

MOCK TEST PAPER - 1

FOUNDATION COURSE

PAPER 2: BUSINESS LAWS AND BUSINESS CORRESPONDENCE AND REPORTING

SECTION A: BUSINESS LAWS

Question No. 1 is compulsory.

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

QUESTIONS

1. (a) Mr. Ayush is the principal in Modern Public School. He needs 2000 packets of Biscuits to be distributed to students in his school on the occasion of Republic Day celebration. For this purpose, he contracted with Yograj Biscuit Company. Mr. Ayush visited the workshop of Yograj Biscuit Company and was very much satisfied with the quality of biscuits. He also found that a large number of varieties of biscuits are manufactured in the workshop. He ordered 2000 packs of biscuits and gave the token money but did not specify the category of biscuits, he needed. Yograj Biscuit Company did not supply the biscuits on the due date. Mr. Ayush filed the suit against Yograj Biscuit Company for compensation. State with reasons, whether Yograj Biscuit Company is liable under Indian Contract Act, 1872? **(4 Marks)**
- (b) Parasnath Infra Height Limited is a public company having 215 members. Out of 215 members, 20 members were employee in the company during the period 1st June, 2021 to 30th June, 2023. They were allotted shares in Parasnath Infra Height Limited on 1st April, 2017 which are held by them till today i.e. 31st October, 2023. Now, company wants to convert itself into a private company.
State with reasons, whether Parasnath Infra Height Limited is required to reduce the number of members under the provisions of Companies Act, 2013? **(4 Marks)**
- (c) "*Risk Prima Facie passes with property.*" Elaborate in the context of the Sale of Goods Act, 1930. **(4 Marks)**
2. (a) Explain any five circumstances under which contracts need not be performed with the consent of both the parties. **(7 Marks)**
- (b) "A LLP (Limited Liability Partnership) is a type of partnership in which participants' liability is fixed to the amount of money they invest whereas a LLC (Limited Liability Private/Public Company) is a tightly held business entity that incorporates the qualities of a corporation and a partnership".
In line of above statement clearly elaborate the difference between LLP and LLC. **(5 Marks)**
3. (a) "Indian Partnership Act does not make the registration of firm's compulsory nor does it impose any penalty for non-registration." In light of the given statement, discuss the consequences of non-registration of the partnership firms in India. Also, explain the rights unaffected due to non-registration of firms. **(6 Marks)**
- (b) Chhotu of 17 years has purchased a mobile of ₹ 25,000 for his online classes from Mobile Sales Centre on credit. On due date, he did not make the payment of mobile. Mobile Sales Centre sued Chhotu and his parents for the price of mobile. Chhotu has ₹ 15,000 as his cash balance but his father has enough money to pay the price of mobile. Who will be liable to pay the price of mobile under the provisions of Indian Contract Act, 1872? **(6 Marks)**
4. (a) What are the rights of unpaid seller in context to re-sale of the goods under Sale of Goods Act, 1930? **(6 Marks)**

- (b) A and B are partners in M/s Aee Bee & Company. Firm is doing business of trading of plastic bottles. A is authorised to sell the stock of plastic bottles. It was decided between them that A should sell the plastic bottles at the minimum price which they have decided and if A sell at a price less than minimum price, he should first take the permission of B. Due to sudden change in government policy, the price of plastic bottles was continuously declining. To save the loss of firm, A sold the stock at lower price. Meanwhile, A tried to contact B but couldn't do so as B was on foreign trip. Afterwards when B came, he filed the suit to recover the difference of sale price and minimum price to the firm. Whether B can do so under the provisions of Indian Partnership Act, 1932? **(6 Marks)**
5. (a) Ram Bilas Yadav is a farmer. Anna Chips Company approached him and entered in a contract to supply 100 quintals of potatoes which to be grown in the fields belonging to Ram Bilas Yadav @ ₹1000/- per quintal. Anna Chips Company made the payment of price but delivery to be made after six months. Before the time of delivery, the whole crop of potatoes was destroyed due to flood. Anna Chips Company demanded the payment of price which is already made by it. Ram Bilas Yadav denied returning the price by saying that contract of sale was already entered and hence crop belongs to Anna Chips Company. Hence loss of crop must be borne by it. Referring to the provisions of the Sale of Goods Act, 1930, whether Anna Chips Company recover amount from Ram Bilas Yadav? **(6 Marks)**
- (b) The Articles of Association (AOA) of Avenue International Private Limited contained a clause that in case of insolvency of any member, his shares in the company should be sold to other person and at the price fixed by directors of the company. Mr. Neeraj, a shareholder was adjudicated insolvent. His official assignee in insolvency claimed that he was not bound by the provisions of AOA and is free to sell the shares at their true value. Referring the provisions of the Companies Act 2013, whether official assignee is bound by AOA? **(6 Marks)**
6. (a) Explain the following statements in the light of provisions of Indian Contract Act, 1872:
- (i) "Agreements made out of love and affection are valid agreements."
(ii) "Promise to pay a time barred debt cannot be enforced." **(5 Marks)**
- (b) "Sharing in the profits is not conclusive evidence in the creation of partnership". Comment. **(4 Marks)**
- (c) Mike LLC incorporated in Singapore having an office in Pune, India. Analyse whether Mike LLC would be called as a foreign company as per the provisions of the Companies Act, 2013? Also explain the meaning of foreign company. **(3 Marks)**

SECTION-B: BUSINESS CORRESPONDENCE AND REPORTING

Max Marks: 40 Marks

Instructions

The Question paper comprises of 5 questions of 10 Marks each. Question 1 is compulsory. Out of 2 to 5, attempt any three.

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

People these days are beginning to think twice before having people over for lunch or dinner. Soaring food prices of everything from tomatoes to tapioca, from potatoes to pumpkins are part of the problem, but only a part.

The real problem is diets. Many if not most of the people you know, gender and age no bar are on some diet of some sort. To further complicate matters, everyone's on a different diet from everyone else. In a middle class India everyone is becoming health conscious, diets are the latest fad and going on a special designer diet is even more fashionable than snapping selfies with your latest model customized iPhone.

There's one diet, called the Atkins, in which people will eat only proteins (meat, fish, eggs) and veggies, but no cereals or carbs, as carbohydrates are referred to in diatese, the special language in which dieters speak to each other.

Then there are people who will eat all carbs, but won't eat wheat because that has gluten in it. There are diehard non vegetarians who become vegetarians on Tuesday or during certain phases of the moon. There are vegans who are not only pure vegetarians but won't eat any animal products, like paneer, cheese though food cooked in pure ghee is presumably exempt.

There's even something called the paleo diet or caveman's diet in which you are only allowed what are prehistoric ancestors ate before they invented agriculture. So paleo's will eat only meat, and berries and other stuff that grows in the wild.

The keto diet is the latest low carb craze to hit the active scene. In truth, it's been around for a while decades, in fact and has been used in treatment of children with epilepsy; but the term is now finding a mainstream health following. On the plus size, it offers weight loss, and on the minus side, according to few nutrition experts, there isn't much negative about it.

The keto (short for ketogenic) diet works when your body produces ketones from broken down fats in the liver for energy, rather than relying on insulin to convert carbohydrates. The body enters a state of ketosis in layman's terms, suing fat rather than sugar for energy.

Will diet spell the doom of the shared dinner table? Not at all. There is for sure one form of diet that will solve the problem. It's the special diet called 'fasting'. The fast feast will provide the perfect social evening, guaranteed to reduce both food bills and waistlines.

- (1) Identify the tone of the passage (1 Mark)

- (a) Descriptive
- (b) Skeptical
- (c) Persuasive
- (d) Retrospective

- (2) Which diet allows the body to use fat and not sugar for releasing energy? (1 Mark)

- (3) Which of the following statements is incorrect according to the passage: (1 Mark)

- (a) Atkins is a diet which allows people to eat only proteins
- (b) Vegans do not eat animal products on Tuesdays only

- (c) Keto is not a useful diet in any respect
- (d) High food prices discourage inviting people for lunch or dinner.
- (4) Choose the word similar in meaning to 'fad' as used in paragraph two: **(1 Mark)**
- (a) Need
- (b) Desire
- (c) Responsibility
- (d) Trend
- (5) Give the passage a suitable title. **(1 Mark)**
- (b) Read the following passage
- The Sundarbans is a cluster of low-lying islands in the Bay of Bengal, spread across India and Bangladesh, famous for its unique mangrove forests. This active delta region is among the largest in the world, measuring about 40,000 sq km.
- The Sundarbans forest is about 10,000 sq km across India and Bangladesh, of which 40% lies in India, and is home to many rare and globally threatened wildlife species such as the estuarine crocodile (*Crocodilus porosus*), royal Bengal tiger (*Panthera tigris*), Water monitor lizard (*Varanus salvator*), Gangetic dolphin (*Platinista gangetica*), and olive ridley turtle (*Lepidochelys olivacea*). The forest in India is divided into the Sundarbans Tiger Reserve and 24 Parganas (South) Forest Division, and together with the forest in Bangladesh is the only mangrove forest in the world where tigers are found.
- The Sundarbans delta in India has been a priority region for WWF-India since 1973 due to its unique biodiversity. While it supports a sizeable population of wild tigers and other wildlife, it is also an ecologically fragile and climatically vulnerable region that is home to over 4.5 million people. Securing the future of the Sundarbans, its biodiversity and people requires a long term vision that can integrate climate adaptation and conservation strategies along with shorter term interventions such as ensuring sustainable livelihoods, access to clean and sustainable energy and effective human wildlife conflict management.
- WWF-India's vision for this landscape is to develop a climate resilient Sundarbans that supports biodiversity, ecosystems services and sustainable development.
- (i) Make notes, sub-heading, abbreviations, wherever necessary giving a suitable title. **(3 Marks)**
- (ii) Write a summary **(2 Marks)**
2. (a) List down the advantages of learning 'Business English'. **(2 Marks)**
- (b) (i) Choose the suitable synonym for the word: **(1 Mark)**
- Abetment**
- a. Finalise
- b. Assist
- c. Curb
- d. Destroy

(ii) Choose the suitable antonym for the word: **(1 Mark)**

Exuberant

- a. Dull
- b. Joyful
- c. Important
- d. Extra

(iii) Change the following sentence into direct speech **(1 Mark)**

Shikha said that she had finished the project work already.

(c) Write a Précis and also give a suitable title to the passage given below **(5 Marks)**

Ideas rule the world. You shape your fate and decide your destiny by your thoughts. You have to believe and be sure of yourself to win a prize. Life's battles don't always go to the stronger or the faster man. But, sooner or later, the man who wins is the man who thinks he can.

Success starts with your thoughts. Whatever your mind can conceive and believe, it can achieve. And your mind is nothing more than a bundle of thoughts. Since you have the power to shape your thoughts, you automatically have the power to fashion your fate and decide your destiny. Thus your thoughts are the most potent, powerful and prime source of your success. For your thoughts to blossom into success, they should be combined with definiteness of purpose, perseverance and a burning, pulsating strong desire to translate them into action. Believe that you will succeed and believe it firmly. You will then do whatever is necessary to bring success about.

3. (a) How does 'body language' constitute a kind of communication? **(2 Marks)**

(b) (i) Choose the option which best expresses the meaning of the word **(1 Mark)**

Bona fide

- (1) Achievable
- (2) Worthless
- (3) In good faith
- (4) Benevolent

(ii) Choose the option which best expresses the opposite meaning of the word **(1 Mark)**

Heinous

- (1) Unacceptable
- (2) Shocking
- (3) Desirable
- (4) Distant

(iii) Change the following into indirect speech **(1 Mark)**

Siddhant said to his colleague, 'I can't work anymore'

- (c) You are Mr. Rakesh Tripathi, Administration Head at Horizon Public School, Jaipur, Rajasthan. Write an Order letter to M/S Vinayak School supplies Ltd, stating your bulk order for various types of school supplies (including, stationery, black boards, chalk boxes, book shelves etc.). Give a detailed list of the items to be ordered with the quantity required and the date by which you wish the order to be delivered. **(5 Marks)**
4. (a) The effectiveness of written communication depends on certain factors. Explain. **(2 Marks)**
- (b) (i) Change the following sentence into indirect speech **(3 Marks)**
Priya said, 'We will sing a song.'
- (ii) Change the following sentence into active voice
The car was repaired by a 10 year old child.
- (iii) Change the following sentence into passive voice
Farmers held a protest in the city yesterday.
- (c) Write a 250 words article on the topic 'The increasing incidents of cyber bullying and its consequences'. **(5 Marks)**

OR

- Write a 250 words article on the topic 'The need to use renewable resources of energy for a better and safer future'.
5. (a) Explain 'Informal communication' in the light of the statement, 'Information can flow from any source in any direction'. **(2 Marks)**
- (b) Select the correct meaning of the following idiom/phrase **(3 Marks)**
- (i) Go down in flames
- (1) to get serious burns
- (2) Fail badly
- (3) To destroy the enemy
- (4) To accept one's fault
- (ii) Haste makes waste
- (1) Keep up with the pace
- (2) Allow others to rule you
- (3) Utilize the waste in a good way
- (4) Things go wrong in hurry
- (iii) Change the sentence into passive voice
The fast moving bike hit the pavement .
- (c) Choose the word that best expresses the meaning of the given word **(1 Mark)**
Barren
- (1) Green
- (2) Brilliant

- (3) Cautious
- (4) Unfertile
- (c) You are a senior member of the HR team. Write a report using the official report format proposing to conduct health and hygiene workshops for the employees of the organization. Include details of expenditure.

OR

The HR Head of Verity Technologies has decided to hold a meeting to discuss the need to regularly attend training programs held by office (onshore and offshore), to understand the work better and know the organization. The meeting will include the presence of all Vertical and Department Heads.

Write the agenda of the meeting in a tabular form. Include the names of speakers also.

(4 Marks)