ?

- (b) यहाँ कुछ ऐसे मामले हैं जहाँ कम्पनी सन्नियम कॉरपोरेट व्यक्तित्व के सिद्धांत या इस सिद्धान्त की अनदेखी करता है कि कम्पनी एक वैधानिक सत्ता है जो अपने सदस्यों या अंशधारकों से पृथक है। सविस्तार व्याख्या कीजिये। 6
6. (a) भारतीय अनुबंध अधिनियम, 1872 के अनुसार प्रस्ताव के विखण्डन के तरीकों की व्याख्या कीजिए। 5
- (b) कोई चार आधार बताइये जिन पर न्यायालय किसी पक्षकार के वाद प्रस्तुत करने पर एक साझेदारी फर्म का समापन कर सकती है। 4
- (c) श्रीमान् X, M/s ABC लिमिटेड से कुछ माल साख पर खरीदते हैं। श्रीमान् X को साख सीमा 1 महीने की दी जाती है किन्तु वह समय से पहले ही कम्पनी में जाकर देय राशि चुकाना चाहते हैं। उनको वहाँ केवल श्रीमान् Z मिलते हैं, जो कि उस कम्पनी के कारखाना निरीक्षक हैं। श्रीमान् Z, श्रीमान् X को बताते हैं कि लेखाकार एवं खजानची छुट्टी पर हैं, वो धन प्राप्त करने का प्रभारी है और श्रीमान् X उन्हें राशि अदा कर सकते हैं। श्रीमान् Z अपने हस्ताक्षर सहित धन की रसीद पारित कर देते हैं। दो महीने बाद M/s ABC लिमिटेड श्रीमान् X के लिए शर्तानुसार देय राशि ना चुकाने के लिए एक नोटिस जारी कर देती है। श्रीमान् X कम्पनी को सूचित करते हैं कि वह बकाया राशि पहले ही अदा कर चुके हैं और वो अब इसके लिए उत्तरदायी नहीं हैं। वह कम्पनी को संतुष्ट करते हैं कि कम्पनी के एक कार्यकर्ता श्रीमान् Z को उन्होंने भुगतान किया था। बाहरी व्यक्ति होने के कारण उन्होंने श्रीमान् Z के शब्दों पर भरोसा किया क्योंकि कम्पनी में कर्तव्यों का वितरण उनके आन्तरिक प्रबन्धन का मामला होता है।
- इस स्थिति की व्याख्या कीजिये और निर्णय लीजिए कि क्या श्रीमान् X अपने दायित्व से मुक्त हो गये। 3



(13)

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**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.

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

“Your room is so ugly that no one can enter your room except yourself, son. Please take care of yourself at least.” Harish’s mother was simply shouting at Harish. It was a beautiful Sunday morning and Harish was in no mood to get up from bed even it was already 9.00 A.M. His mother had completed cleaning the whole house except Harish’s Room. Harish got up and finished his daily routine. Still, he was only at the receiving end. “All your friends have finished morning walk, breakfast and completed their weekly homework given in the college. Just clean your room and take the whole garbage and throw outside.” Harish was surprised. What is mom speaking about ? Yesterday only his mom was teaching him about “Swachh Bharat Abhiyan” and today asking him to throw the garbage outside ! “What’s this Mom ? You advised me so much and today asking to throw garbage outside ?” Harish had two options, either to follow his

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**Marks**

mother's last night advice or to follow her present order. He decided to follow the first and raised objection. His Mom said, "It was just a book son, I was teaching from that only." Harish still objected and threw the garbage inside a dustbin, located around 200 metres away from his house.

Is it only a matter of reading only ? Is really cleanliness not necessary ? Is it a duty of the politicians and Government servants ? Harish asked himself all the questions to himself and decided to do what he thought to be proper. If all of us with a little effort try it in our daily life, slowly, but surely we can clean our environment. Only we are responsible for all this non-sense. Therefore we have to act. We have to avoid the use of polythene bags to save our environment; we have to give up our habit of throwing garbage and used plastic bags and bottles here and there. Otherwise day will come, when we and our future generation will be struggling to find a clean road to walk. Think seriously and act accordingly.

- |  |   |
|--|---|
| (i) What was the subject matter of the book, which Harish's mother was teaching him last night ? | 1 |
| (ii) Who has to act properly to ensure a clean environment ?                                     | 1 |
| (iii) Who will suffer if we do not ensure clean environment ?                                    | 1 |
| (iv) Write a summary of the above paragraph.   | 2 |

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**Marks**

- (b) Read the passage :
- (i) Make notes, using headings, sub-headings and abbreviations wherever necessary. **3**
- (ii) Write Summary. **2**

A good business letter is one that gets results. The best way to get results is to develop a letter that in its appearance, style and content, conveys information efficiently. To perform this function, a business letter should be concise, clear and courteous. The business letter must be concise, don't waste words. Little introduction or preliminary chat is necessary. Get to the point, make the point, and leave it. It is safe to assume that your letter is being read by a very busy person with all kinds of papers to deal with. Re-read and revise your message until the words and sentences you have used are precise. This takes time, but is a necessary part of a good business letter. A short business letter that makes its point quickly has much more impact on a reader than a long-winded, rambling exercise in creative writing. This does not mean that there is no place for style and even, on occasion, humour in the business letter. While it conveys a message in its contents, the letter also provides the reader with an impression of you, its author, the medium is part of the message. The business letter must be clear. You should have a very firm idea of what you want to say, and you should let the reader know it. Use the structure of the letter – the paragraphs, topic sentences, introduction and conclusion- to guide the reader point by point from your thesis, through your reasoning, to your conclusion. Paragraph often, to break up the page and to lend an air of organization

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**P.T.O.**

to the letter. Use an accepted business letter format. Re-read what you have written from the point of view of someone who is seeing it for the first time, and be sure that all explanations are adequate, all information provided (including reference numbers, dates and other identification). A clear message, clearly delivered, is the essence of business communication. The business letter must be courteous. Sarcasm and insults are ineffective and can often work against you. If you are sure you are right, point that out as politely as possible, explain why you are right, and outline what the reader is expected to do about it. Another form of courtesy is taking care in your writing and typing of business letter. Grammatical and spelling errors (even if you call them typing errors) tell a reader that you don't think enough of him or can lower the reader's opinion of your personality faster than anything you say, no matter how idiotic. There are excuses for ignorance; there are no excuses for sloppiness. The business letter is your custom-made representative. It speaks for you and is a permanent record of your message. It can pay big dividends on the time you invest in giving it a concise message, a clear structure, and a courteous tone.

8. (a) Describe the term "paralanguage", a mode of communication. 2
- (b) (i) Choose the word which best expresses the meaning of the given word : 1
- Proficient
- (1) Regular (2) Expert
- (3) Weak (4) Reserve

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Marks

(ii) Select a suitable antonym for the following word :

1

Support

(1) Disturb

(2) Attend

(3) Oppose

(4) Attack

(iii) Change the following sentence into indirect speech :

1

Suchi asked Sunil, "Are you interested to visit the temple ?"

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

5

Trees give shade for the benefit of others, and while they themselves stand in the sun and endure the scorching heat, they produce the fruit of which others profit. The character of good men is like that of trees. What is the use of this perishable body if no use is made of it for the benefit of mankind ? Sandalwood, the more it is rubbed, the more scent does it yield. Sugarcane, the more it is peeled and cut up into pieces, the more juice does it produce. The men who are noble at heart do not lose their qualities even in losing their lives. What matters whether men praise them or not ? What difference does it make whether they die at this moment or whether lives are prolonged ? Happen what may, those who tread in the right path will not set foot in any other. Life itself is unprofitable to a man who does not live for others. To live for the mere sake of living one's life is to live the life of dogs and crows. Those who lay down their lives for the sake of others will assuredly dwell forever in a world of bliss.

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(18)

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**Marks**

9. (a) (i) Discuss "Cultural barrier" in communication. 2

**OR**

- (ii) What do you mean by (A) Vertical and (B) Horizontal Formal communication ? 2

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

- (i) Fiction 1

(1) Fantasy (2) Story

(3) Fact (4) Reality

- (ii) Demote 1

(1) Rise (2) Upgrade

(3) Decline (4) Downgrade

- (iii) Change the following sentence into indirect speech : 1

Shalini gave order to her younger sister, "Go home immediately."

- (c) Write a circular addressing to the employees regarding re-organization of manpower and their responsibility in finance department of the company. 5

10. (a) How do Technology barriers effects communication ? Explain. 2

- (b) (i) Fill up the blank with the most suitable preposition or adverb given in the brackets. 1

He apologized \_\_\_\_\_ his teacher for his misbehaviour.

(to / from / with / against)

**MCQS-H**

(19)

MCQS-H

Marks

- (ii) Rewrite the following sentence in Passive Voice. 1  
Sunita said, "Please give me a glass of water."
- (iii) Rewrite the following sentence in Active Voice. 1  
The case should be handled by you carefully since it is critical in nature.
- (c) Write a Newspaper Report in 250 words on the topic : 5  
"Daughter of Gardener Tops Board Exams."
11. (a) Non-verbal is also one of the Broad Categories of Communication ? 2  
Explain.
- (b) (i) Select the correct meaning of the following idioms/phrases 1  
among the alternatives given below :  
Out of the blue  
(1) Something happens that was unexpected.  
(2) Something happens that was very much expected.  
(3) From the sky  
(4) From the Ocean
- (ii) Day in and day out 1  
(1) Coming and returning in day time  
(2) The day of importance  
(3) Continuously  
(4) Within a day
- (iii) Rewrite the following sentence in the Active Voice : 1  
The deer was trapped by the cunning fox.

MCQS-H

P.T.O.

(20)

**MCQS-H**

**Marks**

- (c) Mr. Mohit Agarwal, a resident of Meerut, have recently come across an advertisement, for a job vacancy in a leading TV Channel for the post of journalist, in The Times of India dated August 1, 2018.

5

Draft a Resume alongwith a cover letter in response to the advertisement.

**MCQS-H**



## PAPER – 2: BUSINESS LAW & BUSINESS CORRESPONDENCE AND REPORTING

### SECTION A – BUSINESS LAW

Question No. 1 is compulsory.

Attempt any **four** questions from the remaining **five** questions.

#### Question 1

- (a) Mr. X and Mr. Y entered into a contract on 1st August, 2018, by which Mr. X had to supply 50 tons of sugar to Mr. Y at a certain price strictly within a period of 10 days of the contract. Mr. Y also paid an amount of ₹ 50,000 towards advance as per the terms of the above contract. The mode of transportation available between their places is roadway only. Severe flood came on 2<sup>nd</sup> August, 2018 and the only road connecting their places was damaged and could not be repaired within fifteen days. Mr. X offered to supply sugar on 20<sup>th</sup> August, 2018 for which Mr. Y did not agree. On 1st September, 2018, Mr. X claimed compensation of ₹ 10,000 from Mr. Y for refusing to accept the supply of sugar, which was not there within the purview of the contract. On the other hand, Mr. Y claimed for refund of ₹ 50,000 which he had paid as advance in terms of the contract. Analyse the above situation in terms of the provisions of the Indian Contract Act, 1872 and decide on Y's contention. **(4 Marks)**
- (b) A company registered under section 8 of the Companies Act, 2013, earned huge profit during the financial year ended on 31st March, 2018 due to some favorable policies declared by the Government of India and implemented by the company. Considering the development, some members of the company wanted the company to distribute dividends to the members of the company. They approached you to advise them about the maximum amount of dividend that can be declared by the company as per the provisions of the Companies Act, 2013. Examine the relevant provisions of the Companies Act, 2013 and advise the members accordingly. **(4 Marks)**
- (c) Differentiate between Ascertained and Unascertained Goods with example. **(4 Marks)**

#### Answer

- (a) **Subsequent or Supervening impossibility (Becomes impossible after entering into contract):** When performance of promise become impossible or illegal by occurrence of an unexpected event or a change of circumstances beyond the contemplation of parties, the contract becomes void e.g. change in law etc.

Also, according to section 65 of the Indian Contract Act, 1872, when an agreement is discovered to be void or when a contract becomes void, any person who has received any advantage under such agreement or contract is bound to restore it, or to make compensation for it to the person from whom he received it.

In the given question, after Mr. X and Mr. Y have entered into the contract to supply 50 tons of sugar, the event of flood occurred which made it impossible to deliver the sugar within the stipulated time. Thus, the promise in question became void. Further, Mr. X has to pay back the amount of ₹ 50,000 that he received from Mr. Y as an advance for the supply of sugar within the stipulated time. Hence, the contention of Mr. Y is correct.

- (b) A company that is registered under section 8 of the Companies Act, 2013, is prohibited from the payment of any dividend to its members.

The company in question is a section 8 company and hence it cannot declare dividend. Thus, the contention of members is incorrect.

- (c) **Ascertained Goods** are those goods which are identified in accordance with the agreement after the contract of sale is made. This term is not defined in the Act but has been judicially interpreted. In actual practice the term 'ascertained goods' is used in the same sense as 'specific goods.' When from a lot or out of large quantity of unascertained goods, the number or quantity contracted for is identified, such identified goods are called ascertained goods.

**Unascertained goods:** The goods which are not specifically identified or ascertained at the time of making of the contract are known as 'unascertained goods'. They are indicated or defined only by description or sample.

### Question 2

- (a) *What is Contingent Contract? Discuss the essentials of Contingent Contract as per the Indian Contract Act, 1872.* **(7 Marks)**
- (b) *Explain the essential elements to incorporate a Limited Liability Partnership and the steps involved therein under the LLP Act, 2008.* **(5 Marks)**

### Answer

- (a) According to section 31 of the Indian Contract Act, 1872, contingent contract means a contract to do or not to do something, if some event, collateral to such contract, does or does not happen.

**Example:** Contracts of Insurance, indemnity and guarantee.

#### Essentials of a contingent contract

- (a) **The performance of a contingent contract would depend upon the happening or non-happening of some event or condition.** The condition may be precedent or subsequent.
- (b) **The event referred to, is collateral to the contract.** The event is not part of the contract. The event should be neither performance promised nor a consideration for a promise.
- (c) **The contingent event should not be a mere 'will' of the promisor.** The event

should be contingent in addition to being the will of the promisor.

- (d) **The event must be uncertain.** Where the event is certain or bound to happen, the contract is due to be performed, then it is a not contingent contract.
- (b) **Essential elements to incorporate Limited Liability Partnership (LLP)-** Under the LLP Act, 2008, the following elements are very essential to form a LLP in India:
- (i) To complete and submit incorporation document in the form prescribed with the Registrar electronically;
  - (ii) To have at least two partners for incorporation of LLP [Individual or body corporate];
  - (iii) To have registered office in India to which all communications will be made and received;
  - (iv) To appoint minimum two individuals as designated partners who will be responsible for number of duties including doing of all acts, matters and things as are required to be done by the LLP. Atleast one of them should be resident in India.
  - (v) A person or nominee of body corporate intending to be appointed as designated partner of LLP should hold a Designated Partner Identification Number (DPIN) allotted by Ministry of Corporate Affairs.
  - (vi) To execute a partnership agreement between the partners inter se or between the LLP and its partners. In the absence of any agreement the provisions as set out in First Schedule of LLP Act, 2008 will be applied.
  - (vii) LLP Name.

**Steps to incorporate LLP:**

1. Name reservation:
  - The first step to incorporate Limited Liability Partnership (LLP) is reservation of name of LLP.
  - Applicant has to file e-Form 1, for ascertaining availability and reservation of the name of a LLP business.
2. Incorporate LLP:
  - After reserving a name, user has to file e- Form 2 for incorporating a new Limited Liability Partnership (LLP).
  - e-Form 2 contains the details of LLP proposed to be incorporated, partners'/ designated partners' details and consent of the partners/designated partners to act as partners/ designated partners

## 3. LLP Agreement

- Execution of LLP Agreement is mandatory as per Section 23 of the Act.
- LLP Agreement is required to be filed with the registrar in e-Form 3 within 30 days of incorporation of LLP.

**Question 3**

(a) "Though a minor cannot be a partner in a firm, he can nonetheless be admitted to the benefits of partnership."

(I) Referring to the provisions of the Indian Partnership Act, 1932, state the rights which can be enjoyed by a minor partner. **(4 Marks)**

(II) A. State the liabilities of a minor partner both:

(i) Before attaining majority and

(ii) After attaining majority. **(2 Marks)**

**OR**

B. State the legal position of a minor partner after attaining majority:

(i) When he opts to become a partner of the same firm.

(ii) When he decide not to become a partner. **(2 Marks)**

(b) (i) Mr. Ramesh promised to pay ₹50,000 to his wife Mrs. Lali so that she can spend the sum on her 30th birthday. Mrs. Lali insisted her husband to make a written agreement if he really loved her. Mr. Ramesh made a written agreement and the agreement was registered under the law. Mr. Ramesh failed to pay the specified amount to his wife Mrs. Lali. Mrs. Lali wants to file a suit against Mr. Ramesh and recover the promised amount. Referring to the applicable provisions of the Contract Act, 1872, advise whether Mrs. Lali will succeed. **(3 Marks)**

(ii) A shop-keeper displayed a pair of dress in the show-room and a price tag of ₹2,000 was attached to the dress. Ms. Lovely looked to the tag and rushed to the cash counter. Then she asked the shop-keeper to receive the payment and pack up the dress. The shop-keeper refused to hand-over the dress to Ms. Lovely in consideration of the price stated in the price tag attached to the Ms. Lovely seeks your advice whether she can sue the shop-keeper for the above cause under the Indian Contract Act, 1872. **(3 Marks)**

**Answer**

(a) (I) **Rights which can be enjoyed by a minor partner:**

- (i) A minor partner has a right to his agreed share of the profits and of the firm.
- (ii) He can have access to, inspect and copy the accounts of the firm.

- (iii) He can sue the partners for accounts or for payment of his share but only when severing his connection with the firm, and not otherwise.
  - (iv) On attaining majority, he may within 6 months elect to become a partner or not to become a partner. If he elects to become a partner, then he is entitled to the share to which he was entitled as a minor. If he does not, then his share is not liable for any acts of the firm after the date of the public notice served to that effect.
- (II) A. (i) **Liabilities of a minor partner before attaining majority:**
- (a) The liability of the minor is confined only to the extent of his share in the profits and the property of the firm.
  - (b) Minor has no personal liability for the debts of the firm incurred during his minority.
  - (c) Minor cannot be declared insolvent, but if the firm is declared insolvent his share in the firm vests in the Official Receiver/ Assignee.
- (ii) **Liabilities of a minor partner after attaining majority:**
- Within 6 months of his attaining majority or on his obtaining knowledge that he had been admitted to the benefits of partnership, whichever date is later, the minor partner has to decide whether he shall remain a partner or leave the firm.
- Where he has elected not to become partner he may give public notice that he has elected not to become partner and such notice shall determine his position as regards the firm. If he fails to give such notice he shall become a partner in the firm on the expiry of the said six months.

OR

- B. (i) **When he becomes partner:** If the minor becomes a partner on his own willingness or by his failure to give the public notice within specified time, his rights and liabilities as given in Section 30(7) of the Indian Partnership Act, 1932, are as follows:
- (a) He becomes personally liable to third parties for all acts of the firm done since he was admitted to the benefits of partnership.
  - (b) His share in the property and the profits of the firm remains the same to which he was entitled as a minor.
- (ii) **When he elects not to become a partner:**
- (a) His rights and liabilities continue to be those of a minor up to the

date of giving public notice.

- (b) His share shall not be liable for any acts of the firm done after the date of the notice.
  - (c) He shall be entitled to sue the partners for his share of the property and profits. It may be noted that such minor shall give notice to the Registrar that he has or has not become a partner.
- (b) (i) **Parties must intend to create legal obligations:** There must be an intention on the part of the parties to create legal relationship between them. Social or domestic type of agreements are not enforceable in court of law and hence they do not result into contracts.

In the given question, Mr. Ramesh promised to pay ₹ 50,000 to his wife so that she can spend the same on her birthday. However, subsequently, Mr. Ramesh failed to fulfil the promise, for which Mrs. Lali wants to file a suit against Mr. Ramesh. Here, in the given circumstance wife will not be able to recover the amount as it was a social agreement and the parties did not intend to create any legal relations.

- (ii) The offer should be distinguished from an invitation to offer. An offer is definite and capable of converting an intention in to a contract. Whereas an invitation to an offer is only a circulation of an offer, it is an attempt to induce offers and precedes a definite offer. Where a party, without expressing his final willingness, proposes certain terms on which he is willing to negotiate, he does not make an offer, but invites only the other party to make an offer on those terms. This is the basic distinction between offer and invitation to offer.

The display of articles with a price in it in a self-service shop is merely an invitation to offer. It is in no sense an offer for sale, the acceptance of which constitutes a contract. In this case, Ms. Lovely by selecting the dress and approaching the shopkeeper for payment simply made an offer to buy the dress selected by her. If the shopkeeper does not accept the price, the interested buyer cannot compel him to sell.

#### Question 4

- (a) *What is the Doctrine of "Caveat Emptor"? What are the exceptions to the Doctrine of "Caveat Emptor"?* **(6 Marks)**
- (b) (i) *Mr. A. Mr. B and Mr. C were partners in a partnership firm M/s ABC & Co., which is engaged in the business of trading of branded furniture. The name of the partners was clearly written along with the firm name in front of the head office of the firm as well as on letter-head of the firm. On 1<sup>st</sup> October, 2018, Mr. C passed away. His name was neither removed from the list of partners as stated in front of*

the head office nor from the letter-heads of the firm. As per the terms of partnership, the firm continued its operations with Mr. A and Mr. B as partners. The accounts of the firm were settled and the amount due to the legal heirs of Mr. C was also determined on 10<sup>th</sup> October, 2018. But the same was not paid to the legal heirs of Mr. C. On 16<sup>th</sup> October, 2018, Mr. X, a supplier supplied furniture worth ₹ 20,00,000 to M/s ABC & Co. M/s ABC & Co. could not repay the amount due to heavy losses. Mr. X wants to recover the amount not only from M/s ABC & Co., but also from the legal heirs of Mr. C.

Analyses the above situation in terms of the provisions of the Indian Partnership Act, 1932 and decide whether the legal heirs of Mr. C can also be held liable for the dues towards Mr. X. **(3 Marks)**

- (ii) Mr. M, Mr. N and Mr. P were partners in a firm, which was dealing in refrigerators. On 1<sup>st</sup> October, 2018, Mr. P retired from partnership, but failed to give public notice of his retirement. After his retirement, Mr. M, Mr. N and Mr. P visited a trade fair and enquired about some refrigerators with latest techniques. Mr. X, who was exhibiting his refrigerators with the new techniques was impressed with the interactions of Mr. P and requested for the visiting card of the firm. The visiting card also included the name of Mr. P as a partner even though he had already retired. Mr. X supplied some refrigerators to the firm and could not recover his dues from the firm. Now, Mr. X wants to recover the dues not only from the firm, but also from Mr. P.

Analyse the above case in terms of the provisions of the Indian Partnership Act, 1932 and decide whether Mr. P is liable in this situation. **(3 Marks)**

### Answer

#### (a) Caveat Emptor

In case of sale of goods, the doctrine 'Caveat Emptor' means '**let the buyer beware**'. When sellers display their goods in the open market, it is for the buyers to make a proper selection or choice of the goods. If the goods turn out to be defective, he cannot hold the seller liable. The seller is in no way responsible for the bad selection of the buyer. The seller is not bound to disclose the defects in the goods which he is selling.

**Exceptions:** Following are the exceptions to the doctrine of Caveat Emptor:

1. **Fitness as to quality or use:** Where the buyer makes known to the seller the particular purpose for which the goods are required, so as to show that he relies on the seller's skill or judgment and the goods are of a description which is in the course of seller's business to supply, it is the duty of the seller to supply such goods as are reasonably fit for that purpose [Section 16 (1) of the Sales of Goods Act, 1930].

2. **Goods purchased under patent or brand name:** In case where the goods are purchased under its patent name or brand name, there is no implied condition that the goods shall be fit for any particular purpose [Section 16(1)].
  3. **Goods sold by description:** Where the goods are sold by description there is an implied condition that the goods shall correspond with the description [Section 15]. If it is not so then seller is responsible.
  4. **Goods of Merchantable Quality:** Where the goods are bought by description from a seller who deals in goods of that description there is an implied condition that the goods shall be of merchantable quality. The rule of Caveat Emptor is not applicable. But where the buyer has examined the goods this rule shall apply if the defects were such which ought to have not been revealed by ordinary examination [Section 16(2)].
  5. **Sale by sample:** Where the goods are bought by sample, this rule of Caveat Emptor does not apply if the bulk does not correspond with the sample [Section 17].
  6. **Goods by sample as well as description:** Where the goods are bought by sample as well as description, the rule of Caveat Emptor is not applicable in case the goods do not correspond with both the sample and description or either of the condition [Section 15].
  7. **Trade Usage:** An implied warranty or condition as to quality or fitness for a particular purpose may be annexed by the usage of trade and if the seller deviates from that, this rule of Caveat Emptor is not applicable [Section 16(3)].
  8. **Seller actively conceals a defect or is guilty of fraud:** Where the seller sells the goods by making some misrepresentation or fraud and the buyer relies on it or when the seller actively conceals some defect in the goods so that the same could not be discovered by the buyer on a reasonable examination, then the rule of Caveat Emptor will not apply. In such a case the buyer has a right to avoid the contract and claim damages.
- (b) (i) Generally, the effect of the death of a partner is the dissolution of the partnership, but the rule in regard to the dissolution of the partnership, by death of partner, is subject to a contract between the parties and the partners are competent to agree that the death of one will not have the effect of dissolving the partnership as regards the surviving partners unless the firm consists of only two partners. In order that the estate of the deceased partner may be absolved from liability for the future obligations of the firm, it is not necessary to give any notice either to the public or the persons having dealings with the firm.
- In the light of the provisions of the Act and the facts of the question, Mr. X (creditor) can have only a personal decree against the surviving partners (Mr. A and Mr. B) and a decree against the partnership assets in the hands of those partners. A suit



for goods sold and delivered would not lie against the representatives of the deceased partner. Hence, the legal heirs of Mr. C cannot be held liable for the dues towards Mr. X.

- (ii) A retiring partner continues to be liable to third party for acts of the firm after his retirement until public notice of his retirement has been given either by himself or by any other partner. But the retired partner will not be liable to any third party if the latter deals with the firm without knowing that the former was partner.

Also, if the partnership is at will, the partner by giving notice in writing to all the other partners of his intention to retire will be deemed to be relieved as a partner without giving a public notice to this effect.

Also, as per section 28 of the Indian Partnership Act, 1932, where a man holds himself out as a partner, or allows others to do it, he is then stopped from denying the character he has assumed and upon the faith of which creditors may be presumed to have acted.

In the light of the provisions of the Act and facts of the case, Mr. P is also liable to Mr. X.

#### Question 5

- (a) *Mr. G sold some goods to Mr. H for certain price by issue of an invoice, but payment in respect of the same was not received on that day. The goods were packed and lying in the godown of Mr. G. The goods were inspected by H's agent and were found to be in order. Later on, the dues of the goods were settled in cash. Just after receiving cash, Mr. G asked Mr. H that goods should be taken away from his godown to enable him to store other goods purchased by him. After one day, since Mr. H did not take delivery of the goods, Mr. G kept the goods out of the godown in an open space. Due to rain, some goods were damaged.*

*Referring to the provisions of the Sale of Goods Act, 1930, analyse the above situation and decide who will be held responsible for the above damage. Will your answer be different, if the dues were not settled in cash and are still pending? (6 Marks)*

- (b) *There are cases where company law disregards the principle of corporate personality or the principle that the company is a legal entity distinct from its shareholders or members. Elucidate. (6 Marks)*

#### Answer

- (a) 1. According to section 44 of the Sales of Goods Act, 1932, when the seller is ready and willing to deliver the goods and requests the buyer to take delivery, and the buyer does not within a reasonable time after such request take delivery of the goods, he is liable to the seller for any loss occasioned by his neglect or refusal to take delivery and also for a reasonable charge for the care and custody of the goods.

The property in the goods or beneficial right in the goods passes to the buyer at appoint of time depending upon ascertainment, appropriation and delivery of goods. Risk of loss of goods *prima facie* follows the passing of property in goods. Goods remain at the seller's risk unless the property there in is transferred to the buyer, but after transfer of property therein to the buyer the goods are at the buyer's risk whether delivery has been made or not.

In the given case, since Mr. G has already intimated Mr. H, that he wanted to store some other goods and thus Mr. H should take the delivery of goods kept in the godown of Mr. G, the loss of goods damaged should be borne by Mr. H.

2. If the price of the goods would not have settled in cash and some amount would have been pending then Mr. G will be treated as an unpaid seller and he can enforce the following rights against the goods as well as against the buyer personally:
  - (a) Where under a contract of sale the property in the goods has passed to the buyer and the buyer wrongfully neglects or refuses to pay for the goods according to the terms of the contract, the seller may sue him for the price of the goods. [Section 55(1) of the Sales of Goods Act, 1930]
  - (b) Where under a contract of sale the price is payable on a day certain irrespective of delivery and the buyer wrongfully neglects or refuses to pay such price, the seller may sue him for the price although the property in the goods has not passed and the goods have not been appropriated to the contract. [Section 55(2) of the Sales of Goods Act, 1930].
- (b) Corporate Veil refers to a legal concept whereby the company is identified separately from the members of the company.

However, this veil can be lifted which means looking behind the company as a legal person, i.e., disregarding the corporate entity and paying regard, instead, to the realities behind the legal facade. Where the Courts ignore the company, and concern themselves directly with the members or managers, the corporate veil may be said to have been lifted. Only in appropriate circumstances, the Courts are willing to lift the corporate veil and that too, when questions of control are involved rather than merely a question of ownership.

#### **Lifting of Corporate Veil**

The following are the cases where company law disregards the principle of corporate personality or the principle that the company is a legal entity distinct and separate from its shareholders or members:

- **Trading with enemy:** If the public interest is likely to be in jeopardy, the Court may be willing to crack the corporate shell
- Where corporate entity is used to evade or circumvent tax, the corporate veil may

be lifted

- Where companies form other companies as their subsidiaries to act as their agent
- Company is formed to circumvent welfare of employees
- **Where the device of incorporation is adopted for some illegal or improper purpose:** Where the device of incorporation is adopted for some illegal or improper purpose, e.g., to defeat or circumvent law, to defraud creditors or to avoid legal obligations.

### Question 6

- (a) *Explain the modes of revocation of an offer as per the Indian Contract Act, 1872.* **(5 Marks)**
- (b) *State any four grounds on which Court may dissolve a partnership firm in case any partner files a suit for the same.* **(4 Marks)**
- (c) *Mr. X had purchased some goods from M/s ABC Limited on credit. A credit period of one month was allowed to Mr. X. Before the due date Mr. X went to the company and wanted to repay the amount due from him. He found only Mr. Z there, who was the factory supervisor of the company. Mr. Z told Mr. X that the accountant and the cashier were on leave, he is in-charge of receiving money and he may pay the amount to him. Mr. Z issued a money receipt under his signature. After two months M/s ABC Limited issued a notice to Mr. X for non-payment of the dues within the stipulated period. Mr. X informed the company that he had already cleared the dues and he is no more responsible for the same. He also contended that Mr. Z is an employee of the company to whom he had made the payment and being an outsider, he trusted the words of Mr. Z as duty distribution is a job of the internal management of the company.*
- Analyse the situation and decide whether Mr. X is free from his liability.* **(3 Marks)**

### Answer

#### (a) Modes of revocation of Offer

- (i) By notice of revocation
- (ii) **By lapse of time:** The time for acceptance can lapse if the acceptance is not given within the specified time and where no time is specified, then within a reasonable time.
- (iii) **By non-fulfillment of condition precedent:** Where the acceptor fails to fulfill a condition precedent to acceptance the proposal gets revoked.
- (iv) **By death or insanity:** Death or insanity of the proposer would result in automatic revocation of the proposal but only if the fact of death or insanity comes to the knowledge of the acceptor.

- (v) By counter offer
- (vi) By the non- acceptance of the offer according to the prescribed or usual mode
- (vii) By subsequent illegality

**(b) Dissolution by the Court (Section 44 of the Indian Partnership Act, 1932):**

Court may, at the suit of the partner, dissolve a firm on any of the following ground:

- (1) **Insanity/unsound mind:** Where a partner (not a sleeping partner) has become of unsound mind, the court may dissolve the firm on a suit of the other partners or by the next friend of the insane partner.
- (2) **Permanent incapacity:** When a partner, other than the partner suing, has become in any way permanently incapable of performing his duties as partner, then the court may dissolve the firm. Such permanent incapacity may result from physical disability or illness etc.
- (3) **Misconduct:** Where a partner, other than the partner suing, is guilty of conduct which is likely to affect prejudicially the carrying on of business, the court may order for dissolution of the firm, by giving regard to the nature of business.
- (4) **Persistent breach of agreement:** Where a partner other than the partner suing, wilfully or persistently commits breach of agreements relating to the management of the affairs of the firm or the conduct of its business, or otherwise so conduct himself in matters relating to the business that it is not reasonably practicable for other partners to carry on the business in partnership with him, then the court may dissolve the firm at the instance of any of the partners. Following comes in to category of breach of contract:
  - Embezzlement,
  - Keeping erroneous accounts
  - Holding more cash than allowed
  - Refusal to show accounts despite repeated request etc.
- (5) **Transfer of interest:** Where a partner other than the partner suing, has transferred the whole of his interest in the firm to a third party or has allowed his share to be charged or sold by the court, in the recovery of arrears of land revenue, the court may dissolve the firm at the instance of any other partner.
- (6) **Continuous/Perpetual losses:** Where the business of the firm cannot be carried on except at a loss in future also, the court may order for its dissolution.
- (7) **Just and equitable grounds:** Where the court considers any other ground to be just and equitable for the dissolution of the firm, it may dissolve a firm. The following are the cases for the just and equitable grounds-
  - (i) Deadlock in the management.

- (ii) Where the partners are not in talking terms between them.
- (iii) Loss of substratum.
- (iv) Gambling by a partner on a stock exchange.

(c) **Doctrine of Indoor Management:** The Doctrine of Indoor Management is the exception to the doctrine of constructive notice. The doctrine of constructive notice does not mean that outsiders are deemed to have notice of the internal affairs of the company. For instance, if an act is authorised by the articles or memorandum, an outsider is entitled to assume that all the detailed formalities for doing that act have been observed.

The doctrine of Indoor Management is important to persons dealing with a company through its directors or other persons. They are entitled to assume that the acts of the directors or other officers of the company are validly performed, if they are within the scope of their apparent authority. So long as an act is valid under the articles, if done in a particular manner, an outsider dealing with the company is entitled to assume that it has been done in the manner required.

In the given question, Mr. X has made payment to Mr. Z and he (Mr. Z) gave to receipt of the same to Mr. X. Thus, it will be rightful on part of Mr. X to assume that Mr. Z was also authorised to receive money on behalf of the company. Hence, Mr. X will be free from liability for payment of goods purchased from M/s ABC Limited, as he has paid amount due to an employee of the company.

**PAPER – 2: BUSINESS LAW & BUSINESS CORRESPONDENCE AND REPORTING**

**SECTION-B : BUSINESS CORRESPONDENCE AND REPORTING**

*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 :*

*"Your room is so ugly that no one can enter your room except yourself, son. Please take care of yourself at least. "Harish's mother was simply shouting at Harish. It was a beautiful Sunday morning and. Harish was in no mood to get up from bed even it was already 9.00 A.M. His mother had completed cleaning the whole house except Harish's Room. Harish got up and finished his daily routine. Still, he was only at the receiving end. "All your friends have finished morning walk, breakfast and completed their weekly homework given in the college. Just clean your room and take the whole garbage and throw outside." Harish was surprised. What is mom speaking about? Yesterday only his mom was teaching him about "Swachh Bharat Abhiyan" and today asking him to throw the garbage outside ! "What's this Mom? You advised me so much and today asking to throw garbage outside?" Harish had two options, either to follow his mother's last night advice or to follow her present order. He decided to follow the first and raised objection. His Mom said, "It was just a book son, I was teaching from that only. "Harish still objected and threw the garbage inside a dustbin, located around 200 metres away from his house.*

*Is it only a matter of reading only? Is really cleanliness not, necessary? Is it a duty of the politicians and Government servants? Harish asked himself all the questions to himself and decided to do what he thought to be proper. If all of us with a little effort try it in our daily life, slowly, but surely we can clean our environment. Only we are responsible for all this non-sense. Therefore we have to act. We have to avoid the use of polythene bags to save our environment; we have to give up our habit of throwing garbage and used plastic bags and bottles here and there. Otherwise day will come, when we and our future generation will be struggling to find a clean road to walk. Think seriously and act accordingly.*

- (i) *What was the subject matter of the book, which Harish's mother was teaching him last night? (1 Mark)*
- (ii) *Who has to act properly to ensure a clean environment? (1 Mark)*
- (iii) *Who will suffer if we do not ensure clean environment? (1 Mark)*
- (iv) *Write a summary of the above paragraph. (2 Marks)*

Read the passage :

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

**(3 Marks)**

(ii) Write Summary.

A good business letter is one that gets results. The best way to get results is to develop a letter that in its appearance, style and content, conveys information efficiently. To perform this function, a business letter should be concise, clear and courteous. The business letter must be concise, don't waste words. Little introduction or preliminary chat is necessary. Get to the point, make the point, and leave it. It is safe to assume that your letter is being read by a very busy person with all kinds of papers to deal with. Re-read and revise your message until the words and sentences you have used are precise. This takes time, but is a necessary part of a good business letter. A short business letter that makes its point quickly has much more impact on a reader than a long-winded, rambling exercise in creative writing. This does not mean that there is no place for style and even, on occasion, humour in the business letter. While it conveys a message in its contents, the letter also provides the reader with an impression of you, its author, the medium is part of the message. The business letter must be clear. You should have a very firm idea of what you want to say, and you should let the reader know it. Use the structure of the letter — the paragraphs, topic sentences, introduction and conclusion- to guide the reader point by point from your thesis, through your reasoning, to your conclusion. Paragraph often, to break up the page and to lend an air of organization to the letter. Use an accepted business letter format. Re-read what you have written from the point of view of someone who is seeing it for the first time, and be sure that all explanations are adequate, all information provided (including reference numbers, dates and other identification). A clear message, clearly delivered, is the essence of business communication. The business letter must be courteous. Sarcasm and insults are ineffective and can often work against you. If you are sure you are right, point that out as politely as possible, explain why you are right, and outline what the reader is expected to do about it. Another form of courtesy is taking care in your writing and typing of business letter. Grammatical and spelling errors (even if you call them typing errors) tell a reader that you don't think enough of him or can lower the reader's opinion of your personality faster than anything you say, no matter how idiotic. There are excuses for ignorance; there are no excuses for sloppiness. The business letter is your custom-made representative. It speaks for you and is a permanent record of your message. It can pay big dividends on the time you invest in giving it a concise message, a clear structure, and a courteous tone.

**(2 Marks)**

**Answer****(a) Reading comprehension**

- (i) The subject matter of the book was “Swacch Bharat Abhiyan”
- (ii) We the citizens have to act properly to ensure a clean environment.
- (iii) Our future generations will suffer if we do not ensure clean environment.
- (iv) Harish’s mother scolded him for not cleaning his room, asked him to clean his room and to throw the garbage out as he got up on a Sunday morning. He got confused as previous night his mother was teaching him about “Swacch Bharat Abhiyan” and this morning asked him to throw the garbage recklessly on the road. He acted responsibly, after cleaning his room; he disposed the garbage in a dustbin away from his house.

Every citizen is responsible for cleanliness, not just people in the government. With a little effort, we can keep our environment clean and tidy. We must avoid using polythene bags and littering else, our future generations will struggle for a clean environment.

**(b) (i) Note Making**

Business Letter

- (i) Rprsnts the athr
- (ii) Gives an idea about the athr’s nature
- (ii) Is a prmnt rcrd

A. Good Business Letter

- (i) Gets results
- (ii) Cnvys infrmtn effcntly
- (iii) Characteristics:

(a) Concise

- Brief Intro.
- To the point
- Precise words

(b) Clear

- Cnvys a firm idea
- Has a structure/format with
  - Subject line
  - Intro



- Main Para
- Cnclsn
- Adqt Info like
  - Ref. No.
  - Date
  - Other idntfctn

(c) Courteous

- Be polite
- Mention reason for your stance
- Specify action to be taken
- Avoid grmtcl/splng errors

**Key:**

Abbreviations:

Rprsnts: Represents

Athr: Author

Prmnt: Permanent

Rrcrd: Record

Cnvys: Conveys

Infrmtn: Information

Effcntly: Efficiently

Intro: Introduction

Para: Paragraph

Cnclsn: Conclusion

Adqt: Adequate

Ref. No: Reference Number

Idntfctn: Identification

Grmtcl: Grammatical

Splng: Spelling

**(ii) Summary**

A business letter represents the sender, gives an idea about the author's nature and creates a permanent record. A good business letter is one that conveys information efficiently. It must be:

**Concise:** Should briefly introduce the intent then explain the main point precisely. It saves reader's precious time and is much more impactful.

**Clear:** It must convey the idea firmly. It has a structure: subject/topic line, introduction, main paragraph and conclusion. The details mentioned viz. Reference number, dates, other identifications should be sufficient for the reader to make out the letter's intent/essence.

**Courteous:** Be polite while justifying your stance and specify action to be taken by the reader. Avoid grammatical and spelling mistakes.

**Question 8**

(a) Describe the term 'paralanguage', a mode of communication. **(2 Marks)**

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

Proficient

- (1) Regular            (2) Expert  
(3) Weak              (4) Reserve

**(1 Mark)**

(ii) Select a suitable **antonym** for the following word:

Support

- (1) Disturb            (2) Attend  
(3) Oppose           (4) Attack

**(1 Mark)**

(iii) Change the following sentence into indirect speech:

Suchi asked Sunil, "Are you interested to visit the temple?"

**(1 Mark)**

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

*Trees give shade for the benefit of others, and while they themselves stand in the sun and endure the scorching heat, they produce the fruit of which others profit. The character of good men is like that of trees. What is the use of this perishable body if no use is made of it for the benefit of mankind? Sandalwood, the more it is rubbed, the more scent dies it yield. Sugarcane, the more it is peeled and cut up into pieces, the more juice dies it produce. The men who are noble at heart do not lose their qualities even in losing their lives. What matters whether men praise them or not? What difference does it make whether they die at this moment or whether lives are prolonged? Happen what may, those who tread in the right path will not set foot in any other. Life itself is unprofitable to a man who does not live for others. To live for the mere sake of living one's life is to live the life of*

*dogs and crows. Those who lay down their lives for the sake of others will assuredly dwell forever in a world of bliss.* (5 Marks)

**Answer**

**(a) Paralanguage**

It refers to the way you say something rather than the actual words used, the voice quality, intonation, pitch, stress, emotion and style of speaking communicates approval, interest or lack of it. Research estimates that tone accounts for 38 percent of communication.

**(b) i.** (2) Expert

ii. (3) Oppose

iii. Indirect speech: Suchi asked Sunil if he was interested to visit the temple.

*(Objective questions, hence either right or wrong)*

**(c) Precis writing**

Possible Titles: Good/Great Men/Souls never die

Good/Great Men/Souls live forever

Good men like trees, live for others. As trees, who face the heat of the sun themselves but bear fruits for others, good men serve others. They do not lose their character, even if they have to lose their lives. They are not bothered whether they are praised or not, or whether they live long or are short lived. They live forever in eternal bliss.

**Question 9**

**(a) (i)** Discuss "Cultural barrier in communication." (2 Marks)

OR

**(ii)** What do you mean by (A) Vertical and (B) Horizontal formal communication?

(2 Marks)

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

**(i) Fiction**

(1) Fantasy

(2) Story

(3) Fact

(4) Reality

(1 Mark)

**(ii) Demote**

(1) Rise

(2) Upgrade

(3) Decline

(4) Downgrade

(1 Mark)

(iii) Change the following sentence into indirect speech :

Shalini gave order to her younger sister, "Go home immediately." (1 Mark)

(c) Write a circular addressing to the employees regarding re-organization of manpower and their responsibility in finance department of the company. (5 Marks)

### Answer

(a) (i) **Cultural barriers:** Understanding *cultural aspects of communication* refers to having knowledge of different cultures in order to communicate effectively with cross culture people. Understanding various cultures in this era of globalization is an absolute necessity as the existence of cultural differences between people from various countries, regions tribes and, religions, where words and symbols may be interpreted differently can result in communication barriers and miscommunications. Multinational companies offer special courses and documents to familiarize their staff with the culture of the country where they are based for work.

(ii) **Formal communication:** Formal communication, both oral and written, follows certain rules, principles and conventions in conveying the message. The hierarchy in the organization has to be followed. Formal format, style and language have to be used. The communication pattern can be vertical, horizontal or diagonal.

**Vertical:** Information can flow upwards or downwards in the organization. Data that is collected flows up to the top levels of management for review and decision making, while instructions and orders are passed down from the management/ seniors to the subordinates for implementation.

**Horizontal:** Horizontal communication that involves communication between two parts of the organization at the same level. For example, the managers of a project in a company may hold a regular daily, weekly or monthly meeting to discuss the progress of the project.

- (b) i. 1. Fantasy  
ii. 4. Downgrade  
iii. Shalini ordered her younger sister to go home immediately.

(Objective type answers; either right or wrong)

**(c) Circular**

Circular No. XV		13 <sup>th</sup> Nov, 2018	
<b>Office Circular</b>			
Due to urgent work requirements in the Finance department, the following employees are temporarily shifted to the department for a period of 2 months (60 days) w.e.f Nov 14, 2018.			
<b>Name</b>	<b>Designation</b>	<b>Department</b>	<b>Current Responsibility (Finance Department)</b>
Mr. WER	Upper Division Clerk	Accounts	Clerk
Mr. XYZ	Junior Accountant	Accounts	Accounts Assistant
Ms. PRT	Senior Accountant	Accounts	Accounts Officer
Ms. SDF	Project Manager	Information Technology	Technical Support Manager
Mr. LMN	Network Engineer	Information Technology	Engineer
Mr. RST	Office Assistant	Sales and Marketing Office	Assistant
The above employees are directed to report to Mr. X (Head Finance) at 10 AM tomorrow, Nov 14, 2018.			
Office timings will be from 10 AM till 7PM			
Saturday will be a working day, Sunday is a holiday.			
JKL			
Manager, HR			

**Question 10**

- (a) *How do Technology barriers effects communication? Explain.* **(2 Marks)**
- (b) (i) *Fill up the blank with the most suitable preposition or adverb given in the brackets.  
He apologized \_\_\_\_\_ his teacher for his misbehaviour. (to /from / with / against)* **(1 Mark)**
- (ii) *Rewrite the following sentence in Passive Voice.  
Sunita said, "Please give me a glass of water."* **(1 Mark)**
- (iii) *Rewrite the following sentence in Active Voice.  
The case should be handled by you carefully since it is critical in nature.* **(1 Mark)**

(c) Write a Newspaper Report in 250 words on the topic:

"Daughter of Gardener Tops Board Exams."

(5 Marks)

**Answer**

(a) In the present world, communication modes are primarily technology driven. The communication technology is being constantly upgraded or new formats emerge ever so frequently. Anyone who is not abreast with these struggles to communicate effectively via the medium.

An individual is swamped with huge amount of information every day in the form of emails, texts and social updates. Multitasking is the norm these days. The information overload and trying to accomplish too many things together can result in gaps in communication and miscommunications.

- (b) i. He apologized to his teacher for his misbehaviour.  
 ii. Sunita said, "A glass of water be kindly given to me"/ Sunita requested that a glass of water be given to her.  
 iii. You should handle the case carefully since it is critical in nature.

**(c) Report**

**"Daughter of a Gardener Tops Board Exams"**

Monday June 25, 2018

Sitting in a dingy servant quarters of a sprawling government bungalow in Lodhi Estate, Priya Kumari cannot stop smiling. Priya, daughter of a gardener Mr. Ram Swaroop, a class IV government employee has topped the class XII CBSE Board Examination in the humanities stream. She secured 98.8% marks. A student of Rajkiya Kanya Pratibha Vidyalaya, Sardar Patel Marg, is visibly elated. Eldest of the three siblings, she has always been a bright student, remarked her mother who prepared her daughter's favourite laddoos as the news broke. Her father is proud at her achievement and wants her to become an IAS officer.

Just a month into class XII, she had taken seriously ill with Meningitis that kept her bed ridden for two months. Her Principal granted her medical leave and allowed her to file her exam forms from the hospital. After resuming classes, she completed her pending assignments with the help of her teachers in a month and soon caught up with her peers. "we were confident that she would top in the region(Northern) but topping the Board exams nation-wide, came as a pleasant surprise", quipped one of her teachers. Talking about her daily regimen, she said "I studied regularly for about 5 hours daily after school and often stayed back to study at the school library." She attributes her success to her unflinching spirit, hard work and support of her parents, teachers and principal. Priya plans to pursue English Honours from Lady Sriram College and aspires to fulfil her father's dream by becoming an IAS officer. With her relentless efforts and spirit of steel, she certainly will!

(Staff correspondent)

**Question 11**

(a) *Non-verbal is also one of the Broad Categories of Communication? Explain. (2 Marks)*

(b) *Select the correct meaning of the following idioms/phrases among the alternatives given below*

(i) *Out of the blue*

(1) *Something happens that was unexpected.*

(2) *Something happens that was very much expected.*

(3) *From the sky*

(4) *From the Ocean (1 Mark)*

(ii) *Day in and day out*

(1) *Coming and returning in day time*

(2) *The day of importance.*

(3) *Continuously*

(4) *Within a day (1 Mark)*

(iii) *Rewrite the following sentence in the Active Voice :*

*The deer was trapped by the cunning fox. (1 Mark)*

(c) *Mr. Mohit Agarwal, a resident of Meerut, have recently come across an advertisement, for a job vacancy in a leading TV Channel for the post of journalist, in The Times of India dated August 1, 2018.*

*Draft a Resume alongwith a cover letter in response to the advertisement. (5 Marks)*

**Answer**

(a) **Nonverbal Communication:** Nonverbal communication is the process of communicating by sending and receiving wordless messages. These messages can aid verbal communication, convey thoughts and feelings contrary to the spoken words or express ideas and emotions on their own. Some of the functions of nonverbal communication in humans are to complement and illustrate, to reinforce and emphasize, to replace and substitute, to control and regulate, and to contradict the denoted message

**Physical nonverbal communication:** An individual's body language that is, facial expressions, stance, gestures, tone of voice, touch, and other physical signals constitute this type of communication. For example, leaning forward may mean friendliness, acceptance and interest, while crossing arms can be interpreted as antagonistic or defensive posture.

Research estimates that physical, non-verbal communication accounts for 55 percent of all communication. Smiles, frowns, pursing of lips, clenching of hands etc. transmit emotions which are not expressed through verbal communication.

**Paralanguage:** The way you say something, more than the actual words used, reveal the intent of the message. The voice quality, intonation, pitch, stress, emotion, tone, and style of speaking, communicates approval, interest or the lack of it. **Research estimates that tone of the voice accounts for 38 percent of all communications.**

**Aesthetic communication: Art forms** such as dancing, painting, sculptor, music are also means of communication. They distinctly convey the ideas and thoughts of the artist.

**Appearance:** Appearance is usually the first thing noticed about a person. A well dressed and groomed person is presumed to be organized and methodical, whereas a sloppy or shabby person fails to make a favourable impression. Therefore, dressing appropriately in all formal interactions is emphasized.

The dress code in office is generally formal. It constitutes of formal suits, trousers with plain white or light coloured shirts and leather shoes. Bright colours, jeans, T - shirts, especially with slogans and other informal wear are frowned upon. For women formal two-piece trouser or skirt sets or formal ethnic wear like sarees, is permissible.

**Symbols** such as religious, status, or ego-building symbols

- (b) i. 1. Something happens that was unexpected.  
 ii. 3. Continuously  
 iii. The cunning fox trapped the deer.

**(c) Cover Letter**

To Date: Nov 13, 2018

Manager(HR)

ABC TV

FGH Media Pvt Ltd

Mandi House

New Delhi.

Sir,

**Subject: Application for the post of Journalist**

Greetings for the day ! I am writing this letter to express my interest in the position of Journalist as advertised in the SDF national daily, Careers section dated August 1, 2018.

I fulfil all the educational and professional requirements as specified in the advert. I am a post graduate in Media Studies from ASD University and interned at renowned media



houses (print and TV) I have two years of relevant experience. Currently I am heading the regional news section at XYZ TV at their Meerut office.

My detailed resume is appended herewith for your perusal. Looking forward for a positive response.

Best Regards,  
Mohit Agarwal  
36, Civil Lines,  
Meerut.  
UP.

**Resume**

Mohit Agarwal  
36, Civil Lines  
Meerut,UP  
Phone: 98XXXXXXXX  
Email: abc@xyz.com

**OBJECTIVE:**

To be associated with an organisation that offers tremendous opportunities for growth and autonomy, providing a challenging environment to harness my creative streak, innovative ideas and utilise my experience as a media correspondent to the maximum.

**SUMMARY:**

- One year of experience as a staff correspondent in CVB TV.
- Two years of experience as Head Regional News XYZ TV
- Proven skills in content planning, selection and presentation.
- Excellent Reporting skills in English and Hindi.

**EXPERIENCE:**

2016 – PRESENT                      Head Regional News XYZ TV Meerut

- Planning and deployment of staff correspondents
- Sponsorship Planning from corporate and media houses
- Staff selection and Training
- Media Planning for regional corporate houses

2015–2016 Staff Correspondent CVB TV

- Capturing Events
- Conceptualising stories
- Presenter for “Khufia” section of Daily News

**EDUCATION:**

2014 Masters in Mass Comm, ASD University, New Delhi

2012 English(H), ASD University, New Delhi

**INTERNSHIPS:**

2014 Two month at World Journalists Association (Articles Section)

2013 4 months at CNN TV in News production and planning

**SKILLS**

- Well versed with Media Softwares
- Meticulous Planning and Execution skills with an eye for detail

**PERSONAL DETAILS**

Date of Birth 15 June, 1992

Marital Status Unmarried

Languages Known English, Hindi

**DECLARATION**

I solemnly declare that all the above information is correct to the best of my knowledge and belief.

Date: Nov 13, 2018

Place: Meerut

(Mohit Agarwal)

MAY 2018

**Foundation (New Syllabus)  
Paper - 2  
Business Law & Business  
Correspondence and Reporting MKHZ**

Roll No. ....

Total No. of Printed Pages : 12

Total No. of Questions : 11

Maximum Marks : 100

Time allowed : 3 Hours

**IMPORTANT INSTRUCTIONS TO CANDIDATES**

1. Questions 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. Questions in Section B, are to be answered in English only, by all the candidates, including those who have opted for Hindi medium.
3. Answers 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.

In case, any candidate answers extra question(s)/sub-question(s) over and above the required number, then only the requisite number of questions first answered in the answer book shall be valued and subsequent extra question(s) answered shall be ignored.

**SECTION A**

1. (a) X, Y and Z are partners in a firm. They jointly promised to pay Rs. 3,00,000 to D. Y become insolvent and his private assets are sufficient to pay 1/5 of his share of debts. X is compelled to pay the whole amount to D. Examining the provisions of the Indian Contract Act, 1872, decide the extent to which X can recover the amount from Z. (4 Marks)

**MKHZ**

(2)

**MKHZ**

- (b) Ravi Private Limited has borrowed Rs. 5 crores from Mudra Finance Ltd. This debt is ultra vires to the company. Examine, whether the company is liable to pay this debt? State the remedy if any available to Mudra Finance Ltd.? (4 Marks)
- (c) What is meant by delivery of goods under the Sale of Goods Act, 1930? State various modes of delivery. (4 Marks)
2. (a) State the exceptions to the rule "An agreement without consideration is void". (5 Marks)
- (b) What are the essential elements to form a LLP in India as per the LLP Act, 2008? (5 Marks)
- (c) (i) Distinguish between wagering agreement and contract of insurance. (2 Marks)
- OR**
- (ii) Examine with reason that the given statement is correct or incorrect "Minor is liable to pay for the necessaries supplied to him". (2 Marks)
3. (a) Distinguish between dissolution of firm and dissolution of partnership. (2 Marks)
- (b) What are the consequences of Non-Registration of a Partnership Firm? Discuss. (4 Marks)
- (c) M Ltd., contract with Shanti Traders to make and deliver certain machinery to them by 30.6.2017 for Rs. 11.50 lakhs. Due to labour strike, M Ltd. could not manufacture and deliver the machinery to Shanti Traders. Later, Shanti Traders procured the machinery from another manufacturer for Rs. 12.75 lakhs. Due to this Shanti Traders was also prevented from performing a contract which it had made with Zenith Traders at the time of their contract with M Ltd. and were compelled to pay compensation for breach of contract. Advise Shanti Traders the amount of compensation which it can claim from M Ltd., referring to the legal provisions of the Indian Contract Act, 1872. (6 Marks)

**MKHZ**

( 3 )

**MKHZ**

4. (a) What is appropriation of goods under the Sale of Goods Act, 1930? State the essentials regarding appropriation of unascertained goods. (6 Marks)
- (b) 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. (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) Define OPC (One Person Company) and state the rules regarding its membership. Can it be converted into a non-profit company under Section 8 or a private company? (6 Marks)
6. (a) Define Fraud. Whether "mere silence will amount to fraud" as per the Indian Contract Act, 1872? (5 Marks)
- (b) What is the conclusive evidence of partnership? State the circumstances when partnership is not considered between two or more parties. (4 Marks)
- (c) State the limitations of the doctrine of indoor management under the Companies Act, 2013. (3 Marks)

**MKHZ**

P.T.O.

(4)

MKHZ

### IMPORTANT INSTRUCTIONS TO CANDIDATES

1. भाग 'अ' के प्रश्नों का उत्तर परीक्षार्थी ने जो माध्यम चुना है, उस में ही देना है। वह परीक्षार्थी जिसने हिन्दी माध्यम नहीं चुना है, यदि हिन्दी में उत्तर देता है, तो उसके हिन्दी में दिये गये उत्तरों का मूल्यांकन नहीं होगा।
2. सभी परीक्षार्थियों (हिन्दी माध्यम के परीक्षार्थियों को सम्मिलित करके) को भाग 'ब', के प्रश्नों का उत्तर अंग्रेजी में ही लिखना है।
3. इसी उत्तर पुस्तिका में दोनों भागों का उत्तर देना है।

भाग अ – (60 Marks)

प्रश्न संख्या 1 अनिवार्य है।

शेष पाँच प्रश्नों में से किन्हीं चार प्रश्नों के उत्तर दीजिए।

यदि कोई परीक्षार्थी निर्धारित संख्या से अधिक प्रश्न (प्रश्नों)/प्रश्न भाग (प्रश्न भागों) का उत्तर देता है, उस स्थिति में जिनके उत्तर उत्तर पुस्तिका में पहले लिखे गए हैं, उनका ही मूल्यांकन किया जाएगा एवं तदपश्चात अधिक उत्तर दिए गए प्रश्नों को उपेक्षित कर दिया जाएगा।

1. (a) X, Y तथा Z एक फर्म में साझेदार हैं। उन्होंने संयुक्त रूप से D को रु. 3,00,000 चुकाने का वचन दिया। Y दिवालिया हो गया तथा उसकी व्यक्तिगत सम्पत्ति उसके हिस्से के ऋण का केवल 1/5 भाग ही चुकाने हेतु पर्याप्त है। X को D के द्वारा सम्पूर्ण ऋण चुकाने हेतु बाध्य किया गया। भारतीय अनुबंध अधिनियम, 1872, के प्रावधानों के अर्न्तगत बताइये कि X, Z से किस सीमा तक राशि वसूल कर सकता है। (4)
- (b) रवि प्राइवेट लिमिटेड ने मुद्रा फाइनेन्स लिमिटेड से 5 करोड रुपये उधार लिये। यह ऋण कम्पनी के अधिकारों के बाहर है। जाँच कीजिये कि क्या कम्पनी यह ऋण-चुकाने हेतु दायी है? बताइये कि क्या मुद्रा फाइनेन्स लिमिटेड को कोई उपचार उपलब्ध है? (4)
- (c) वस्तु विक्रय अधिनियम, 1930, के अर्न्तगत माल की सुपुर्दगी से क्या आशय है? सुपुर्दगी की विधियाँ बताइये। (4)

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2. (a) “बिना प्रतिफल का ठहराव व्यर्थ होता है” नियम के अपवाद बताइये। (5)
- (b) सीमित दायित्व साझेदारी अधिनियम, 2008, के अर्न्तगत भारत में सीमित दायित्व साझेदारी के निर्माण हेतु आवश्यक तत्व कौन से हैं? (5)
- (c) (i) बीमा के अनुबंध एवं बाजी के ठहराव में अन्तर कीजिये। (2)

**अथवा**

- (ii) कारण सहित जाँच कीजिये कि निम्नलिखित कथन सत्य है या असत्य:

“अवयस्क उसको प्रदान की गई जीवन निर्वाह अनिवार्यताओं के भुगतान के लिये उत्तरदायी होता है।”

3. (a) साझेदारी के विघटन एवं फर्म के विघटन में अन्तर कीजिये। (2)
- (b) साझेदारी फर्म का पंजीयन न करवाने के क्या प्रभाव होते हैं? विवेचना किजिये। (4)
- (c) M लिमिटेड ने शान्ति लिमिटेड को निश्चित मशीन 11.50 लाख में 30.6.2017 तक निर्मित करके देने का अनुबंध किया। श्रमिक हड़ताल के कारण, M लिमिटेड मशीन का निर्माण नहीं कर पाई तथा शान्ति लिमिटेड को सुपुर्दगी नहीं दे पाई। शान्ति लिमिटेड ने किसी अन्य निर्माता से 12.75 लाख में मशीन क्रय की। इसी वजह से शान्ति लिमिटेड, जेनिथ लिमिटेड के साथ किया गया अपना अनुबंध भी पूरा नहीं कर पाई जो उसने M लिमिटेड के साथ अनुबंध करते समय ही किया था तथा इसके लिये उसको, अनुबंध भंग का हर्जाना भी देना पडा। शान्ति लिमिटेड को सुझाव दीजिये कि भारतीय अनुबंध अधिनियम 1872 के अर्न्तगत वह M लिमिटेड से हर्जाने की कितनी राशि माँग सकती है? (6)

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(6)

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4. (a) वस्तु विक्रय अधिनियम, 1930, के अर्न्तगत वस्तु का विनियोजन क्या है? अनिश्चित माल के विनियोजन हेतु आवश्यक तत्व बताइये। (6)
- (b) X, Y तथा Z एक साझेदारी फर्म में साझेदार हैं। वे पिछले कई वर्षों से अपना व्यवसाय सफलतापूर्वक संचालित कर रहे हैं। X तथा Y की पत्नियों का महिला क्लब में व्यक्तिगत मुद्दे पर झगडा हो गया तथा X की पत्नी अत्यधिक घायल हो गई। X इस घटना से नाराज हो गया तथा उसने Z को Y को साझेदारी फर्म से निकालने हेतु राजी कर लिया। X तथा Z द्वारा बिना किसी सूचना के Y को निष्कासित कर दिया गया। भारतीय साझेदारी अधिनियम, 1932, के प्रावधानों के अर्न्तगत बताइये कि क्या वे एक साझेदार को फर्म से निष्कासित कर सकते हैं? ऐसी स्थितियों में सद्भावना की जाँच के क्या मापदण्ड हैं? (6)
5. (a) मिस्टर D ने मिस्टर E को कुछ माल 5,00,000 रुपये में 15 दिन की उधार पर बेचा। मिस्टर D ने माल की सुर्पुदगी दे दी। भुगतान देय होने पर मिस्टर E ने इसके भुगतान से मना कर दिया। वस्तु विक्रय अधिनियम, 1930, के अर्न्तगत मिस्टर D की स्थिति तथा उनके अधिकार बताइये। (6)
- (b) एकल व्यक्ति कम्पनी की परिभाषा दीजिये तथा इसकी सदस्यता सम्बन्धी प्रावधान बताइये। क्या यह धारा 8 के अर्न्तगत गैर लाभवाली कम्पनी अथवा निजी कम्पनी में परिवर्तित की जा सकती है? (6)
6. (a) कपट की परिभाषा दीजिये। क्या भारतीय अनुबंध अधिनियम, 1872, के अर्न्तगत "मौन रहना कपट माना जाता है"?। (5)
- (b) साझेदारी का अकाट्य प्रमाण क्या है? वे स्थितियाँ बताइये जिनमें दो या अधिक पक्षकारों के मध्य साझेदारी नहीं मानी जायेगी। (4)
- (c) कम्पनी अधिनियम, 2013, के अर्न्तगत आन्तरिक प्रबंध के सिद्धांत की सिमितताएँ बताइये। (3)

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(7)

**MKHZ**

**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.**

In case, any candidate answers extra question(s)/sub-question(s) over and above the required number, then only the requisite number of questions first answered in the answer book shall be valued and subsequent extra question(s) answered shall be ignored.

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

A life of action and danger moderates the dread of death. It not only gives us fortitude to bear pain, but teaches us at every step the precarious tenure on which we hold our present being. Sedentary and studious men are the most apprehensive on this score. Dr. Johnson was an instance in point. A few years seemed to him soon over, compared with those sweeping contemplations on time and infinity with which he had been used to pose himself. In the still life of a man of letters there was no obvious reason for a change. He might sit in an arm chair and pour out cups of tea to all eternity would it had been possible for him to do so. The most rational cure after all for the inordinate fear of death is to set a just value on life. If we mere wish to continue on the scene to indulge our head-strong humour and tormenting passions, we had better be gone at once; and if we only cherish a fondness for existence according to the good we desire from it, the pang we feel at parting it will not be very server.

- (i) What type of people are afraid of death and Why? (1 Mark)  
(ii) How can we get rid of fear of death? (1 Mark)  
(iii) What idea do you form about Dr. Johnson from this passage? (1 Mark)  
(iv) Write Summary of the Passage. (2 Marks)

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(b) Read the passage :

- (i) Make Notes, using headings, sub headings, and abbreviations whenever necessary. (3 Marks)
- (ii) Write Summary. (2 Marks)

(I) Anything printed and bound in a book size can be called a book, but the quality or mind distinguishes the value of it.

What is a book? This is how Anatole France describes it:” A series of little printed signs essentially only that. It is for the reader to supply himself the forms and colors and sentiments to which these signs correspond. It will depend on him whether the book be dull or brilliant, hot with passion or cold as ice. Or if you prefer to put it otherwise each word in a book is a magic finger that sets a fibre of our brain vibrating like a hard string and so evokes a note from the sounding board of our soul. No matter how skilful, how inspired the artist’s hand, the sound it makes depends on the quality of the strings within ourselves”.

Until recently books were the preserve of a small section —the urban upper classes. Some, even today, make it a point to call themselves intellectuals. It would be a pity if books were meant only for intellectuals and not for housewives, farmers, factory workers, artisans and , so on.

In India there are first generation learners, whose parents might have been illiterate. This poses special challenges to our authors and to those who are entrusted with the task of disseminating knowledge. We need much more research in the use of language and the development of techniques by which knowledge can be transferred to these people without transmission loss: Publishers should initiate campaigns to persuade people that a good book makes a beautiful present and that reading a good book can be the most relaxing as well as absorbing of pastimes. We should aim at books of quality no less than at quantitative expansion in production and sale. Unless one is constantly exposed to the best, one cannot develop a taste for the good.

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8. (a) Define visual communication. (2 Marks)

(b) (i) Choose the word which best expresses the meaning of the given word : (1 Mark)

**Perpetual**

- |              |                |
|--------------|----------------|
| (1) General  | (2) Emotional  |
| (3) Stubborn | (4) Continuous |

(ii) Select a suitable antonym for the word given in question : (1 Mark)

**Disparage**

- |              |              |
|--------------|--------------|
| (1) Eulogise | (2) Belittle |
| (3) Alert    | (4) Defame   |

(iii) Change the following sentence to indirect speech :

The policeman said to the stranger who are you. (1 Mark)

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

Teaching is the noblest of professions. A teacher has a sacred duty to perform. It is he on whom rests the responsibility of moulding the character of young children. Apart from developing their intellect, he can inculcate in them qualities of good citizenship, remaining neat and clean, talking decently and sitting properly. These virtues are not easy to be imbibed. Only he who himself leads a life of simplicity, purity and rigid discipline can successfully cultivate these habits in his pupils.

Besides a teacher always remain young. He may grow old in age, but not in spite. Perpetual contact with budding youths keeps him happy and cheerful. These are moments when domestic worries weigh heavily on his mind, but the delightful company of innocent children makes him overcome his transient moods of despair.

(5 Marks)

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(10)

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9. (a) Write any four barriers to effective communication? (2 Marks)

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

(i) **Despot**

(1) Tyrant

(2) Storage

(3) Hot meal

(4) Against

(1 Mark)

(ii) **Illicit**

(1) Storage

(2) Emotional

(3) Unlawful

(4) Grand

(1 Mark)

(iii) Change the following sentence into indirect speech :

The Shopkeeper says, "prices are shooting up alarmingly."

(1 Mark)

(c) Write circular addressing to the employees regarding office timings. (5 Marks)

10. (a) (i) What are the characteristics of effective communication? (2 Marks)

**OR**

(ii) What is diagonal communication? (2 Marks)

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- (b) (i) Complete the expression by supplying a suitable preposition or adverb particle. Choose your answer from the options given in brackets.  
We will take \_\_\_\_\_ this issue when we meet next week. (1 Mark)  
(up/on/over)
- (ii) Rewrite the following sentence in Passive Voice (1 Mark)  
The customer should receive the delivery by Friday.
- (iii) Rewrite the following sentence in Active Voice. (1 Mark)  
He will be given a ticket for over speeding by the police officer.
- (c) Write an article of about 250 words on the topic "Global warming". (5 Marks)
11. (a) What are the main steps in the process of communication? (2 Marks)
- (b) Select the correct meaning of idioms / phrases given below :
- (i) Storm in tea cup (1 Mark)  
(1) Crave for something  
(2) Drink tea often  
(3) Get into quarrel  
(4) Making a big issue out of a small thing.
- (ii) To grease the palm (1 Mark)  
(1) Treat suffer (2) To offer bribe  
(3) To swim in deep sea (4) To be in deep thought.
- (iii) Rewrite the following sentences in the active voice : (1 Mark)  
The entire district was destroyed by cyclone.
- (c) Write a memo letter informing the employees of all branches about the suspension order of Mr.Z, cashier, on charge of misappropriation of fund of the same office. (5 Marks)

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P.T.O.

**PAPER – 2: BUSINESS LAW & BUSINESS CORRESPONDENCE AND REPORTING**

**SECTION A – BUSINESS LAW**

*Question No. 1 is compulsory.*

*Attempt any **four** questions from the remaining **five** questions.*

**Question 1**

- (a) *X, Y and Z are partners in a firm. They jointly promised to pay ₹ 3,00,000 to D. Y become insolvent and his private assets are sufficient to pay 1/5 of his share of debts. X is compelled to pay the whole amount to D. Examining the provisions of the Indian Contract Act, 1872, decide the extent to which X can recover the amount from Z.*  
**(4 Marks)**
- (b) *Ravi Private Limited has borrowed ₹ 5 crores from Mudra Finance Ltd. This debt is ultra vires to the company. Examine, whether the company is liable to pay this debt? State the remedy if any available to Mudra Finance Ltd.?*  
**(4 Marks)**
- (c) *What is meant by delivery of goods under the Sale of Goods Act, 1930? State various modes of delivery.*  
**(4 Marks)**

**Answer**

- (a) As per section 43 of the Indian Contract Act, 1872, when two or more persons make a joint promise, the promisee may, in the absence of express agreement to the contrary, compel any one or more of such joint promisors to perform the whole of the promise.

Each of two or more joint promisors may compel every other joint promisor to contribute equally with himself to the performance of the promise, unless a contrary intention appears from the contract.

If any one of two or more joint promisors makes default in such contribution, the remaining joint promisors must bear the loss arising from such default in equal shares.

In the instant case, X, Y and Z jointly promised to pay ₹ 3,00,000. Y become insolvent and his private assets are sufficient to pay 1/5 of his share of debts. X is compelled to pay the whole amount. X is entitled to receive ₹ 20,000 from Y's estate, and ₹ 1,40,000 from Z.

- (b) As per the facts given, Ravi Private Limited borrowed ₹ 5 crore from Mudra Finance Ltd. This debt is ultra vires to the company, which signifies that Ravi Private Limited has borrowed the amount beyond the expressed limit prescribed in its memorandum. This act of the company can be said to be null and void.

In consequence, any act done or a contract made by the company which travels beyond the powers not only of the directors but also of the company is wholly void and inoperative in law and is therefore not binding on the company.

So is being the act void in nature, there being no existence of the contract between the Ravi Private Ltd. and Mudra Finance Ltd. Therefore, the company Ravi Private Ltd. is liable to pay this debt amount upto the limit prescribed in the memorandum.

**Remedy available to the Mudra Finance Ltd.:** The impact of the doctrine of ultra vires is that a company can neither be sued on an ultra vires transaction, nor can it sue on it. Since the memorandum is a "public document", it is open to public inspection. Therefore, a company which deals with the other, is deemed to know about the powers of the company.

So, Mudra Finance Ltd. can claim for the amount within the expressed limit prescribed in its memorandum.

- (c) **Delivery of goods [section 2(2) of the Sale of Goods Act, 1930]:** Delivery means voluntary transfer of possession from one person to another. As a general rule, delivery of goods may be made by doing anything, which has the effect of putting the goods in the possession of the buyer, or any person authorized to hold them on his behalf.

**Modes of delivery: Following are the modes of delivery for transfer of possession:**

- (i) **Actual delivery:** When the goods are physically delivered to the buyer.
- (ii) **Constructive delivery:** When it is effected without any change in the custody or actual possession of the thing as in the case of delivery by attornment (acknowledgement) e.g., where a warehouseman holding the goods of A agrees to hold them on behalf of B, at A's request.
- (iii) **Symbolic delivery:** When there is a delivery of a thing in token of a transfer of something else, i.e., delivery of goods in the course of transit may be made by handing over documents of title to goods, like bill of lading or railway receipt or delivery orders or the key of a warehouse containing the goods is handed over to buyer.

### Question 2

- (a) *State the exceptions to the rule "An agreement without consideration is void".* **(5 Marks)**
- (b) *What are the essential elements to form a LLP in India as per the LLP Act, 2008?* **(5 Marks)**
- (c) (i) *Distinguish between wagering agreement and contract of insurance.* **(2 Marks)**

**OR**

- (ii) *Examine with reason that the given statement is correct or incorrect "Minor is liable to pay for the necessaries supplied to him".* **(2 Marks)**

**Answer**

- (a) The general rule is that an agreement made without consideration is void (Section 25 of the Indian Contract Act, 1872). However, the Indian Contract Act contains certain exceptions to this rule. In the following cases, the agreement though made even without consideration, will be valid and enforceable.
1. **Natural Love and Affection:** Any written and registered agreement made on account of love and affection between the parties standing in near relationship to each other.
  2. **Compensation for past voluntary services:** A promise to compensate, wholly or in part, a person who has already voluntarily done something for the promisor.
  3. **Promise to pay time barred debt:** A promise in writing signed by the person making it or by his authorized agent, made to pay a debt barred by limitation.
  4. **Agency:** According to Section 185 of the Indian Contract Act, 1872, no consideration is necessary to create an agency.
  5. **Completed gift:** In case of completed gifts, the rule no consideration no contract does not apply. Explanation (1) to Section 25 states “nothing in this section shall affect the validity as between the donor and donee, of any gift actually made.” Thus, gifts do not require any consideration.
  6. **Bailment:** No consideration is required to effect the contract of bailment (Section 148).
  7. **Charity:** If a promisee undertakes the liability on the promise of the person to contribute to charity, there the contract shall be valid.
- (b) **Essential elements to incorporate LLP-** Under the LLP Act, 2008, the following elements are very essential to form a LLP in India:
- (i) To complete and submit incorporation document in the form prescribed with the Registrar electronically;
  - (ii) To have at least two partners for incorporation of LLP [Individual or body corporate];
  - (iii) To have registered office in India to which all communications will be made and received;
  - (iv) To appoint minimum two individuals as designated partners who will be responsible for number of duties including doing of all acts, matters and things as are required to be done by the LLP. Atleast one of them should be resident in India.
  - (v) A person or nominee of body corporate intending to be appointed as designated partner of LLP should hold a Designated Partner Identification Number (DPIN) allotted by MCA.



(vi) To execute a partnership agreement between the partners *inter se* or between the LLP and its partners. In the absence of any agreement the provisions as set out in First Schedule of LLP Act, 2008 will be applied.

(vii) LLP Name.

(c) (i) **Distinction between Wagering Agreement and Contract of Insurance**

	<b>Basis</b>	<b>Wagering Agreement</b>	<b>Contracts of Insurance</b>
1.	<b>Meaning</b>	It is a promise to pay money or money's worth on the happening or non happening of an uncertain event.	It is a contract to indemnify the loss.
2.	<b>Consideration</b>	There is no consideration between the two parties. There is just gambling for money.	The crux of insurance contract is the mutual consideration (premium and compensation amount).
3.	<b>Insurable Interest</b>	There is no property in case of wagering agreement. There is betting on other's life and properties.	Insured party has insurable interest in the life or property sought to be insured.
4.	<b>Contract of Indemnity</b>	Loser has to pay the fixed amount on the happening of uncertain event.	Except life insurance, the contract of insurance indemnifies the insured person against loss
5.	<b>Enforceability</b>	It is void and unenforceable agreement.	It is valid and enforceable
6.	<b>Premium</b>	No such logical calculations are required in case of wagering agreement.	Calculation of premium is based on scientific and actuarial calculation of risks.
7.	<b>Public Welfare</b>	They have been regarded as against the public welfare.	They are beneficial to the society.

OR

(ii) **Minor is liable to pay for the necessaries supplied to him:** This statement is incorrect. The case of necessaries supplied to a minor or to any other person whom

such minor is legally bound to support is governed by section 68 of the Indian Contract Act, 1872. A claim for necessaries supplied to a minor is enforceable by law, only against minor's estate, if he possesses. But a minor is not liable for any price that he may promise and never for more than the value of the necessaries. There is no personal liability of the minor, but only his property is liable.

**Question 3**

(a) *Distinguish between dissolution of firm and dissolution of partnership.* **(2 Marks)**

(b) *What are the consequences of Non-Registration of a Partnership Firm? Discuss.*

**(4 Marks)**

(c) *M Ltd., contract with Shanti Traders to make and deliver certain machinery to them by 30.6.2017 for ₹ 11.50 lakhs. Due to labour strike, M Ltd. could not manufacture and deliver the machinery to Shanti Traders. Later, Shanti Traders procured the machinery from another manufacturer for ₹ 12.75 lakhs. Due to this Shanti Traders was also prevented from performing a contract which it had made with Zenith Traders at the time of their contract with M Ltd. and were compelled to pay compensation for breach of contract. Advise Shanti Traders the amount of compensation which it can claim from M Ltd., referring to the legal provisions of the Indian Contract Act, 1872.* **(6 Marks)**

**Answer****(a) DISSOLUTION OF FIRM VS. DISSOLUTION OF PARTNERSHIP**

S. No.	Basis of Difference	Dissolution of Firm	Dissolution of Partnership
1.	<b>Continuation of business</b>	It involves discontinuation of business in partnership.	It does not affect continuation of business. It involves only reconstitution of the firm.
2.	<b>Winding up</b>	It involves winding up of the firm and requires realization of assets and settlement of liabilities.	It involves only reconstitution and requires only revaluation of assets and liabilities of the firm.
3.	<b>Order of court</b>	A firm may be dissolved by the order of the court.	Dissolution of partnership is not ordered by the court.
4.	<b>Scope</b>	It necessarily involves dissolution of partnership.	It may or may not involve dissolution of firm.
5.	<b>Final closure of books</b>	It involves final closure of books of the firm.	It does not involve final closure of the books.

- (b) **Consequences of Non-Registration of a Partnership Firm [Section 69 of the Indian Partnership Act, 1932]:** Although registration of firms is not compulsory, yet the consequences or disabilities of non-registration have a persuasive pressure for their registration. **These disabilities briefly are as follows:**
- (i) **No suit in a civil court by firm or other co-partners against third party:** The firm or any other person on its behalf cannot bring an action against the third party for breach of contract entered into by the firm, unless the firm is registered and the persons suing are or have been shown in the register of firms as partners in the firm.
  - (ii) **No relief to partners for set-off of claim:** If an action is brought against the firm by a third party, then neither the firm nor the partner can claim any set-off, if the suit be valued for more than ₹100 or pursue other proceedings to enforce the rights arising from any contract.
  - (iii) **Aggrieved partner cannot bring legal action against other partner or the firm:** A partner of an unregistered firm (or any other person on his behalf) is precluded from bringing legal action against the firm or any person alleged to be or to have been a partner in the firm. But, such a person may sue for dissolution of the firm or for accounts and realization of his share in the firm's property where the firm is dissolved.
  - (iv) **Third party can sue the firm:** In case of an unregistered firm, an action can be brought against the firm by a third party.
- (c) Section 73 of the Indian Contract Act, 1872 provides for consequences of breach of contract. According to it, when a contract has been broken, the party who suffers by such breach is entitled to receive from the party who has broken the contract, compensation for any loss or damage caused to him thereby which naturally arose in the usual course of things from such breach or which the parties knew when they made the contract, to be likely to result from the breach of it. Such compensation is not given for any remote and indirect loss or damage sustained by reason of the breach. It is further provided in the explanation to the section that in estimating the loss or damage from a breach of contract, the means which existed of remedying the inconvenience caused by the non-performance of the contract must be taken into account.

Applying the above principle of law to the given case, M Ltd. is obliged to compensate for the loss of ₹ 1.25 lakh (i.e. ₹ 12.75 minus ₹ 11.50 = ₹ 1.25 lakh) which had naturally arisen due to default in performing the contract by the specified date.

Regarding the amount of compensation which Shanti Traders were compelled to make to Zenith Traders, it depends upon the fact whether M Ltd., knew about the contract of Shanti Traders for supply of the contracted machinery to Zenith Traders on the specified date. If so, M Ltd is also obliged to reimburse the compensation which Shanti Traders had to pay to Zenith Traders for breach of contract. Otherwise M Ltd is not liable.

**Question 4**

- (a) *What is appropriation of goods under the Sale of Goods Act, 1930? State the essentials regarding appropriation of unascertained goods.* **(6 Marks)**
- (b) *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)**

**Answer**

- (a) **Appropriation of goods:** Appropriation of goods involves selection of goods with the intention of using them in performance of the contract and with the mutual consent of the seller and the buyer.

The essentials regarding appropriation of unascertained goods are:

- (a) There is a contract for the sale of unascertained or future goods.
  - (b) The goods should conform to the description and quality stated in the contract.
  - (c) The goods must be in a deliverable state.
  - (d) The goods must be unconditionally (as distinguished from an intention to appropriate) appropriated to the contract either by delivery to the buyer or his agent or the carrier.
  - (e) The appropriation must be made by:
    - (i) the seller with the assent of the buyer; or
    - (ii) the buyer with the assent of the seller.
  - (f) The assent may be express or implied.
  - (g) The assent may be given either before or after appropriation.
- (b) A partner may not be expelled from a firm by a majority of partners except in exercise, in good faith, of powers conferred by contract between the partners. It is, thus, essential that:
- (i) the power of expulsion must have existed in a contract between the partners;
  - (ii) the power has been exercised by a majority of the partners; and
  - (iii) it has been exercised in good faith.

If all these conditions are not present, the expulsion is not deemed to be in bonafide interest of the business of the firm.

The test of good faith as required under Section 33(1) includes three things:

- The expulsion must be in the interest of the partnership.
- The partner to be expelled is served with a notice.
- He is given an opportunity of being heard.

If a partner is otherwise expelled, the expulsion is null and void.

Thus, according to the test of good faith as required under Section 33(1), expulsion of Partner Y is not valid.

#### Question 5

- (a) *Mr. D sold some goods to Mr. E for ₹ 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) *Define OPC (One Person Company) and state the rules regarding its membership. Can it be converted into a non-profit company under Section 8 or a private company? (6 Marks)*

#### Answer

- (a) **Position of Mr. D:** Mr. D sold some goods to Mr. E for ₹ 5,00,000 on 15 days credit. Mr. D delivered the goods. On due date Mr. E refused to pay for it. So, Mr. D is an unpaid seller as according to section 45(1) of the Sale of Goods Act, 1930 the seller of goods is deemed to be an 'Unpaid Seller' when the whole of the price has not been paid or tendered and the seller had an immediate right of action for the price.

**Rights of Mr. D:** As the goods have parted away from Mr. D, therefore, Mr. D cannot exercise the right against the goods, he can only exercise his rights against the buyer i.e. Mr. E which are as under:

(i) **Suit for price (Section 55)**

In the mentioned contract of sale, the price is payable after 15 days and Mr. E refuses to pay such price, Mr. D may sue Mr. E for the price.

- (ii) **Suit for damages for non-acceptance (Section 56):** Mr. D may sue Mr. E for damages for non-acceptance if Mr. E wrongfully neglects or refuses to accept and pay for the goods. As regards measure of damages, Section 73 of the Indian Contract Act, 1872 applies.

- (iii) **Suit for interest [Section 61]:** If there is no specific agreement between the Mr. D and Mr. E as to interest on the price of the goods from the date on which payment becomes due, Mr. D may charge interest on the price when it becomes due from such day as he may notify to Mr. E.

- (b) **One Person Company (OPC) [Section 2(62) of the Companies Act, 2013]:** The Act defines one person company (OPC) as a company which has only one person as a member.

**Rules regarding its membership:**

- Only one person as member.
- The memorandum of OPC shall indicate the name of the other person, who shall, in the event of the subscriber's death or his incapacity to contract, become the member of the company.
- The other person whose name is given in the memorandum shall give his prior written consent in prescribed form and the same shall be filed with Registrar of companies at the time of incorporation.
- Such other person may be given the right to withdraw his consent.
- The member of OPC may at any time change the name of such other person by giving notice to the company and the company shall intimate the same to the Registrar.
- Any such change in the name of the person shall not be deemed to be an alteration of the memorandum.
- Only a natural person who is an Indian citizen and resident in India (person who has stayed in India for a period of not less than 182 days during the immediately preceding one calendar year)-
  - shall be eligible to incorporate a OPC;
  - shall be a nominee for the sole member of a OPC.
- No person shall be eligible to incorporate more than one OPC or become nominee in more than one such company.
- No minor shall become member or nominee of the OPC or can hold share with beneficial interest.

OPC cannot be incorporated or converted into a company under section 8 of the Act. Though it may be converted to private or public companies in certain cases. OPC cannot convert voluntarily into any kind of company unless two years have expired from the date of incorporation, except where the paid up share capital is increased beyond fifty lakh rupees or its average annual turnover during the relevant period exceeds two crore rupees.

**Question 6**

- (a) *Define Fraud. Whether "mere silence will amount to fraud" as per the Indian Contract Act, 1872?* **(5 Marks)**

- (b) *What is the conclusive evidence of partnership? State the circumstances when partnership is not considered between two or more parties.* **(4 Marks)**
- (c) *State the limitations of the doctrine of indoor management under the Companies Act, 2013.* **(3 Marks)**

**Answer**

- (a) **Definition of Fraud under Section 17: 'Fraud' means and includes** any of the following acts committed by a party to a contract, or with his connivance, or by his agent, with an intent to deceive another party thereto or his agent, or to induce him to enter into the contract:

- (1) the suggestion, as a fact, of that which is not true, by one who does not believe it to be true;
- (2) the active concealment of a fact by one having knowledge or belief of the fact;
- (3) a promise made without any intention of performing it;
- (4) any other act fitted to deceive;
- (5) any such act or omission as the law specially declares to be fraudulent.

**Mere silence will amount to fraud:** This statement is incorrect as per the Indian Contract Act, 1872. A party to the contract is under no obligation to disclose the whole truth to the other party. 'Caveat Emptor' i.e. let the purchaser beware is the rule applicable to contracts. There is no duty to speak in such cases and silence does not amount to fraud. Similarly, there is no duty to disclose facts which are within the knowledge of both the parties.

- (b) **Conclusive evidence of partnership:** Existence of Mutual Agency which is the cardinal principle of partnership law is very much helpful in reaching a conclusion with respect to determination of existence of partnership. Each partner carrying on the business is the principal as well as an agent of other partners. So, the act of one partner done on behalf of firm, binds all the partners. If the element of mutual agency relationship exists between the parties constituting a group formed with a view to earn profits by running a business, a partnership may be deemed to exist.

**Circumstances when partnership is not considered between two or more parties:** Various judicial pronouncements have laid to the following factors leading to no partnership between the parties:

- (i) Parties have not retained any record of terms and conditions of partnership.
- (ii) Partnership business has maintained no accounts of its own, which would be open to inspection by both parties
- (iii) No account of the partnership was opened with any bank

- (iv) No written intimation was conveyed to the Deputy Director of Procurement with respect to the newly created partnership.
- (c) The doctrine of Indoor Management has limitations of its own. That is to say, it is inapplicable to the following cases, namely:
  - (i) **Actual or constructive knowledge of irregularity:** The rule does not protect any person when the person dealing with the company has notice, whether actual or constructive, of the irregularity.
  - (ii) **Suspicion of Irregularity:** The doctrine in no way, rewards those who behave negligently. Where the person dealing with the company is put upon an inquiry, for example, where the transaction is unusual or not in the ordinary course of business, it is the duty of the outsider to make the necessary enquiry.
  - (iii) **Forgery:** The doctrine of indoor management applies only to irregularities which might otherwise affect a transaction, but it cannot apply to forgery which must be regarded as nullity.



**SECTION B – BUSINESS CORRESPONDENCE AND REPORTING**

Question No. 7 is compulsory.

Attempt any **three** questions from the remaining **four** questions.

**Question 7**

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

*A life of action and danger moderates the dread of death. It not only gives us fortitude to bear pain, but teaches us at every step the precarious tenure on which we hold our present being. Sedentary and studious men are the most apprehensive on this score. Dr. Johnson was an instance in point. A few years seemed to him soon over, compared with those sweeping contemplations on time and infinity with which he had been used to pose himself. In the still life of a man of letters there was no obvious reason for a change. He might sit in an arm chair and pour out cups of tea to all eternity would it had been possible for him to do so. The most rational cure after all for the inordinate fear of death is to set a just value on life. If we mere wish to continue on the scene to indulge our head-strong humour and tormenting passions, we had better be gone at once; and if we only cherish a fondness for existence according to the good we desire from it, the pang we feel at parting it will not be very server.*

- (i) What type of people are afraid of death and Why? **(1 Mark)**
- (ii) How can we get rid of fear of death? **(1 Mark)**
- (iii) What idea do you form about Dr. Johnson from this passage? **(1 Mark)**
- (iv) Write Summary of the Passage. **(2 Marks)**
- (b) Read the passage:
- (i) Make Notes, using headings, sub headings, and abbreviations whenever necessary. **(3 Marks)**
- (ii) Write Summary. **(2 Marks)**
- (I) Anything printed and bound in a book size can be called a book, but the quality or mind distinguishes the value of it.

*What is a book? This is' how Anatole France describes it:" A series of little printed signs essentially only that. It is for the reader to supply himself the forms and colors and sentiments to which these signs correspond. It will depend on him whether the book be dull or brilliant, hot with passion or cold as ice. Or if you prefer to put it otherwise each word in a book is a magic finger that sets a fibre of our brain vibrating like a hard string and so evokes a note from the sounding board of our soul No matter how skilful, how inspired the artist's hand, the sound it makes depends on the quality of the strings within ourselves"*

*Until recently books were the preserve of a small section \_\_\_\_\_ the urban upper classes. Some, even today, make it a point to call themselves intellectuals. It would be a pity if books were meant only for intellectuals and not for housewives, farmers, factory workers, artisans and, so on.*

*In India there are first generation learners, whose parents might have been illiterate. This poses special challenges to our authors and to those who are entrusted with the task of disseminating knowledge. We need much more research in the use of language and the development of techniques by which know ledge can be transferred to these people without transmission loss. Publishers should initiate campaigns to persuade people that a good book makes a beautiful present and that reading a good book can be the most relaxing as well as absorbing of pastimes. We should aim at books of quality no less than at quantitative expansion in production and sale. Unless one is constantly exposed to the best, one cannot develop a taste for the good.*

**(2 Marks)**

**Answer**

**(a) Reading comprehension**

People who have a sedentary lifestyle and are too much into writing/literature are afraid of death.

We can get rid of the fear of death by following a life of action and danger and also by setting a value on life.

Dr. Johnson, being a man of letters seemed to have a sedentary life style. He feared death because of his monotonous life.

A life that is full of action and danger would not fear death. One needs to be active and avoid a sedentary life full of contemplation. One must cherish what one has and enjoy moments as they come, rather than brood over the past and future. Dr. Johnson is a good example of a case where death was severely dreaded.

**(b) (i) A. Value of bks. acc. to Anatole France**

(1) not merely printed signs

(2) reader gives

(i) colours

(ii) forms

(iii) sentiments

a. brilliant or boring

b. touches our souls

**B. Bks. are meant for diff. sections of society**

- (1) until recently bks. were read by only intellect.
- (2) meant for all housewives, farmers, artisans, etc.

**C. Bks. for 1st gen. learners**

- (1) challenge for authors
- (2) need more research in use of lang.
- (3) need for dev. of teaching tech. a. knowledge transfer w/o transms<sup>n</sup> loss

**D. Publisher's role**

- (1) campaigns to persuade
  - a. bks make good presents
  - b. rdng – a relaxing pastime

**Key**

1. acc. - according
2. 1st - first
3. bks. - books
4. gen. - generation
5. diff. – different
6. lang. - language
7. intellect. - intellectuals
8. dev. – development
9. w/o – without
10. transms<sup>n</sup> - transmission

**Summary**

A book can be defined as anything that is bound and printed. However, there can be factors of quality and the mind applied to it that distinguish a book. According to Anatole France, a reader has powers to convert the book into magic; using his brain connect with the words printed in it. No matter how good an author is, the content becomes interesting only if the reader wishes to make it so. Apparently, books have always been associated with the urban sector. One must try to spread the reach to a wider audience, emphasizing the fact that good techniques and language can make book reading the most enjoyable of all pass times.

**Question 8**

(a) Define visual communication. **(2 Marks)**

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

*Perpetual*

(1) General

(2) Emotional

(3) Stubborn

(4) Continuous **(1 Mark)**

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

**Disparage**

(1) Eulogise

(2) Belittle

(3) Alert

(4) Defame

(iii) Change the following sentence to indirect speech:

*The policeman said to the stranger who are you.* **(1 Mark)**

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

*Teaching is the noblest of professions. A teacher has a sacred duty to perform. It is he on whom rests the responsibility of moulding the character of young children. Apart from developing their intellect, he can inculcate in them qualities of good citizenship, remaining neat and clean, talking decently and sitting properly. These virtues are not easy to be imbibed. Only he who himself leads a life of simplicity, purity and rigid discipline can successfully cultivate these habits in his pupils.*

*Besides a teacher always remain young. He may grow old in age, but not in spite. Perpetual contact with budding youths keeps him happy and cheerful These are moments when domestic worries weigh heavily on his mind, but the delightful company of innocent children makes him overcome his transient moods of despair.* **(5 Marks)**

**Answer**

**(a) Visual communication**

Communication that happens through visual aids such as signs, graphic designs, colour, illustrations etc is visual communication. It is a powerful medium these days, especially for office presentations. Visuals can also include pie charts, graphs, or any other colourful representation. It adds value to the content and forms a major part of audio visual ppt's.

- (b) (i) (4) continuous  
 (ii) (1) eulogize  
 (iii) Indirect speech: the policeman asked the stranger who he was.

**(c) Precis writing**

Possible Titles: A teacher remains immortal

A Teacher never grows old

Teaching: a selfless and noble profession

Teaching is constant learning and practicing

Teaching is a selfless job which goes on even when the teacher gets old. He/she is constantly learning, no matter how old one grows. From imparting education to discipline to mannerisms, a teacher is a role model. He leads a simple life, of virtues and morals and inculcates the same in his students. The pleasant company of students removes a teacher's personal worries and refreshes his mind.

**Question 9**

(a) Write any four barriers to effective communication? **(2 Marks)**

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

(i) Despot

(1) Tyrant

(2) Storage

(3) Hot meal

(4) Against **(1 Mark)**

(ii) Illicit

(1) Storage

(2) Emotional

(3) Unlawful

(4) Grand **(1 Mark)**

(iii) Change the following sentence into indirect speech:

The Shopkeeper says, "prices are shooting up alarmingly."

**(1 Mark)**

(c) Write circular addressing to the employees regarding office timings. **(5 Marks)**

**Answer**

(a) Four barriers to Effective communication

- (1) **Physical barriers:** include noise, old technology, technical disturbances, distant locations, lack of appropriate infrastructure.
  - (2) **Organizational structural barriers:** Lack of a proper chain of command in office, gaps in the hierarchy creates problems in communication
  - (3) **Language barriers:** Language creates problems in communication. Difficult words, unclear jargon, different community having different languages
  - (4) **Cultural barriers:** Cultures have different customs and can lead to miscommunication.
  - (5) **Emotional barriers:** One of the chief barriers to open and free communications is the emotional barrier. Anger, fear of criticism or ridicule, mistrust of person, suspicion of intentions, jealousy, anxiety and many more feelings and sentiments we carry within us, affect our communication ability and quality. A person who is upset and disturbed cannot pass on or receive information appropriately and objectively. His emotions will colour his perception and assessment of the communication.
  - (6) **Attitude barriers:** Personal attitudes of employees can affect communication within the organization.
  - (7) **Perception Barriers:** Each one of us perceives the world differently and this causes problems in communicating.
  - (8) **Physiological barriers:** Ill health, poor eyesight, hearing difficulties or any other physiological problems can be hurdles in effective interaction with others.
  - (9) **Technology barriers:** Anyone who is not tech friendly struggles to communicate effectively via the medium.
  - (10) **Gender barriers:** Due to traditional mindsets, many men find it difficult to take orders from, or provide information to women.
- (b) (i) 1. Tyrant  
(ii) 3. Unlawful  
(iii) The shopkeeper said that prices were shooting up alarmingly.
- (c) **Circular Writing Sample 1: Employees working as per flexible office timings**

Circular No. XV	14 <sup>th</sup> May, 2018
<b>Office Timings</b>	
For all employees	
This is an official communication about the office timings to be followed by all employees. As per flexible timings approved by the management, working hours/timings are as under:	

9:30 am to 5:30 pm

10:00 am to 6:30 pm

10:30 am to 7:00 pm

For Housekeeping staff:

Shift-1: 8:00 am to 4:00 pm

Shift-2: 2:00 pm to 8:00 pm

Saturday and Sunday is a holiday for all employees.

Strict action will be taken against defaulters. In case of any emergency, please inform your respective heads/managers.

XYZ

HR manager

**Circular Writing Sample 2: Employees working for different foreign clients**

Circular No. XV

14<sup>th</sup> May, 2018

**Office Timings**

For employees

This is an official communication about the office timings to be followed by employees working for foreign clients. With regard to the time zone based on the geography of the client country, the working hours/timings are as under:

Employees for US client: working hours will be 6 am to 2 pm.

Employees for UK client: working hours will be 1:30 pm to 9:30 pm

Employees for Indian client: working hours will be 9:30 am to 5:30 pm

For Housekeeping staff

Shift-1: 8:00 am to 4:00 pm

Shift-2: 2:00 pm to 8:00 pm

Saturday and Sunday is a holiday for all employees.

Strict action will be taken against defaulters. In case of any emergency, please inform your respective heads/managers.

XYZ

HR manager

**Question 10**

(a) (i) *What are the characteristics of effective communication?* **(2 Marks)**

**OR**

(ii) *What is diagonal communication?* **(2 Marks)**

(b) (i) *Complete the expression by supplying a suitable preposition or adverb particle. Choose your answer from the options given in brackets.*

*We will take \_\_\_\_\_ this issue when we meet next week. (up/on/over)* **(1 Mark)**

(ii) *Rewrite the following sentence in Passive Voice*

*The customer should receive the delivery by Friday.* **(1 Mark)**

(iii) *Rewrite the following sentence in Active Voice.*

*He will be given a ticket for over speeding by the police officer.* **(1 Mark)**

(c) *Write an article of about 250 words on the topic "Global warming".* **(5 Marks)**

**Answer****(a) Characteristics of effective communication**

1. **Clear:** Any spoken or written communication should state the purpose of message clearly.
2. **Concise:** Brevity is the essence of business communication.
3. **Concrete:** The content of your communiqué should be tangible. Base it on facts and figures.
4. **Coherent:** Coherence is sequentially organized and logically presented information which is easily understood.
5. **Complete:** A complete communication conveys all facts and information required by the recipient.
6. **Courteous:** Courtesy implies that the sender is polite, considerate, respectful, open and honest with the receiver.
7. **Listening for Understanding:** Focus on the individual and his agenda. A perceptive listener is able to provide information as per the needs of the client
8. **Focus and Attention: Everyday work environment** Paying attention to the pertinent details is imperative for effective communication.
9. **Emotional Awareness and Control:** Managing your own and others emotions and communicating keeping in mind the emotional state of others helps in smooth interaction and breakdown of the communication process.

**OR**



Diagonal Communication.

It is part of the formal communication section. It refers to the cross functional communication between different levels of employees in an organization. It is commonly found in large organization. Diagonal communication is recommended as it reduces the gaps between communication and encourages direct talks with the third party. For example a junior engineer directly reporting to the General Manager about the progress of a project.

- (b) (i) We will take up this issue when we meet next week.  
 (ii) The delivery would be received by the customer by Friday (Passive voice)  
 (iii) The police officer will give him a ticket for over speeding (Active voice)

**(c) Global Warming**

The retention of extra heat by the Earth is known as Global warming. It is basically an increase in the amount of greenhouse gases in the air that results in more heat being trapped in the atmosphere. The green houses gases include carbon dioxide, methane, water vapour and ozone. This leads to an overall rise in the surface temperature of the Earth.

The temperature of the Earth has increase by about 1-2 degree Fahrenheit in the last 100 years and is continuing to increase further. The warming has led to the decrease of cold nights and increase in warm/summer days. Melting glaciers is also a result of global warming.

The amount of carbon di oxide in air has been increasing at an alarming rate. The main cause of this increase being burning of fossil fuels and deforestation. Production, distribution and combustion of fossil fuel also results in the emission of methane gas.

As responsible citizens of the Earth, we must take measures to curb the problem of global warming and save the environment. Use of renewable sources of energy, like solar energy should be promoted. Solar heater, solar cooker, solar coolers are some devices that run on the energy captured from the Sun. Farmers should be encouraged to use natural fertilizers that provide better yields and are environment friendly. Children in school should participate in 'plant a tree' campaigns. Afforestation is an easy and simple step towards saving our environment. Air pollution should be checked, probably by making catalytic inverters compulsory for all vehicles.

If the above measures are followed and every individual pledges to keep the environment clean, problems like global warming can be under control. Let us all pledge to GO GREEN

**Question 11**

- (a) *What are the main steps in the process of communication?* **(2 Marks)**

- (b) Select the correct meaning of idioms / phrases given below:
- (i) Storm in tea cup
- (1) Crave for something
  - (2) Drink tea often
  - (3) Get into quarrel
  - (4) Making a big issue out of a small thing. **(1 Mark)**
- (ii) To grease the palm
- (1) Treat suffer
  - (2) To offer bribe
  - (3) To swim in deep sea
  - (4) To be in deep thought. **(1 Mark)**
- (iii) Rewrite the following sentences in the active voice:
- The entire district was destroyed by cyclone. **(1 Mark)**
- (c) Write a memo letter informing the employees of all branches about the suspension order of Mr. Z, cashier, on charge of misappropriation of fund of the same office. **(5 Marks)**

**Answer****(a) Steps in the process of communication**

- (i) The purpose or reason
  - (ii) The content or message
  - (iii) The medium used for conveying the message (internet, written text, speech etc)
  - (iv) Transmitting the message
  - (v) Messages are often misinterpreted due to external disturbances. These factors disrupt communication
  - (vi) Receiving the message
  - (vii) Deciphering/decoding the message
  - (viii) Interpreting and figuring out what the real message is.
- (b) (i) 4. Making a big issue out of a small thing
- (ii) 2. To offer bribe
- (iii) The cyclone destroyed the entire district. (Active voice)

**(c) Memo (suspension order of cashier)**

XYZ Bank  
36, NOIDA, Uttar Pradesh  
Interoffice memo

Date: 14/05/2018

To: All employees of branch

From: Ms. ABC, General Manager

Reference: 44L/T2

Subject: Suspension order

This is to inform you that Mr. Z, cashier of XYZ bank, Noida, UP branch has been suspended on charge of misappropriation of funds. All concerned are requested to refrain from any transaction with him. If not, the bank authorities would not be held responsible.

# STUDY TIME

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