

CA FOUNDATION  
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**PAPER – 2: BUSINESS LAWS AND BUSINESS CORRESPONDENCE AND REPORTING**

**SECTION A: BUSINESS LAWS**

**Amendments for Paper 2A: Business Laws, Foundation November 2023 examinations**

**1. Chapter 4: The Limited Liability Act, 2008**

The Limited Liability Act, 2008 has been amended through the Limited Liability Partnership (Amendment) Act, 2021 dated 13<sup>th</sup> August, 2021. The following are the amendments w.e.f. 1<sup>st</sup> April, 2022.

Earlier provision	New provision
-	Throughout the Limited Liability Partnership Act, 2008, for the words and figures “the Companies Act, 1956” wherever they occur, the words and figures “the Companies Act, 2013” shall be substituted.
<p><b>Body Corporate [(Section 2(d))]:</b> It means a company as defined in section 3 of the Companies Act, 1956 and includes—</p> <p>(i) a LLP registered under this Act;</p> <p>(ii) a LLP incorporated outside India; and</p> <p>(iii) a company incorporated outside India,</p> <p>but does not include—</p> <p>(i) a corporation sole;</p> <p>(ii) a co-operative society registered under any law for the time being in force; and</p> <p>(iii) any other body corporate (not being a company as defined in section 3 of the Companies Act, 1956 or a limited liability partnership as defined in this Act), which the Central Government may, by notification in the Official Gazette, specify in this behalf.</p>	<p><b>Body Corporate [(Section 2(d))]:</b> It means a company as defined in <b>clause (20) of section 2 of the Companies Act, 2013</b> and includes</p> <p>(i) a limited liability partnership registered under this Act;</p> <p>(ii) a limited liability partnership incorporated outside India; and</p> <p>(iii) a company incorporated outside India,</p> <p>but does not include</p> <p>(i) a corporation sole;</p> <p>(ii) a co-operative society registered under any law for the time being in force; and</p> <p>(iii) any other body corporate (not being a company as defined in <b>clause (20) of section 2 of the Companies Act, 2013</b> or a limited liability partnership as defined in this Act), which the Central Government may, by notification in the Official Gazette, specify in this behalf.</p>
<p><b>Business [Section 2(e)]:</b> “Business” includes every trade, profession, service and occupation.</p>	<p><b>Business [Section 2(e)]:</b> “Business” includes every trade, profession, service <b>and occupation except any activity which the Central Government may, by notification, exclude.</b></p>

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<p><b>Newly inserted</b></p>	<p><b>“Small limited liability partnership [Section 2(ta)]:</b> It means a limited liability partnership—</p> <p>(i) the contribution of which, does not exceed twenty-five lakh rupees or such higher amount, not exceeding five crore rupees, as may be prescribed; and</p> <p>(ii) the turnover of which, as per the Statement of Accounts and Solvency for the immediately preceding financial year, does not exceed forty lakh rupees or such higher amount, not exceeding fifty crore rupees, as may be prescribed; or</p> <p>(iii) which meets such other requirements as may be prescribed, and fulfils such terms and conditions as may be prescribed;</p>
<p><b>Designated partners (Section 7):</b></p> <p>(i) Every LLP shall have at least two designated partners who are individuals and at least one of them shall be a resident in India.</p> <p>(ii) If in LLP, all the partners are bodies corporate or in which one or more partners are individuals and bodies corporate, at least two individuals who are partners of such LLP or nominees of such bodies corporate shall act as designated partners.</p> <p>(iii) <i>Resident in India:</i> For the purposes of this section, the term “resident in India” means a person who has stayed in India for a period of not less than 182 days during the immediately preceding one year.</p>	<p><b>Designated partners (Section 7)</b></p> <p>(1) Every limited liability partnership shall have at least two designated partners who are individuals and at least one of them shall be a resident in India: Provided that in case of a limited liability partnership in which all the partners are bodies corporate or in which one or more partners are individuals and bodies corporate, at least two individuals who are partners of such limited liability partnership or nominees of such bodies corporate shall act as designated partners.</p> <p><b>Explanation.</b> For the purposes of this section, the term resident in India means a person who has stayed in India for a period of not less than one hundred and <b>twenty days during the financial year.</b></p> <p>(2) Subject to the provisions of sub-section (1),</p> <p>(i) if the incorporation document</p>

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	<p>(a) specifies who are to be designated partners, such persons shall be designated partners on incorporation; or</p> <p>(b) states that each of the partners from time to time of limited liability partnership is to be designated partner, every partner shall be a designated partner;</p> <p>(ii) any partner may become a designated partner by and in accordance with the limited liability partnership agreement and a partner may cease to be a designated partner in accordance with limited liability partnership agreement.</p> <p>(3) An individual shall not become a designated partner in any limited liability partnership unless he has given his prior consent to act as such to the limited liability partnership in such form and manner as may be prescribed.</p> <p>(4) Every limited liability partnership shall file with the Registrar the particulars of every individual who has given his consent to act as designated partner in such form and manner as may be prescribed within thirty days of his appointment.</p> <p>(5) An individual eligible to be a designated partner shall satisfy such conditions and requirements as may be prescribed.</p> <p>(6) Every designated partner of a limited liability partnership shall obtain a Designated Partners Identification Number (DPIN) from the Central Government and the provisions of <b>sections 153 to 159 (both inclusive) of the Companies Act, 2013</b> shall apply <i>mutatis mutandis</i> for the said purpose.</p>
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<p><b>Registered office of LLP and change therein (Section 13):</b></p> <p>(1) Every LLP shall have a registered office to which all communications and notices may be addressed and where they shall be received.</p> <p>(2) A document may be served on a LLP or a partner or designated partner thereof by sending it by post under a certificate of posting or by registered post or by any other manner, as may be prescribed, at the registered office and any other address specifically declared by the LLP for the purpose in such form and manner as may be prescribed.</p> <p>(3) A LLP may change the place of its registered office and file the notice of such change with the Registrar in such form and manner and subject to such conditions as may be prescribed and any such change shall take effect only upon such filing.</p> <p>(4) If the LLP contravenes any provisions of this section, the LLP and its every partner shall be punishable with fine which shall not be less than ₹ 2,000 but which may extend to ₹ 25,000.</p>	<p><b>Registered office of LLP and change therein (Section 13):</b></p> <p>(1) Every limited liability partnership shall have a registered office to which all communications and notices may be addressed and where they shall be received.</p> <p>(2) A document may be served on a limited liability partnership or a partner or designated partner thereof by sending it by post under a certificate of posting or by registered post or by any other manner, as may be prescribed, at the registered office and any other address specifically declared by the limited liability partnership for the purpose in such form and manner as may be prescribed.</p> <p>(3) A limited liability partnership may change the place of its registered office and file the notice of such change with the Registrar in such form and manner and subject to such conditions as may be prescribed and any such change shall take effect only upon such filing.</p> <p><b>(4) If any default is made in complying with the requirements of this section, the limited liability partnership and its every partner shall be liable to a penalty of five hundred rupees for each day during which the default continues, subject to a maximum of fifty thousand rupees for the limited liability partnership and its every partner.</b></p>
<p><b>Name (Section 15):</b></p> <p>(1) Every limited liability partnership shall have either the words "limited liability partnership" or the acronym "LLP" as the last words of its name.</p>	<p><b>Name (Section 15):</b></p> <p>(1) Every limited liability partnership shall have either the words limited liability partnership or the acronym LLP as the last words of its name.</p>

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<p>(2) No LLP shall be registered by a name which, in the opinion of the Central Government is—</p> <p>(a) undesirable; or</p> <p>(b) identical or too nearly resembles to that of any other partnership firm or LLP or body corporate or a registered trade mark, or a trade mark which is the subject matter of an application for registration of any other person under the Trade Marks Act, 1999.</p>	<p>(2) No limited liability partnership shall be registered by a name which, in the opinion of the Central Government is</p> <p>(a) undesirable; or</p> <p><b>(b) identical or too nearly resembles to that of any other limited liability partnership or a company or a registered trade mark of any other person under the Trade Marks Act, 1999.</b></p>
<p><b>Change of name of LLP (Section 17):</b></p> <p>(1) Notwithstanding anything contained in sections 15 and 16, where the Central Government is satisfied that a LLP has been registered (whether through inadvertence or otherwise and whether originally or by a change of name) under a name which —</p> <p>(a) is a name referred to in sub-section (2) of section 15; or</p> <p>(b) is identical with or too nearly resembles the name of any other LLP or body corporate or other name as to be likely to be mistaken for it,</p> <p>the Central Government may direct such LLP to change its name, and the LLP shall comply with the said direction within 3 months after the date of the direction or such longer period as the Central Government may allow.</p> <p>(2) (i) Any LLP which fails to comply with a direction given under sub-section (1) shall be punishable with fine which shall not be less than ₹ 10,000 but which may extend to ₹ 5 Lakhs.</p>	<p><b>Change of name of LLP (Section 17):</b></p> <p>(1) <b>Notwithstanding anything contained in sections 15 and 16, if through inadvertence or otherwise, a limited liability partnership, on its first registration or on its registration by a new body corporate, its registered name;" name, is registered by a name which is identical with or too nearly resembles to—</b></p> <p><b>(a) that of any other limited liability partnership or a company; or</b></p> <p><b>(b) a registered trade mark of a proprietor under the Trade Marks Act, 1999, as is likely to be mistaken for it, then on an application of such limited liability partnership or proprietor referred to in clauses (a) and (b) respectively or a company, the Central Government may direct that such limited liability partnership to change its name or new name within a period of three months from the date of issue of such direction:</b></p> <p><b>Provided that an application of the proprietor of the registered trade marks shall be maintainable within a</b></p>

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<p>(ii) The designated partner of such LLP shall be punishable with fine which shall not be less than ₹ 10,000 but which may extend to ₹ 1 Lakh.</p>	<p>period of three years from the date of incorporation or registration or change of name of the limited liability partnership under this Act.</p> <p>(2) Where a limited liability partnership changes its name or obtains a new name under sub-section (1), it shall within a period of fifteen days from the date of such change, give notice of the change to Registrar along with the order of the Central Government, who shall carry out necessary changes in the certificate of incorporation and within thirty days of such change in the certificate of incorporation, such limited liability partnership shall change its name in the limited liability partnership agreement.</p> <p>(3) If the limited liability partnership is in default in complying with any direction given under sub-section (1), the Central Government shall allot a new name to the limited liability partnership in such manner as may be prescribed and the Registrar shall enter the new name in the register of limited liability partnerships in place of the old name and issue a fresh certificate of incorporation with new name, which the limited liability partnership shall use thereafter: Provided that nothing contained in this sub-section shall prevent a limited liability partnership from subsequently changing its name in accordance with the provisions of section 16.</p>
<p><b>Registration of changes in partners (Section 25):</b> (1) Every partner shall inform the LLP of any change in his name or address</p>	<p><b>Registration of changes in partners (Section 25):</b> (1) Every partner shall inform the limited liability partnership of any change in his</p>

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<p>within a period of 15 days of such change.</p> <p>(2) A LLP shall—</p> <p>(a) where a person becomes or ceases to be a partner, file a notice with the Registrar within 30 days from the date he becomes or ceases to be a partner; and</p> <p>(b) where there is any change in the name or address of a partner, file a notice with the Registrar within 30 days of such change.</p> <p>(3) A notice filed with the Registrar under sub-section (2)—</p> <p>(a) shall be in such form and accompanied by such fees as may be prescribed;</p> <p>(b) shall be signed by the designated partner of the LLP and authenticated in a manner as may be prescribed; and</p> <p>(c) if it relates to an incoming partner, shall contain a statement by such partner that he consents to becoming a partner, signed by him and authenticated in the manner as may be prescribed.</p> <p>(4) If the LLP contravenes the provisions of sub-section (2), the LLP and every designated partner of the LLP shall be punishable with fine which shall not be less than ₹ 2,000 but which may extend to ₹ 25,000.</p> <p>(5) If any partner contravenes the provisions of sub-section (1), such partner shall be punishable with fine which shall not be less than ₹ 2,000 but which may extend to ₹ 25,000.</p> <p>(6) Any person who ceases to be a partner of a LLP may himself file with</p>	<p>name or address within a period of fifteen days of such change.</p> <p>(2) A limited liability partnership shall</p> <p>(a) where a person becomes or ceases to be a partner, file a notice with the Registrar within thirty days from the date he becomes or ceases to be a partner; and</p> <p>(b) where there is any change in the name or address of a partner, file a notice with the Registrar within thirty days of such change.</p> <p>(3) A notice filed with the Registrar under sub-section (2)</p> <p>(a) shall be in such form and accompanied by such fees as may be prescribed;</p> <p>(b) shall be signed by the designated partner of the limited liability partnership and authenticated in a manner as may be prescribed; and</p> <p>(c) if it relates to an incoming partner, shall contain a statement by such partner that he consents to becoming a partner, signed by him and authenticated in the manner as may be prescribed.</p> <p><b>(4) If the limited liability partnership contravenes the provisions of sub-section (2), the limited liability partnership and its every designated partner shall be liable to a penalty of ten thousand rupees.</b></p> <p><b>(5) If the contravention referred to in sub-section (1) is made by any partner of the limited liability partnership, such partner shall be liable to a penalty of ten thousand rupees.</b></p> <p>(6) Any person who ceases to be a partner of a limited liability partnership may himself file with the Registrar the notice referred to in sub-section (3) if he has</p>
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<p>the Registrar the notice referred to in sub-section (3) if he has reasonable cause to believe that the LLP may not file the notice with the Registrar and in case of any such notice filed by a partner, the Registrar shall obtain a confirmation to this effect from the LLP unless the LLP has also filed such notice.</p> <p>However, where no confirmation is given by the LLP within 15 days, the registrar shall register the notice made by a person ceasing to be a partner under this section.</p>	<p>reasonable cause to believe that the limited liability partnership may not file the notice with the Registrar and in case of any such notice filed by a partner, the Registrar shall obtain a confirmation to this effect from the limited liability partnership unless the limited liability partnership has also filed such notice:</p> <p>Provided that where no confirmation is given by the limited liability partnership within fifteen days, the Registrar shall register the notice made by a person ceasing to be a partner under this section.</p>
<p><b>Unlimited liability in case of fraud (Section 30):</b></p> <p>(1) In case of fraud:</p> <ul style="list-style-type: none"> <li>• In the event of an act carried out by a LLP, or any of its partners,</li> <li>• with intent to defraud creditors of the LLP or any other person, or for any fraudulent purpose,</li> <li>• the liability of the LLP and partners who acted with intent to defraud creditors or for any fraudulent purpose</li> <li>• shall be unlimited for all or any of the debts or other liabilities of the LLP.</li> </ul> <p>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.</p> <p>(2) Where any business is carried on with such intent or for such purpose as mentioned in sub-section (1), every person who was knowingly a party to the carrying on of the business in the</p>	<p><b>Unlimited liability in case of fraud (Section 30):</b></p> <p>(1) In the event of an act carried out by a limited liability partnership, or any of its partners, with intent to defraud creditors of the limited liability partnership or any other person, or for any fraudulent purpose, the liability of the limited liability partnership 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 limited liability partnership:</p> <p>Provided that in case any such act is carried out by a partner, the limited liability partnership is liable to the same extent as the partner unless it is established by the limited liability partnership that such act was without the knowledge or the authority of the limited liability partnership.</p> <p>(2) Where any business is carried on with such intent or for such purpose as mentioned in sub-section (1), every person who was knowingly a party to the carrying on of the business in the manner aforesaid shall be punishable with imprisonment for a term which may</p>

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<p>manner aforesaid shall be punishable with</p> <ul style="list-style-type: none"> <li>• imprisonment for a term which may extend to 2 years and</li> <li>• with fine which shall not be less than ₹ 50,000 but which may extend to ₹ 5 Lakhs.</li> </ul> <p>(3) Where a LLP or any partner or designated partner or employee of such LLP has conducted the affairs of the LLP in a 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 designated partner or employee shall be liable to pay compensation to any person who has suffered any loss or damage by reason of such conduct. However, such LLP shall not be liable if any such partner or designated partner or employee has acted fraudulently without knowledge of the LLP.</p>	<p>extend to <b>five years</b> and with fine which shall not be less than fifty thousand rupees but which may extend to five lakh rupees.</p> <p>(3) Where a limited liability partnership or any partner or designated partner or employee of such limited liability partnership has conducted the affairs of the limited liability partnership in a fraudulent manner, then without prejudice to any criminal proceedings which may arise under any law for the time being in force, the limited liability partnership and any such partner or designated partner or employee shall be liable to pay compensation to any person who has suffered any loss or damage by reason of such conduct: Provided that such limited liability partnership shall not be liable if any such partner or designated partner or employee has acted fraudulently without knowledge of the limited liability partnership.</p>
<p><b>Maintenance of books of account, other records and audit, etc. (Section 34):</b></p> <p>(1) <b>Proper Books of account:</b></p> <ul style="list-style-type: none"> <li>• The LLP shall maintain such proper books of account as may be prescribed</li> <li>• relating to its affairs for each year of its existence</li> <li>• on cash basis or accrual basis and</li> <li>• according to double entry system of accounting and</li> <li>• shall maintain the same at its registered office</li> <li>• for such period as may be prescribed.</li> </ul>	<p><b>Maintenance of books of account, other records and audit, etc. (Section 34):</b></p> <p>(1) The limited liability partnership shall maintain such proper books of account as may be prescribed relating to its affairs for each year of its existence on cash basis or accrual basis and according to double entry system of accounting and shall maintain the same at its registered office for such period as may be prescribed.</p> <p>(2) Every limited liability partnership shall, within a period of six months from the end of each financial year, prepare a Statement of Account and Solvency for the said financial year as at the last day of the said financial year in such form as may be prescribed, and such statement</p>

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<p>(2) <b>Statement of Account and Solvency:</b></p> <ul style="list-style-type: none"> <li>• Every LLP shall,</li> <li>• within a period of 6 months from the end of each financial year,</li> <li>• prepare a Statement of Account and Solvency</li> <li>• for the said financial year as at the last day of the said financial year</li> <li>• in such form as may be prescribed, and</li> <li>• such statement shall be signed by the designated partners of the LLP.</li> </ul> <p>(3) Every LLP shall file within the prescribed time, the Statement of Account and Solvency prepared pursuant to sub-section (2) with the Registrar every year in such form and manner and accompanied by such fees as may be prescribed.</p> <p>(4) The accounts of LLP shall be audited in accordance with such rules as may be prescribed. However, the Central Government may, by notification in the Official Gazette, exempt any class or classes of LLP from the requirements of this sub-section.</p> <p>(5) Any LLP which fails to comply with the provisions of this section shall be punishable</p> <ul style="list-style-type: none"> <li>• with fine which shall not be less than ₹ 25,000</li> <li>• but which may extend to ₹ 5 Lakhs</li> </ul> <p>Every designated partner of such LLP shall be punishable</p> <ul style="list-style-type: none"> <li>• with fine which shall not be less than ₹ 10,000</li> </ul>	<p>shall be signed by the designated partners of the limited liability partnership.</p> <p>(3) Every limited liability partnership shall file within the prescribed time, the Statement of Account and Solvency prepared pursuant to sub-section (2) with the Registrar every year in such form and manner and accompanied by such fees as may be prescribed.</p> <p>(4) The accounts of limited liability partnerships shall be audited in accordance with such rules as may be prescribed: Provided that the Central Government may, by notification in the Official Gazette, exempt any class or classes of limited liability partnerships from the requirements of this sub-section.</p> <p>(5) <b>Any limited liability partnership which fails to comply with the provisions of sub-section (3), such limited liability partnership and its designated partners shall be liable to a penalty of one hundred rupees for each day during which such failure continues, subject to a maximum of one lakh rupees for the limited liability partnership and fifty thousand rupees for every designated partner.</b></p> <p>(6) <b>Any limited liability partnership which fails to comply with the provisions of sub-section (1), sub-section (2) and sub-section (4), such limited liability partnership shall be punishable with fine which shall not be less than twenty-five thousand rupees, but may extend to five lakh rupees and every designated partner of such limited liability partnership shall be punishable with fine which shall not</b></p>
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<ul style="list-style-type: none"> <li>• but which may extend to ₹ 1 Lakh.</li> </ul>	<p>be less than ten thousand rupees, but may extend to one lakh rupees.</p>
<p><b>Newly inserted</b></p>	<p><b>[34A. Accounting and auditing standards.</b> The Central Government may, in consultation with the National Financial Reporting Authority constituted under section 132 of the Companies Act, 2013,—</p> <p>(a) prescribe the standards of accounting; and</p> <p>(b) prescribe the standards of auditing, as recommended by the Institute of Chartered Accountants of India constituted under section 3 of the Chartered Accountants Act, 1949, for a class or classes of limited liability partnerships.]</p>
<p><b>Annual return (Section 35):</b></p> <p>(1) Every LLP shall file an annual return duly authenticated with the Registrar within 60 days of closure of its financial year in such form and manner and accompanied by such fee as may be prescribed.</p> <p>(2) Any LLP which fails to comply with the provisions of this section shall be punishable with fine which shall not be less than ₹ 25,000 but which may extend to ₹ 5 Lakhs.</p> <p>(3) If the LLP contravenes the provisions of this section, the designated partner of such LLP shall be punishable with fine which shall not be less than ₹ 10,000 but which may extend to ₹ 1 Lakh.</p>	<p><b>Annual return (Section 35):</b></p> <p>(1) Every limited liability partnership shall file an annual return duly authenticated with the Registrar within sixty days of closure of its financial year in such form and manner and accompanied by such fee as may be prescribed.</p> <p>(2) <b>If any limited liability partnership fails to file its annual return under subsection (1) before the expiry of the period specified therein, such limited liability partnership and its designated partners shall be liable to a penalty of one hundred rupees for each day during which such failure continues, subject to a maximum of one lakh rupees for the limited liability partnership and fifty thousand rupees for designated partners.</b></p>
<p><b>Newly inserted</b></p>	<p><b>67A. Establishment of Special Courts.</b></p> <p>(1) The Central Government may, for the purpose of providing speedy trial of offences under this Act, by notification, establish or designate as many Special Courts as may be</p>

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	<p>necessary for such area or areas, as may be specified in the notification.</p> <p>(2) The Special Court shall consist of—</p> <p>(a) a single Judge holding office as Sessions Judge or Additional Sessions Judge, in case of offences punishable under this Act with imprisonment of three years or more; and</p> <p>(b) a Metropolitan Magistrate or a Judicial Magistrate of the first class, in the case of other offences, who shall be appointed by the Central Government with the concurrence of the Chief Justice of the High Court:</p> <p>Provided that until Special Courts are designated or established under subsection (1), the Courts designated as Special Courts in terms of section 435 of the Companies Act, 2013 shall be deemed to be Special Courts for the purpose of trial of offences punishable under this Act:</p> <p>Provided further that notwithstanding anything contained in the Code of Criminal Procedure, 1973, any offence committed under this Act, which is triable by a Special Court shall, until a Special Court is established under this Act or the Companies Act, 2013, be tried by a Court of Sessions or the Court of Metropolitan Magistrate or a Judicial Magistrate of the first class, as the case may be, exercising jurisdiction over the area.]</p> <p><b>67B. Procedure and powers of Special Court.</b></p> <p>(1) Notwithstanding anything contained in the Code of Criminal Procedure, 1973, all offences specified under subsection (1) of section 67A shall be</p>
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	<p>triable only by the Special Court established or designated for the area in which the registered office of the limited liability partnership is situated in relation to which the offence is committed or where there are more than one Special Courts for such area, by such one of them as may be specified in this behalf by the High Court concerned.</p> <p>(2) While trying an offence under this Act, a Special Court may also try an offence other than an offence under this Act with which the accused may, under the Code of Criminal Procedure, 1973 be charged at the same trial.</p> <p>(3) Notwithstanding anything contained in the Code of Criminal Procedure, 1973, the Special Court may, if it thinks fit, try in a summary way any offence under this Act which is punishable with imprisonment for a term not exceeding three years:          Provided that in the case of any conviction in a summary trial, no sentence of imprisonment for a term exceeding one year shall be passed:          Provided further that, when at the commencement of or in the course of a summary trial, it appears to the Special Court that the nature of the case is such that the sentence of imprisonment for a term exceeding one year may have to be passed or that it is, for any other reason, undesirable to try the case summarily, the Special Court shall, after hearing the parties, record an order to that effect and thereafter recall any witnesses who may have been examined and proceed to hear or re-hear the case in accordance with the procedure for the regular trial.</p>
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Newly inserted	<p><b>67C. Appeal and revision.</b> The High Court may exercise, so far as may be applicable, all the powers conferred by Chapters XXIX and XXX of the Code of Criminal Procedure, 1973 on a High Court, as if a Special Court within the local limits of the jurisdiction of the High Court were a Court of Sessions trying cases within the local limits of the jurisdiction of the High Court.]</p>
Newly inserted	<p><b>68A. Registration offices.</b></p> <p>(1) For the purpose of exercising such powers and discharging such functions as are conferred on the Central Government by or under this Act or under rules made thereunder and for the purpose of registration of limited liability partnerships under this Act, the Central Government shall, by notification, establish such number of registration offices at such places as it thinks fit, specifying their jurisdiction.</p> <p>(2) The Central Government may appoint such Registrars, Additional Registrars, Joint Registrars, Deputy Registrars and Assistant Registrars as it considers necessary, for the registration of limited liability partnerships and discharge of various functions under this Act.</p> <p>(3) The powers and duties of the Registrars referred to in sub-section (2) and the terms and conditions of their service shall be such as may be prescribed.</p> <p>(4) The Central Government may direct the Registrar to prepare a seal or seals for the authentication of documents required for, or connected with the registration of limited liability partnerships.]</p>

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<p><b>Payment of additional fee (Section 69):</b> Any document or return required to be filed or registered under this Act with the Registrar, if, is not filed or registered in time provided therein, may be filed or registered after that time upto a period of 300 days from the date within which it should have been filed, on payment of additional fee of ₹ 100 for every day of such delay in addition to any fee as is payable for filing of such document or return.</p> <p>However, such document or return may, without prejudice to any other action or liability under this Act, also be filed after such period of 300 days on payment of fee and additional fee specified in this section.</p>	<p><b>Payment of additional fee (Section 69):</b> <b>Any document or return required to be registered or filed under this Act with Registrar, if, is not registered or filed in time provided therein, may be registered or filed after that time, on payment of such additional fee as may be prescribed in addition to any fee as is payable for filing of such document or return:</b></p> <p><b>Provided that such document or return shall be filed after the due date of filing, without prejudice to any other action or liability under this Act:</b></p> <p><b>Provided further that a different fee or additional fee may be prescribed for different classes of limited liability partnerships or for different documents or returns required to be filed under this Act or rules made thereunder.</b></p>
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## 2. Chapter 5: The Companies Act, 2013

Notification G.S.R. 700(E) dated 15<sup>th</sup> September, 2022

The Central Government has amended Companies (Specification of definition details) Rules, 2014, through the Companies (Specification of definition details) Amendment Rules, 2022.

Earlier provision	New provision
<p>As per the Companies (Specification of Definitions Details) Rules, 2014, for the purposes of sub-clause (i) and sub-clause (ii) of clause (85) of section 2 of the Act, paid up capital and turnover of the small company shall not exceed rupees <b>two crores</b> and rupees <b>twenty crores</b> respectively.</p>	<p>As per the Companies (Specification of Definitions Details) Rules, 2014, for the purposes of sub-clause (i) and sub-clause (ii) of clause (85) of section 2 of the Act, paid up capital and turnover of the small company shall not exceed rupees <b>four crores</b> and rupees <b>forty crores</b> respectively.</p> <p>(Page No. 5.11)</p>



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## FOUNDATION EXAMINATION: DECEMBER, 2023

## Part II – QUESTIONS AND ANSWERS

## QUESTIONS

1. Shital was a classical dancer. She entered into an agreement with Sharad Vidya Mandir for 50 dance performances. As per the contract, she was supposed to perform every weekend and she will be paid ₹ 8,000/- per performance. However, after a month, she was absent without informing, due to her personal reasons. Answer the following questions as per the Indian Contract Act, 1872.
  - (i) Whether the management of Sharad Vidya Mandir has right to terminate the contract?
  - (ii) If the management of Sharad Vidya Mandir informed Shital about its continuance, can the management still rescind the contract after a month on this ground subsequently?
  - (iii) Can the Sharad Vidya Mandir claim damages that it has suffered because of this breach in any of the above cases?
  
2. Paridhee, a minor, falsely representing her age, enters into an agreement with an authorised Laptop dealer Mr. Mittal, owner of MP Laptops, for purchase of Laptop on credit amounting ₹ 60,000/- on 1<sup>st</sup> August 2022. She promised to pay back the outstanding amount with interest @ 16% p.a. by 31<sup>st</sup> July 2023. She told him that in case she won't be able to pay the outstanding amount, her father Mr. Ram will pay back on her behalf. After One year, when Paridhee was asked to pay the outstanding amount with interest she refused to pay the amount and told the owner that she is minor and now he can't recover a single penny from her.

She will be a major on 1<sup>st</sup> January 2025 and only after that agreement can be ratified. Explain by which of the following ways, Mr. Mittal will succeed in recovering the outstanding amount with reference to the Indian Contract Act, 1872.

  - (i) By filing a case against Paridhee, a minor for recovery of outstanding amount with interest?
  - (ii) By filing a case against Mr. Ram, father of Paridhee for recovery of outstanding amount?
  - (iii) By filing a case against Paridhee, a minor for recovery of outstanding amount after she attains majority?
  
3. Rohan found a wallet in a restaurant. He enquired 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 the wallet till the true owner is found. After a week, Rohan went back to the restaurant to enquire about the wallet. The manager refused to return it to Rohan, saying

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that it did not belong to him. In the light of the Indian Contract Act, 1872, can Rohan recover the wallet from the Manager?

4. Mr. Sohan, a wealthy individual provided a loan of ₹ 80,000 to Mr. Mukesh on 26<sup>th</sup> February, 2021. The borrower, Mr. Mukesh asked for a further loan of ₹ 1,50,000. Mr. Sohan agreed but provided the loan in parts on different dates. He provided ₹ 1,00,000 on 28<sup>th</sup> February, 2021 and remaining ₹ 50,000 on 3<sup>rd</sup> March, 2021.

On 10<sup>th</sup> March, 2021 Mr. Mukesh while paying off part ₹ 75,000 to Mr. Sohan insisted that the lender should adjusted ₹ 50,000 towards the loan taken on 3<sup>rd</sup> March, 2021 and balance as against the loan on 26<sup>th</sup> February, 2021.

Mr. Sohan 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. Mukesh 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 be the mode of adjustment/appropriation of such part payment in case neither Mr. Sohan nor Mr. Mukesh insist any order of adjustment on their part?
5. State with reason(s) whether the following agreements are valid or void as per the Indian Contract Act, 1872:
- (i) Where two courts have jurisdiction to try a suit, an agreement between the parties that the suit should be filed in one of those courts alone and not in the other.
  - (ii) X offers to sell his Maruti car to Y. Y believes that X has only Wagon R Car but agrees to buy it.
  - (iii) X, a physician and surgeon, employs Y as an assistant on a salary of ₹ 75,000 per month for a term of two years and Y agrees not to practice as a surgeon and physician during these two years.
6. Mr. Seth (an industrialist) has been fighting a long-drawn litigation with Mr. Raman (another industrialist). To support his legal campaign, Mr. Seth enlists the services of Mr. X, a legal expert stating that an amount of ₹ 5 lakhs would be paid, if Mr. X does not take up the case of Mr. Raman. Mr. X agrees, but at the end of the litigation, Mr. Seth refused to pay. Decide whether Mr. X can recover the amount promised by Mr. Seth under the provisions of the Indian Contract Act, 1872.
7. What are the consequences of the destruction of specified goods, before making of contract and after the agreement to sell under the Sale of Goods Act, 1930.

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**FOUNDATION EXAMINATION: DECEMBER, 2023**

8. What are the implied conditions in a contract of 'Sale by sample' under the Sale of Goods Act, 1930? Also state the implied warranties operative under the Act.
9. Shubhangi went to a Jewellery shop and asked the salesgirl to show her diamond necklace with Sapphire stones. The Jeweller told her that we have a lot of designs of diamond necklace but with blue stones. If she chooses for herself any special design of diamond necklace with blue stones, they will replace blue stones with Sapphire stones. But for the Sapphire stones they will charge some extra cost. Shubhangi selected a beautiful designer necklace and paid for it. She also paid the extra cost of Sapphire stones. The Jeweller requested her to come back a week later for delivery of that necklace. When she came after a week to take delivery of necklace, she noticed that due to Sapphire stones, the design of necklace had been completely disturbed. Now, she wants to terminate the contract and thus, asked the manager to give her money back, but he denied for the same. Answer the following questions as per the Sale of Goods Act, 1930.
- State with reasons whether Shubhangi can recover the amount from the Jeweller.
  - What would be your answer if Jeweller says that he can change the design, but he will charge extra cost for the same?
10. State the various essential elements involved in the sale of unascertained goods and its appropriation as per the Sale of Goods Act, 1930.
11. Mrs. Kanchan 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. Kanchan insisted that she would like to see the sample of what would 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.
- Mrs. Kanchan 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. Kanchan wants to file a suit of fraud against the seller alleging him of selling a mix of good and cheap quality rice. Will she be successful?
- Decide the fate of the case and options open to Mrs. Kanchan for grievance redressal as per the provisions of Sale of Goods Act 1930?
- What would be your answer in case Mrs. Kanchan specified her exact requirement as to length of rice?

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12. Ravi sold 500 bags of wheat to Tushar. Each bag contains 50 Kilograms of wheat. Ravi sent 450 bags by road transport and Tushar himself took remaining 50 bags. Before Tushar receives delivery of 450 bags sent by road transport, he becomes bankrupt. Ravi being still unpaid, stops the bags in transit. The official receiver, on Tushar's insolvency claims the bags. Decide the case with reference to the provisions of the Sale of Goods Act, 1930.
13. (i) What do you mean by 'Partnership for a fixed period' as per the Indian Partnership Act, 1932?  
(ii) When the continuing guarantee can be revoked under the Indian Partnership Act, 1932?  
(iii) What do you mean by Goodwill as per the provisions of Indian Partnership Act, 1932?
14. M/s ABC Associates has been a partnership firm since 1990. Mr. A, Mr. B and Mr. C were partners in the firm since beginning. Mr. A, being a very senior partner of aged 78 years transfers his share in the firm to his son Mr. Vikas, a Chartered Accountant. Mr. B and Mr. C were not interested that Mr. Vikas joining them as partner in M/s ABC Associates. After some time, Mr. Vikas felt that the books of accounts were displaying only a small amount as profit despite a huge turnover. He wanted to inspect the book of accounts of the firm arguing that it is his entitlement as a transferee. However, the other partners believed that he cannot challenge the books of accounts. Can Mr. Vikas be introduced as a partner if his father wants to retire? As an advisor, help them resolve the issues applying the necessary provisions from the Indian Partnership Act, 1932.
15. With reference to the provisions of Indian Partnership Act, 1932 explain the various effects of insolvency of a partner.
16. 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?
17. State whether the following are partnerships under the Indian Partnership Act, 1932:
- (i) Two firms each having 12 partners combined by an agreement into one firm.  
(ii) A and B, co-owners, agree to conduct the business in common for profit.

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- (iii) Some individuals form an association to which each individual contributes ₹ 500 annually. The objective of the association is to produce clothes and distribute the clothes free to the war widows.
- (iv) A and B, co-owners share between themselves the rent derived from a piece of land.
- (v) A and B buy commodity X and agree to sell the commodity with sharing the profits equally.
18. Discuss the conditions under which LLP will be liable and not liable for the acts of the partner under Limited Liability Partnership Act, 2008.
19. BC Private Limited and its subsidiary KL Private Limited are holding 90,000 and 70,000 shares respectively in PQ Private Limited. The paid-up share capital of PQ Private Limited is ₹ 30 Lakhs (3 Lakhs equity shares of ₹ 10 each fully paid). Analyse with reference to provisions of the Companies Act, 2013 whether PQ Private Limited is a subsidiary of BC Private Limited. What would be your answer if KL Private Limited is holding 1,60,000 shares in PQ Private Limited and no shares are held by BC Private Limited in PQ Private Limited?
20. Narendra Motors Limited is a Government Company. Shah Auto Private Limited have share capital of ₹ 10 crore in the form of 10,00,000 shares of ₹ 100 each. Narendra Motors Limited is holding 5,05,000 shares in Shah Auto Private Limited. Shah Auto Private Limited claimed the status of Government Company. Advise as legal advisor, whether Shah Auto Private Limited is government company under the provisions of Companies Act, 2013?

## ANSWERS

1. **Section 39** of the Indian Contract Act, 1872 provides that when a party to a contract has refused to perform or disabled himself from performing his promise in its entirety, the promisee may put an end to the contract unless he had signified, by words or conduct his acquiescence in its continuance. Further, in terms of **Section 40**, the promisee shall be required to perform personally, if there is such an apparent intention of the parties.
- Also, as per **Section 75** of the Act, a person who rightfully rescinds a contract is entitled to compensation for any damage which he has sustained through non-fulfilment of the contract.
- Therefore, in the instant case,
- (i) Since, Shital could not perform as per the terms of contract, Sharad Vidya Mandir can terminate the contract.

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- (ii) In the second situation, the management of Sharad Vidya Mandir informed Shital about the continuance of the contract. Hence, the management cannot rescind the contract after a month on this ground subsequently.
- (iii) As per Section 75, Sharad Vidya Mandir can claim damages that it has suffered because of this breach in part (i).

2. **A contract made with or by a minor is void ab-initio:** Pursuant to **Section 11** of the Indian Contract Act, 1872, **a minor is not competent to contract** and any agreement with or by a minor is void from the very beginning.

- (i) By following the above provision, Mr. Mittal will not succeed in recovering the outstanding amount by filing a case against Paridhee, a minor.
- (ii) **Minor cannot bind parent or guardian:** In the absence of authority, express or implied, a minor is not capable of binding his parent or guardian, even for necessities. **The parents will be held liable only when the child is acting as an agent for parents.**

In the instant case, Mr. Mittal will not succeed in recovering the outstanding amount by filing a case against Mr. Ram, father of Paridhee.

- (iii) **No ratification after attaining majority:** A minor cannot ratify the agreement on attaining majority as the original agreement is void ab initio and a void agreement can never be ratified.

Hence, in this case also, **Mr. Mittal will not succeed in recovering the outstanding amount by** filing a case against Paridhee, after she attains majority.

3. **Responsibility of finder of goods (Section 71 of the Indian Contract Act, 1872):** A person who find 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:

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

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

4. **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.

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- (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. Mukesh 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 Mr. Mukesh fails to specify the manner of appropriation of debt on part repayment, Mr. Sohan 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. Mukesh nor Mr. Sohan specifies the manner of appropriation of debt on part repayment, the appropriation can be made in proportion of debts.

5. (i) **The given agreement is valid.**

**Reason:** An agreement in restraint of legal proceeding is the one by which any party thereto is restricted absolutely from enforcing his rights under a contract through a Court (Section 28 of the Indian Contract Act, 1872). A contract of this nature is void. However, in the given statement, no absolute restriction is marked on parties on filing of suit. As per the agreement, suit may be filed in one of the courts having jurisdiction.

- (ii) **The said agreement is void.**

**Reason:** This agreement is void as the two parties are thinking about different subject matters so that there is no real consent, and the agreement may be treated as void because of mistake of fact as well as absence of consensus.

- (iii) **The said agreement is valid.**

**Reason:** An agreement by which any person is restrained from exercising a lawful profession, trade or business of any kind, is to that extent void (Section 27). But, as an exception, agreement of service by which an employee binds himself, during the term of his agreement, not to compete with his employer is not in restraint of trade.

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6. According to **Section 27** of Indian Contract Act, 1872 an agreement by which any person is restrained from exercising a lawful profession, trade or business of any kind, is to that extent void.

In the instant case, Mr. Seth is in litigation with Mr. Raman since long. Mr. Seth enlists the services of Mr. X a legal expert stating that an amount of ₹ 5 lakhs would be paid, if Mr. X does not take up the case of Mr. Raman. Mr. X agrees, but at the end of the litigation, Mr. Seth refused to pay.

As section 27 makes the contracts in restraint of trade, void, the contract between Mr. Seth and Mr. X is also void. Hence, **Mr. X cannot recover the amount promised by Mr. Seth.**

7. (i) **Goods perishing before making of Contract (Section 7 of the Sale of Goods Act, 1930):** In accordance with the provisions of the Sale of Goods Act, 1930 as contained in Section 7, a contract for the sale of specific goods is void, if at the time when the contract was made; the goods without the knowledge of the seller, perished or become so damaged as no longer to answer to their description in the contract, then the contract is void ab initio.
- (ii) **Goods perishing before sale but after agreement to sell (Section 8 of the Sale of Goods Act, 1930):** Where there is an agreement to sell specific goods, and subsequently the goods without any fault on the part of the seller or buyer perish or become so damaged as no longer to answer to their description in the agreement before the risk passes to the buyer, the agreement is thereby avoided or becomes void.
8. (i) **Sale by sample [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,
  - (c) the goods shall be free from any defect rendering them un-merchantable, which would not be apparent on reasonable examination of the sample. This condition is applicable only with regard to defects, which could not be discovered by an ordinary examination of the goods. If the defects are latent, then the buyer can avoid the contract. This simply means that the goods shall be free from any latent defect i.e. a hidden defect.
- (ii) **The following are the implied warranties operative under the Act:**
1. **Warranty as to undisturbed possession [Section 14(b)]:** 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.



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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.

Regarding implied condition or warranty as to the quality or fitness for any particular purpose of goods supplied, the rule is 'let the buyer beware' i.e., the seller is under no duty to reveal unflattering truths about the goods sold, but this rule has certain exceptions.

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.
9. As per Section 4(3) of the Sale of Goods Act, 1930, where under a contract of sale, the property in the goods is transferred from the seller to the buyer, the contract is called a sale, but where the transfer of the property in the goods is to take place at a future time or subject to some condition thereafter to be fulfilled, the contract is called an agreement to sell and as per Section 4(4), an agreement to sell becomes a sale when the time elapses or the conditions are fulfilled subject to which the property in the goods is to be transferred.
- (i) On the basis of above provisions and facts given in the question, it can be said that there is an agreement to sell between Shubhangi and Jeweller and not a sale. Even though the payment was made by Shubhangi, the property in goods can be transferred only after the fulfilment of conditions fixed between the buyer and the seller. As due to Sapphire Stones, the original design is disturbed, necklace is not in original position. Hence, Shubhangi has right to avoid the agreement to sell and can recover the price paid.
  - (ii) If Jeweller offers to bring the necklace in original position by repairing, he cannot charge extra cost from Shubhangi. Even though he has to bear some expenses for repair; he cannot charge it from Shubhangi.
10. **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.

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- (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.
11. (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. Kanchan 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) In the instant case, Mrs. Kanchan does not have any option available to her for grievance redressal.
  - (iii) In case Mrs. Kanchan 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.
12. **Right of stoppage in transit (Section 50 of the Sale of Goods Act, 1930):**

Subject to the provisions of this Act, 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.

When the unpaid seller has parted with the goods to a carrier and the buyer has become insolvent, he can exercise this right of asking the carrier to return the goods back, or not to deliver the goods to the buyer.

In the instant case, Tushar, the buyer becomes insolvent, and 450 bags are in transit. Ravi, the seller, can stop the goods in transit by giving a notice of it to Tushar. (The official receiver, on Tushar's insolvency cannot claim the bags.)

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13. (i) **Partnership for a fixed period (Indian Partnership Act, 1932):** Where a provision is made by a contract for the duration of the partnership, the partnership is called 'partnership for a fixed period'. It is a partnership created for a particular period of time. Such a partnership comes to an end on the expiry of the fixed period.
- (ii) **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.
- (iii) **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 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.
14. (i) **Introduction of a Partner (Section 31 of the Indian Partnership Act, 1932):** Subject to contract between the partners and to the provisions of Section 30, no person shall be introduced as a partner into a firm without the consent of all the existing partners.
- In the instant case, Mr. Vikas can be introduced as a partner with the consent of Mr. B and Mr. C, the existing partners.
- (ii) **Rights of Transferee of a Partner's interest (Section 29):** A transfer by a partner of his interest in the firm, either absolute or by mortgage, or by the creation by him of a charge on such interest, does not entitle the transferee, during the continuance of the firm, to interfere in the conduct of business, or to require accounts, or to inspect the books of the firm, but entitles the transferee only to receive the share of profits of the transferring partner, and the transferee shall accept the account of profits agreed to by the partners.
- Hence, here Mr. Vikas, the transferee in M/S ABC Associates, cannot inspect the books of the firm and the contention of the other partners is right that Mr. Vikas cannot challenge the books of accounts.
15. **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.

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- (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.

16. 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.
17. (i) Yes, this is a case of partnership because there is an agreement between two firms to combine into one firm.
- (ii) Yes, this is a case of partnership because A & B, co-owners, have agreed to conduct a business in common for profit.
- (iii) No, this is not a case of partnership as no charitable association can be floated in partnership.
- (iv) No, this is not a case of partnership as they are co-owners and not the partners. Further, there exist no business.
- (v) Yes, this is a case of partnership as there exist the element of doing business and sharing of profits equally.

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**18. 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.

**19. Section 2(87) of the Companies Act, 2013 defines “subsidiary company” in relation to any other company (that is to say the holding company), means a company in which the holding company—**

- (i) controls the composition of the Board of Directors; or
- (ii) exercises or controls more than one-half of the total voting power either at its own or together with one or more of its subsidiary companies:

For the purposes of this section —

- (I) a company shall be deemed to be a subsidiary company of the holding company even if the control referred to in sub-clause (i) or sub-clause (ii) is of another subsidiary company of the holding company;

- (II) “layer” in relation to a holding company means its subsidiary or subsidiaries.

In the instant case, BC Private Limited together with its subsidiary KL Private Limited is holding 1,60,000 shares (90,000+70,000 respectively) which is more than one half in nominal value of the Equity Share Capital of PQ Private Limited. Hence, PQ Private Limited is subsidiary of BC Private Limited.

- (ii) In the second case, the answer will remain the same. KL Private Limited is a holding 1,60,000 shares i.e., more than one half in nominal value of the Equity Share Capital of PQ Private Limited (i.e., holding more than one half of voting power). Hence, KL Private Limited is holding company of PQ Private Company and BC Private Limited is a holding company of KL Private Limited.

Hence, by virtue of Chain relationship, BC Private Limited becomes the holding company of PQ Private Limited.

**20. According to the provisions of Section 2(45) of 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

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- (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.

According to Section 2(87), “subsidiary company” in relation to any other company (that is to say the holding company), means a company in which the holding exercises or controls more than one-half of the total voting power either at its own or together with one or more of its subsidiary companies.

By virtue of provisions of Section 2(87) of Companies Act, 2013, Shah Auto Private Limited is a subsidiary company of Narendra Motors Limited because Narendra Motors Limited is holding more than one-half of the total voting power in Shah Auto Private Limited. Further as per Section 2(45), a subsidiary company of Government Company is also termed as Government Company. Hence, Shah Auto Private Limited being subsidiary of Narendra Motors Limited will also be considered as Government Company.

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**FOUNDATION EXAMINATION: DECEMBER, 2023****SECTION 2B: BUSINESS CORRESPONDENCE AND REPORTING****Part A****Chapter-1 Communication**

1. What is 'Circuit Network' in organizations? Explain briefly.
2. Communication modes today are primarily technology driven. Yet 'technology' acts a barrier. Justify.

**Part-B****Chapter-2 Sentence Types, Active-Passive Voice and Direct-Indirect Speech**

1. Change the following sentences into passive voice.
  - a. Ravi has bought a new sports car.
  - b. Archana can do sky diving.
  - c. Karthik wrote a book on child psychology.
  - d. Rahman sang a Tamil song in the music concert.
  - e. Monica is cooking Chinese cuisine for dinner.
2. Change the following sentences into active voice.
  - a. The car is being repaired by the young mechanic.
  - b. Auditorium walls were painted by students of the Art School.
  - c. Chocolates are being distributed to the old age home residents by small children
  - d. The city was devastated by the rains and floods.
  - e. Herbs were planted by the gardener in our backyard.
3. Change the following sentences from direct to indirect speech.
  - a. Amit said, 'I have been watching a lot of movies'.
  - b. Kiran asked, 'Do they teach French?'
  - c. Pavan said, 'I can finish the assignment in two hours.'
  - d. Samyak shouted, 'I am stuck in the elevator'
  - e. Children exclaimed, 'We can see a rainbow!'

**PAPER – 2 : BUSINESS LAW & BUSINESS CORRESPONDENCE AND REPORTING 31****Chapter-3 Vocabulary**

1. In the following question, out of the four alternatives, select the one which best expresses the best meaning of the given word.
  1. RETICENT
    - a. Reserved
    - b. Happy
    - c. Willing
    - d. Freedom
  2. FELICITATE
    - a. Provide
    - b. Condemn
    - c. Honour
    - d. Erase
  3. AGILE
    - a. Short
    - b. Angry
    - c. Dependent
    - d. Acrobatic
  4. TRIVIAL
    - a. Global
    - b. Memorable
    - c. Related
    - d. Insignificant
2. In the following question, out of the given four alternatives, select the one which is opposite in meaning of the given word.
  1. Menial
    - a. Low grade
    - b. Elevated



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- c. War like
  - d. Careful
2. Horrible
- a. Attractive
  - b. Weird
  - c. Surplus
  - d. Bad
3. Inquisitive
- a. Curious
  - b. Energetic
  - c. Victorious
  - d. Uninterested
4. Ambiguous
- a. Far away
  - b. Remote
  - c. Certain
  - d. Judicious
3. Choose the correct meaning of the idioms given below.
- a. Fair and square
    - (i) To be good at a skill
    - (ii) To be direct
    - (iii) To learn geometry
    - (iv) To be arrogant
  - b. Go that extra mile
    - (i) To do more effort
    - (ii) Big responsibility
    - (iii) Walk a long way

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- (iv) Willing to change
- c. Face the music
  - (i) Often listen to music
  - (ii) Work very hard
  - (iii) Understand music
  - (iv) Face the reality
- d. Take a rain check
  - (i) Find fault
  - (ii) Do continuous efforts
  - (iii) Postpone your plans
  - (iv) Use a raincoat
- e. On cloud nine
  - (i) Feeling depressed
  - (ii) Excited
  - (iii) Not sure
  - (iv) Still in doubt

**Part-C****Chapter-4 Comprehension Passages**

Read the following passages carefully and answer the questions that follow:

**Passage-1**

When the bamboo flowers- famine, death and destruction will soon follow, goes a traditional saying in Mizoram, the tiny hill state in North East India. Who better than the hardy inhabitants would know this, considering that theirs is probably the only land on earth where history is closely intertwined with the mysterious cycle of bamboo flowering. Back in 1959, bamboo flowering in the state set off a chain of events in the rugged hilly state that ultimately led to one of the most powerful insurgencies against the Indian union spanning over two decades.

Folklore apart, scientists say that the strange phenomena of bamboo flowering, is called 'gregarious bamboo flowering' because the bamboo flowers, all at the same time, only once in the plant's lifetime. It wreaks ecological havoc because the bamboo plants die after flowering. It will be atleast some years before those plants take seed again, leaving bare exposed soil— which could be disastrous in mountainous states and also leading to food scarcity, since animals

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depend on bamboo plants. The second factor is that rats feed on the flowers and seeds of the dying bamboo tree. This activates a rapid birth rate among the rodents, which leads to the huge rat population feeding on cultural crops in the fields and on granaries and causes famine.

Now the bamboo is going to flower again within the next four to five years, as per the experts. And this time it is going to be not just in Mizoram, but in the huge bamboo forested areas across the other North Eastern states of Tripura, Manipur and southern Assam, an occurrence that has attracted national and international attention as well as the concern of the authorities. A thriving economy revolves around bamboo. The pulp and paper industry, construction, cottage industry and handloom, food, fuel, fodder and medicine annually consume about 22 million tons of bamboo.

While there seems to be a consensus among the experts that the resources should be used before they become worthless, the problem is how to do that. What would happen to common rural north easterners who depend on bamboo for almost everything—from raw material to build their homes to food and as one of the few sources of cash.

**Questions**

1. Why is bamboo flowering considered to be a strange phenomenon?
2. How do rodents act as a cause of famine?
3. Name the industries that depend on bamboo as a resource.
4. Find a word from the passage that means the same as 'in abundance'
  - (a) Wreaks
  - (b) Thriving
  - (c) Gregarious
  - (d) Easterners
5. Choose the synonym of the word 'sturdy' as used in the passage.
  - (a) Havoc
  - (b) Hardy
  - (c) Rugged
  - (d) insurgencies

**Passage-2**

Hiking is a great source of pleasure and happiness to humans besides being something helpful and beneficial for health. Once we leave the crowded streets of a city and go out for walking or somewhere away from the chaotic world, our mind feels free. The open air has a bracing effect on the mind. The congestion of the city, the world, the uproar and the tumult, the daily and may

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be monotonous routine are forgotten and our mind feels relaxed and calm. That moment is one of happiness; laughter; jumping, dancing and embracing ourselves.

Hiking takes us in the midst of nature. The wonderful waterfalls, flowers, the brooks, the birds, the bushes all appear to be enticing and pleasing. A connect is established between us and nature. Various sounds of nature, like the sound of the gushing river, or the chirping of birds acquires a new meaning and we start loving life. We enjoy the beauty of nature. We have no fears, no worries, no stress and no anxieties. We have leisure to stand, to walk, to talk, to observe nature. It is more thrilling and pleasurable to hike in the mountains than in plains. The excitement of climbing up to the top of a hill, the adventure of coming down a slope, the grandeur of sunset behind a mountain—all these add beauty and charm to our hiking journey.

Hiking is one the healthiest sports. It ensures a complete escape from the urgent and busy activities of life and therefore gives solace to our mind and brain. It regains its lost energy and is able to do twice as much work as before. Hence, it could be said that, if our mind is free, its productivity increases. The nature and its elements make one's mind and soul at peace. Hiking is unique in that it can help patients meet guidelines for regular physical activity and concurrently tap the significant health benefits that may be attained by spending time in natural settings. Hiking can be considered accessible in terms of the limited skills and equipment needed, as well as the ability for individuals to pick the terrain difficulty and the speed at which they walk.

Hiking is also an opportunity to hone new skills, or the nervous system's ability to accommodate new demands and information. On a hike, you can further exercise your brain by learning to use a compass. Or, after you feel prepared fitness-wise, you could plan an overnight backpacking trip, which requires you to hone a whole new set of skills, like pitching a tent, filtering water, cooking on a camp stove, and mastering a bear bag hang, just to name a few. Hence, we all must try to go for hiking once, atleast when our minds needs a break!

1. Why is it more thrilling to hike in the mountains than in the plains?
2. Why is Hiking considered to be unique sport by the author?
3. Select the option which means same as 'monotonous' as used in the passage;
  - (a) Important
  - (b) Rare
  - (c) Repetitive
4. What new skills can one learn while hiking?
5. Select the word that can appropriately replace the word 'grandeur' as used in the passage:
  - (a) Splendour
  - (b) Spendthrift
  - (c) Serene
  - (d) Serendipity

**Passage-3**

The great Himalayas are one of the best gifts of nature to mankind. This mountainous range is an earthly example of what heaven really looks and feels like. From thick woodlands to lavish valleys, from tropical wildernesses to compelling slopes, from various types of verdures to the sentimental climate, the Himalayan ranges have it all. If, by any chance, you get to visit the Himalayas just once you will be able to deduce why it's known as the heaven on earth. We step into Himalayan kingdom wonderstruck every time how boundlessly nature has gifted these terrains with beauty and resources. Mile after mile of never-ending virgin greens, the clean air full of oxygen, mineral-rich waters of mountain streams, wildflower carpet and strawberry shrubs—suddenly it is inexhaustible life all around!

Relatively few places on this planet can engage you like the Himalayas. Only one out of every odd place gives you the motivation to be there each season. Be that as it may, at that point only one out of every odd place is the Himalayas. Tourist places in Himalayas are the home to the extraordinary, compared to other enterprise sports zones on the planet. For thousands of years the Himalayas have held a profound significance for the people of South Asia, as their literature, mythologies, and religions reflect.

Since ancient times, the vast glaciated heights have attracted the attention of the pilgrim mountaineers of India, who coined the Sanskrit name Himalaya—from hima (“snow”) and alaya (“abode”)—for that great mountain system. In contemporary times the Himalayas have offered the greatest attraction and the greatest challenge to mountaineers throughout the world. Likewise enjoy adventurous thrill in the Himalayas like trekking, boating, skiing, mountaineering and numerous others like this. For mountain lovers, the Himalayas are convincingly counted as the delegated peak of nature's greatness.

Tourist places in Himalayas also include notable lakes include Shey-Phoksundo Lake in the Shey Phoksundo National Park of Nepal, Gurudongmar Lake, in North Sikkim, Gokyo Lakes in Solukhumbu district of Nepal and Lake Tsongmo

**Questions**

1. 'Relatively few places on this planet can engage you like the Himalayas' what does the author mean when he says this.
2. Select the correct usage of the word 'profound'
  - (a) The profound thoughts of the sage brought a change in my thoughts.
  - (b) It is not profound for us to get up late every morning
  - (c) He who offers help is not profound.
  - (d) Profound is a stronger currency than rupee.

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3. Describe the Himalayas in your own words, taking reference from the passage. 20 to 30 words.
4. Give the passage a suitable title.
5. What is the style of writing, the narrator uses?
  - (a) Descriptive
  - (b) Expository
  - (c) Persuasive
  - (d) None of these

**Chapter-5 Note Making**

1. Read the following passages carefully.
  - (i) Make notes, using headings, sub-headings and using abbreviations wherever necessary.
  - (ii) Give a suitable title and write summary.

**Passage-1**

The Aztecs were the last group of native people whose civilization dominated the Valley of Mexico. The Valley of Mexico is located in central Mexico where the country narrows as the land between the Gulf of Mexico on the east and the Pacific Ocean on the west narrows. The Valley of Mexico is a high plateau, around 7,000 feet above sea level, surrounded by volcanic mountains. The first people to influence culture in the Valley of Mexico were the Olmecs whose civilization began around 1200 BCE in the jungles of eastern Mexico. The Olmecs are known for their finely crafted artwork, especially giant heads that are 10 feet tall. The Olmecs invented a system of writing and were well-versed in astronomy and mathematics. As their culture evolved, it spread to the Valley of Mexico even if they didn't officially rule the area.

Somewhere at the very beginning of the Common Era, native people built a city from stone called Teotihuacan in the Valley of Mexico. The name Teotihuacan means "Place of the Gods" and the city contained religious pyramids that were constructed by 200 CE. Scholars believe that Teotihuacan was the 6th largest city in the world when it was flourishing. After about 200 years, the great city declined from famine and revolts.

The Toltecs, who also built pyramids, controlled the Valley of Mexico from about 1000 to 1200 CE. Their capital city was Tula which was attacked and destroyed around 1200 CE. Meanwhile the Mesheeca or Mexica people, later called Aztecs by the Spanish, lived as nomads throughout central Mexico, without a home territory, but seeking a land for themselves. The Aztecs finally settled on swampy island in Lake Tecoco in the Valley of Mexico around 1325 CE.

The Aztec people named their settlement Tenochtitlan. The Aztecs converted their swampland to fertile crop fields and the people developed skilled crafts. They began trading food and goods with neighboring tribes. Over the years Tenochtitlan became a city and the Aztecs spread to other islands. The nobles and rulers of Aztec society began to intermarry with the royal families of neighboring tribes and eventually ruling their territory. By 1500 CE the Aztec Empire controlled the entire Valley of Mexico, only to be destroyed by Spanish conquerors under Cortez beginning in 1519.

### Passage -2

Bharat is a contiguous land with a common civilization identity for many millennia. Pre-independence India, on the other hand, consisted of territories that were administered by more than 560 princely states and several colonial powers. The first half of 1947 was a crucial period in India's history. The end of colonial rule was certain and so was India's partition, but there was no clarity on the political integration of the territories under the princely states. The partition of the country into the dominions of India and Pakistan raised the important question of peacefully merging the princely states which were as diverse as they could be in size, population, terrain or economic situation.

Here comes the role of Sardar Vallabhai Patel. The full name of Vallabhbhai Patel was Vallabhbhai Jhaverbhai Patel and very famously called Sardar Patel. Sardar was his name in India and everywhere else, the word is popular in Hindi, Urdu and Persian languages which also means 'chief'. He is an Indian barrister who also contributed majorly to Indian Independence as a senior leader of the Indian National Congress party. During the Indo-Pak war in 1947, his role as Home Minister was vital as during the struggle, he guided the independent nation to unity through integration. He truly was at the helm of integrating and merging the British provinces that were allotted to India with the new Independent India, leading the task of forging a united front. Therefore, the challenge in front of Sardar Vallabhbhai Patel was not an easy one. As the architect of Ek Bharat, the Iron Man understood the ground realities and took up the mammoth task of unifying the princely states. This set the seeds for building a modern nation state - merging India's political boundaries with our civilisational boundaries to the extent possible. Sardar Patel understood the importance of uniting the country and highlighted the fact that without unity it will be impossible to have a sustainable state.

Since 2014, India has been celebrating the birthday of Sardar Patel as National Unity Day, i.e 31<sup>st</sup> October. This day not only recognises his monumental contribution and service to the nation but also engages with his legacy.

### Chapter-7 Précis Writing

Write a précis and give an appropriate title to the passage given below.

1. Global climate change due to excessive fossil fuel combustion, the fluctuating oil prices, geopolitical tensions and growth in energy demand urges immediate measures to be taken in order to limit global energy crisis and green house gas emission in the environment.

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Current and future markets in fossil fuels are subject to volatile price changes in oil and natural gas. National and international energy and environmental crisis is motivating to think about renewable energy resources, especially solar energy. Solar energy is the most ancient source, and it is the root material for almost all fossil and renewable types. Special devices have been used for benefiting from the solar energy since time immemorial and such applications actually date back to before Christ. Energy is a continuous driving power for the social and technological prospective developments. Energy sources are vital and essential ingredients for all human transactions and without these sources, human activities of all kinds will not be progressive at all. Since the energy crisis in 1973, air pollution from combustion processes has caused serious damage and danger to the forests, monuments, human health as has been documented by official studies and yearly statistics. It has been recently realized that solar energy can have a beneficial impact on the following essential technical, environmental, and political issues of the world like major environmental problems such as acid rain, stratospheric ozone depletion, greenhouse effect and smog; environmental degradation. It can be a good way to prevent the depletion of the world's non-renewable conventional sources such as coal, oil, natural gas, and increasing energy use in developing countries.

2. The explosion of interest in artificial intelligence has drawn attention not only to the astonishing capacity of algorithms to mimic humans but to the reality that these algorithms could displace many humans in their jobs. The economic and societal consequences could be nothing short of dramatic. A key metric for tracking the consequences of technology on the economy is growth in worker productivity – defined as how much output of work an employee can generate per hour. This seemingly dry statistic matters to every working individual, because it ties directly to how much a worker can expect to earn for every hour of work. Said another way, higher productivity is expected to lead to higher wages.

Generative AI products are capable of producing written, graphic and audio content or software programs with minimal human involvement. Professions such as advertising, entertainment and creative and analytical work could be among the first to feel the effects. Individuals in those fields may worry that companies will use generative AI to do jobs they once did, but economists see great potential to boost productivity of the workforce as a whole.

3. Ozone (O<sub>3</sub>) depletion does not cause global warming, but both of these environmental problems have a common cause: human activities that release pollutants into the atmosphere altering it. Global warming is caused primarily by putting too much carbon dioxide into the atmosphere when coal, oil, and natural gas are burned to generate electricity or to run our cars. Carbon dioxide spreads around the planet like a blanket, and is one of the main gases responsible for the absorption of infrared radiation (felt as heat), which comprises the bulk of solar energy. Ozone depletion occurs when chlorofluorocarbons (CFCs) and halons—gases formerly found in aerosol spray cans and refrigerants—are released into the atmosphere. Ozone sits in the upper atmosphere and absorbs ultraviolet radiation, another type of solar energy that's harmful to humans,



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animals and plants. CFCs and halons cause chemical reactions that break down ozone molecules, reducing ozone's ultraviolet radiation-absorbing capacity.

**Chapter-8 Article Writing**

1. Write an article on the following topics in not more than 200-250 words.
  - a. Internet is the major cause of distraction in human life these days.
  - b. Materialistic things have gained more importance than emotional values.

**Chapter-9 Report Writing**

1. Write a report on the following topics.
  - a. A newspaper report about a classical dance event organized by an NGO that works towards the cause of women empowerment.
  - b. You are the Accounts head of a Fast growing hotel chain. Write a formal report stating details of expenditure made in the last financial year towards purchase of inventory (tables, chairs, utensils etc), hiring staff and opening new outlets in different cities.

**Chapter-10 Formal letters and Official Communication**

1. You manage the stationery supply in a privately owned library. Write a letter to a stationery vendor complaining about low quality supplies made to you. Also mention the order was delayed.
2. Write a letter to the nearby Courier service provider stating your regular requirements to send domestic couriers. Ask him for the rates and if any discount possible. Sign yourself as Rashmi/Rajesh.
3. You plan to open a coffee shop in your area, Kondapur, Hyderabad. Write a letter to M/S Wooden Mart, Kukatpally, Hyderabad giving an order of garden furniture and extra chairs and tables needed in your café. Mention the quantity of each item as required.

**Chapter-11 Writing formal mails**

1. On behalf of your private firm, write a formal mail to all your employees, requesting them to cooperate for the limited parking slots available in the office building. State a few solutions possible and mention how the organization is being considerate towards the employee. Sign yourself as Anisha Sharma, HR Head, Serendipity Solutions, Gurugram, Haryana
2. You are Kishore/Kanika, Head, Admin in Spark Technologies, BPO. Write a letter to your employees inviting applications and entries for the cultural program on 14<sup>th</sup> August to celebrate the Independence Day (15<sup>th</sup> August). State a few events lined up and give a reference email for further clarifications.

**PAPER – 2 : BUSINESS LAW & BUSINESS CORRESPONDENCE AND REPORTING 41****Chapter-12 Resume Writing**

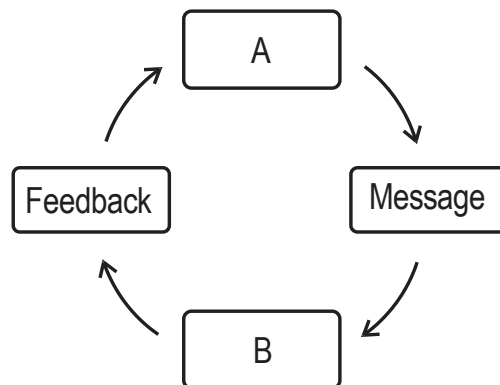
1. You are Rani/Raja, B.Ed., English (honors). Draft your resume to apply for jobs in a school for the post of a language teacher.
2. Draft a basic resume for a fresher with a Bachelors degree in commerce, applying for a job in finance, with no experience.

**Chapter-13 Meetings**

1. Write 'Minutes of the Meeting' for a meeting conducted to discuss the visit plan of foreign clients in your organization.
2. Write the 'Minutes of the Meeting' for a meeting organized to discuss the increase in costing of your daily bath soaps (fmcg goods). Discuss the need to increase the price even though the product is not selling well.

**ANSWERS****Part A****Chapter-1 Communication**

1. When two persons communicate with each other sending messages and feedback, they form a communication circuit. This is the Circuit network. The two people interacting can be colleagues placed at the same hierarchical level in the organisation.

**Circuit Network**

2. Communication modes are primarily technology driven, however communication technology is constantly upgraded and new formats emerge. Anyone who is not tech friendly struggles to communicate effectively via the medium

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Moreover, an individual is swamped with a 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 resulting in miscommunication.

**Part-B****Chapter-2 Sentence Types, Active-Passive Voice and Direct-Indirect Speech**

1.
  - a. A new sports car has been bought by Ravi.
  - b. Sky diving can be done by Archana.
  - c. A book on child psychology has been written by Karthik.
  - d. A Tamil song was sung by Rahman in the music concert.
  - e. Chinese cuisine is being cooked by Monica for dinner.
2.
  - a. The young mechanic is repairing the car.
  - b. Students of at the Art school painted the auditorium walls.
  - c. Small children are distributing chocolates to the residents of the old age home.
  - d. Rains and floods devastated the city.
  - e. Gardener planted herbs in our backyard.
3.
  - a. Amit said that he had been watching a lot of movies.
  - b. Kiran asked if they taught French?
  - c. Pavan said that he could finish the assignment in two hours.
  - d. Samyak shouted he was stuck in the elevator.
  - e. Children exclaimed that they could see a rainbow.

**Chapter-3 Vocabulary**

1.
  1. a
  2. c
  3. d
  4. d
2.
  1. b
  2. a
  3. d
  4. c

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3. a. ii
- b. i
- c. iv
- d. iii
- e. ii

**Part-C****Chapter-4**

1. 1. Bamboo flowering is a strange phenomena because the bamboo flowers, all at the same time, only once in the plant's lifetime. It wrecks ecological havoc because the bamboo plants die after flowering.
2. Rats feed on the flowers and seeds of the dying bamboo tree. This activates a rapid birth rate among the rodents, which leads to the huge rat population feeding on cultural crops in the fields and on granaries and causes famine.
3. The pulp and paper industry, construction, cottage industry and handloom, food, fuel, fodder and medicine annually consume about 22 million tons of bamboo and hence depend on bamboo.
4. (c) Gregarious
5. (b) Hardy
2. 1. It is more thrilling to hike in the mountains than in the plains because the excitement of climbing up to the top of a hill, the adventure of coming down a slope, the grandeur of sunset behind a mountain—all these add beauty and charm to our hiking journey.
2. Hiking is considered a unique sport as it can help patients meet guidelines for regular physical activity and concurrently tap the significant health benefits that may be attained by spending time in natural settings.
3. Option c Repetitive
4. While hiking, one can learn pitching a tent, filtering water, cooking on a camp stove, and mastering a bear bag hang.
5. Option a Splendour
3. 1. The author means there are very few places on Earth that have the splendour and calmness like that of Himalayas and that can mesmerize our minds.
2. Option a.
3. Himalayas, the abode of snow are natures gift to mankind with their beauty, serenity and utility. They not only act as a tourist spot, but also a place that offers mountaineering and trek as a sport. The valleys, the wilderness, the slopes are a

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perfect combination of a place that one can dare to visit every season; to see something new each time!

4. Himalayas: A mix of emotions and a perfect blend of nature!
5. Option a Descriptive

**Chapter-5****Passage 1**

## The Aztecs

1. Aztecs: Valley of Mexico
  - 1.1 Valley of Mexico
    - 1.11 lctd cntrl Mexico, bet gulf and Pac ocean
    - 1.12 7000 ft above sea lvl; vlcnc mntns arnd
  - 1.2 The Olmecs
    - 1.21 Frst ppl to visit the villy
    - 1.22 Knwn fr crftd art wrk
      - 1.23 invntd stm of wrtng
      - 1.24 knew astrny and mthmtcs
2. Teotihuacan: Place of Gods
  - 2.1 6<sup>th</sup> largest city
  - 2.2 Had relgus pyramids
  - 2.3. Dcln after 200yrs: famine and revolts
3. Toltecs: Capital city Tula
  - 3.1 Also blt the pyramids; ctrlld the valley of Mexico
  - 3.2 Tula attckd arnd 1200 CE
4. Mesheeca ppl or Mexica ltr clld Aztecs.
  - 4.1 Stld in Lake Tecoco
  - 4.2 Named the stlmnt Tinochtltlan
  - 4.3 Dvlpd crop and fertile lnds
  - 4.4 Dvlpd skills
  - 4.5 Inter cmmnty marriage started

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5. Aztec empire dstryd by Spn cnqr under Cortez

**Key**

Lctd=located

Cntrl=control

Bet = Between

Pac-Pacific

Ft=feet

Lvl=level

Vlcn= volcanic

Mntns= mountains

Arnd=around

Frst= first

Ppl= people

Vlly= valley

Knwn= known

Fr= for

Crftd= crafted

Wrk= work

Invntd= invented

Stm= system

Wrtng= writing

Astrny= astronomy

Mths= mathematics

Relgus = religious

Dcln =Decline

Blt= built

Ctrl= controlled

Attckd= attacked

Ltr= later

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Cld= called

Stld= settled

Stlmnt= settlement

Dvlpd= developed

Lnds= Lands

Cmmnty= community

Dstryd= destroyed

Spn= Spanish

Conqr= conqueror

Lrgst= largest

**Summary****The Aztech history**

The Valley of Mexico was dominated by the Aztech who were the last native group, although the Olmecs were the first people to influence the Valley with their culture. The Olmecs were a talented group with knowledge of astronomy, mathematics and artwork. 'Teotihuacan, a city from stone was built in the beginning of the common era. This city had religious Pyramids built in 200 CE; however the city met a downfall and decline due to famine and revolts. The Meesheca/ Mexican people later called Aztech by the Spanish led a nomadic life and finally settled on an island in Lake Tecoco in the Valley of Mexico. 'Tenochtitlan', their civilization, was known for their development of skilled crafts and the fact that they made fertile fields. Inter community marriages led to ruling larger areas. They only to see a downfall after the Spanish conquered them, beginning 1519.

**2. Sardar Patel**

1. Bharat: cmmn cvlnz
2. Pre-indpndc had trtrs
  - 2a. prncly sts
  - 2b. Clnl pwrs
3. Frst half of 1947 crucial
  - 3a. End of clnl rule
  - 3b. prtn certain
  - 3c. no clrty on trts

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4. Ques of mrgr of princly sts: dvr in size, ppln, trrn and eco stn
5. Sardar Vallabhai Patel: fmsly clld Sardar Patel
  - 5a. Indian barrister
  - 5b. Sr ldr of INC
  - 5c. HM drng Indo Pak war
  - 5d. plyd mjr role in intgt Btsh prvnccs with new Independent India
6. Iron Man: Sardar vallabhai Patel
  - 6a. Archt of ek Bharat
  - 6b. Unfd the princly sts
  - 6c. He hgltd the impn of unity
  - 6d. wtht unity; not pssbl to have a stnbl state
7. National Unity Day: Patel's birthday, 31st October

**Key**

Cmmnly= commonly  
 Clvz= civilization  
 Indpndc= independence  
 Trtrs- territories  
 Prncly= princely  
 Sts= states  
 Clnl= colonial  
 Pwrs= powers  
 Frts= first  
 Prtn= partition  
 Clrty= clarity  
 Ques= question  
 Mrgr= merger  
 Dvr= diverse  
 PpIn= population  
 Trrn= terrain  
 Stn= situation  
 Fmsly= famously



Clld= called

Sr= senior

Ldr= leader

Drng= during

Plyd= played

Mjr= major

Intgt= integrating

Btsh= British

Prvnscs= provinces

Archt= architect

Unfd= unified

Hglted= highlighted

Impn= importance

Wtht= without

Pssbl= possible

Stnbl= sustainable

### **Summary**

Sardar Vallabhbhai Patel, fondly known as Sardar Patel played a major role in the unification of the princely states and territories after the Indian independence. A barrister by profession, he is the architect of unified India, which pre independence had princely states, provinces etc ruled by different people. To end the colonial rule and build the concept of 'Ek Bharat' on a sustainable lines, Patel is remembered for his contribution. His birthday is celebrated as National Unity Day.

### **Chapter 7- Precis Writing**

#### **1. Solar energy: a long term and safe energy solution**

Climate changes across the world have been noticed due to burning of fossil fuels and other related activities. The need of the hour is to shift the focus to a renewable resource of energy especially Solar energy. The energy crisis of 1973 has caused serious damage to flora and fauna, buildings and human health. In view of this, solar energy comes to be a wise choice and can be a good solution for environmental issues like acid rain, ozone layer depletion, greenhouse effect, smog etc. Using solar energy can also be a solution to prevent depletion of non -renewable resources of energy.

**PAPER – 2 : BUSINESS LAW & BUSINESS CORRESPONDENCE AND REPORTING 49****2. Does AI pose a danger to workforce?**

The boom of artificial intelligence has created a speculation on the demand for workers/humans in job. AI and its effect on society and economy can be evaluated on the basis of the productivity of a labour per hour; that eventually decides the wages. Although a lot of advertisement, entertainment and content development work is done by AI, economists feel that there can be still scope for human intervention to boost productivity.

**3. Major factors for Ozone depletion**

The main cause of ozone layer depletion and global warming is human activities interfering with the atmosphere. Global warming is caused by putting too much carbon dioxide into the atmosphere when coal, oil and natural gases are burned to generate electricity and run cars. The release of carbon dioxide into the atmosphere leads to the absorption of infra-red rays into the earth and hence high temperature felt as heat. Chlorofluorocarbons and halons are the main two ingredients that lead to ozone depletion thus reducing the ultra violet rays that protect the earth's atmosphere.

**Chapter-8 Article Writing**

1. a. Hints: Internet is the major cause of distraction in human life these days.
  - Internet: Boon or Bane for humans (Title)
  - Parents have been constantly complaining about over exposure to internet.
  - Especially during student life, where the primary focus should be studies.
  - Internet is a tool; one must use it judiciously.
  - A good way of enhancing knowledge, rather than taking it as an addiction.
  - Social media platforms should be used for informing, influencing and learning.
  - Once it becomes an addiction, it takes the form of distraction.
  - Wise use is recommended.
- b. Hints: Materialistic things have gained more importance than human values.  
Money or emotions: what matters most? (title)
  - Money is like a bubble, it comes and goes
  - One should work hard in life for inner happiness.
  - Materialistic things can be bought; they don't remain with us forever
  - Emotions build relationships which last forever
  - Family bonding, friendship, all this dependent on emotions, not money or status
  - In this fast paced world, where everything is getting 'artificial', getting a true friend, a supporting family and a passionate mentor is what is most precious.

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(The student may write other relevant points. Above mentioned are hints for a better understanding)

**Chapter-9 Report Writing**

## 1. Hints:

## a.

- Newspaper report writing format (Timeline, name of reporter) Heading to the news brief.
- Name the NGO that has organized the dance event.
- Location, venue, date/time details
- Few lines on the background of the NGO: specially that it works towards women empowerment.
- Mention a few achievements of the NGO towards its cause.
- Details about the campaign: who inaugurated, how many people participated, what is the purpose, why dance is being promoted. (Can mention names of few dignitaries who attended the event)
- A few lines about why dance is being used a form to promote expression and freedom of thought.

## b. To: The Director, Accounts

From: Head, Accounts department

Date: 8<sup>th</sup> Aug 2023

Subject: Expenditure made towards inventory, hiring staff and opening of new outlets

Acknowledgements: I am deeply grateful to all my team members who helped me in formulating this detailed report. The expenditure and other related details have been recorded with precision.

## (1) Contents

- i. List of items purchased (chairs, tables, utensils, serving utensils)
- ii. Expenditure towards opening new outlets (Names of cities)
- iii. Hiring new staff; campaign and cost details
- iv. Cost and invoice details
- v. Current budget versus amount spent
- vi. Conclusion

**Summary:** As a means to progress and spread our presence, we decided to open new outlets in four other Indian cities. In lieu of that, the organization

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requires new inventories and more staff. Hence new inventories were purchased, and recruits were hired to cater to the needs of new outlets. Our aim is to establish our brand as a household name in the realm of family dining.

Can be continued with a few tables mentioned and then the conclusion.

**Chapter-10 Formal letters and Official Communication****1. 'Books for all' Library.**

Whitefields  
Bengaluru  
Karnataka- 560066

9th August 2023

The Stationery Suppliers

Koramangla  
Benagaluru  
Karnataka 560034

Subject: Delay of order and low quality supply

Dear Sir,

As discussed over the telephone, we would like to raise a concern about our last placed order (No 654/15<sup>th</sup>/7/23/100). The stationery supplies delivered were of poor quality; half of the pens had dried ink and many rims of sheets were stained and old. Moreover, the delivery of the order was delayed by 20 days.

We request you to look into the matter as this has caused a lot of damage to the reputation of our organization. If this continues, we will discontinue our alliance with your organization.

Kindly revert so that the needful can be done.

Thanks and Regards,

Aradhana,  
Assistant Manager (Admin)  
Books for all library

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2. Shop No 37/9  
Gomti Nagar  
Lucknow- 226010  
Uttar Pradesh  
10<sup>th</sup> August 2023

Speed Courier Service  
Shop No. 22, 2<sup>nd</sup> floor  
Valley Tower  
Charbagh Metro station  
Lucknow -226004  
Uttar Pradesh

Dear Sir,

Subject: Request for quotation for domestic couriers

I hereby write to enquire about the rates for domestic courier using your services. We are a retail firm dealing in apparel business and need to send frequent couriers to our customers across the country. Here are a few queries, we would like you to resolve:

- a) What is the standard rate per kilogram for a domestic courier?
- b) Is there a relaxation, if the item is only a few grams more than a kg?
- c) After booking a courier, how much time does it takes to dispatch a parcel?
- d) Do you offer a pick up facility if there are bulk orders?
- e) Is there any discount on bulk orders.

Kindly help us understand the process so that we can start our business association smoothly.

Thanking you

Yours truly,

Rashmi/ Rajesh

Lucknow, UP.

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3. The Coffee Point  
Kondapur  
Hyderabad- 500084  
Telangana  
8th August 2023

Wooden Mart  
Kukatpally  
Hyderabad 500072

Subject: Placing an order for garden furniture and other items.

Dear Sir,

This is with respect to the opening of our new coffee shop in Kondapur. I would like to place an order for some garden furniture and other furniture for the same. Below is a detailed table listing the requirements.

Product Name	Quantity
Garden furniture (1 round table and 4 chairs)	5
Rectangle tables	5
Cane chairs	25
High chairs	10

We wish to start operations from 1<sup>st</sup> September, 2023. Kindly ensure that all products are quality checked and in a warranty period. Please send the items by next week to allow smooth flow of business. We will also need your help with installation so please send someone to assist us in fixing the furniture.

Thanks and Regards

ABC

The Coffee Point (Owner)

**Chapter-11 Writing formal mails**

1. Dear employees,  
Greetings!

This is with respect to the car parking rules of our organization. Since we share the building with three other corporate firms, the number of slots available to our employees is 45 (total divided by 3). This parking is in the basement and is free of cost, on first cum first basis.

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Due to the limited number of parking slots, we are unable to accommodate the vehicles of all the employees in basement.

A provision has been made in the nearby field to park cars who cannot get space in the basement. However, it will be on a payment basis. For convenience, there are minimal charges for parking the vehicle in the nearby field. Please carry your office identity cards to avail discount.

Looking forward to your kind cooperation.

With warm regards

Ms Anisha Sharma

Manager, HR

Serendipity Solutions

2. Dear employees,

Greetings!

This is with respect to the Independence Day celebrations to be held in the office premises. The celebrations will done on 14<sup>th</sup> August, Monday in the office seminar hall, 2<sup>nd</sup> floor.

We have a planned a few activities like:

Ad mad challenges

Comedy skit

Vocal music performance

Instrumental music performance and cultural dances.

We request all the employees to participate and send their entries by 11<sup>th</sup> August with their personal details and the name of the division.

Program details will be shared via email. The entries can be sent to [garima@sparktech.net](mailto:garima@sparktech.net) for any more details, you may visit the 1<sup>st</sup> floor admin department and clarify your concerns.

Looking forward to your active and enthusiastic participation.

With warm regards

Kishore/Kanika

Head, Admin

Spark Technologies , BPO

**PAPER – 2 : BUSINESS LAW & BUSINESS CORRESPONDENCE AND REPORTING 55****Chapter 12 -Resume Writing****1. Sumita/Sumit Khanna**

H no.234, Kavi Nagar, Ghaziabad,, UP | +91- 11111 1111 | akshay@gmail.com

**Objective**

To impart meaningful knowledge to the students and to make them fluent in English.

**Educational Qualification**

Qualification	Year	Board/University	Institution's Name
B.Ed	2014	Rohtak University	Maharishi Dayanand University
BA English	2011	Delhi University	Shivaji College
Class 12 <sup>th</sup>	2008	CBSE	Silver line Public School, Ghaziabad
Class 10 <sup>th</sup>	2006	CBSE	Silver line Public School, Ghaziabad

**Professional Experience****English teacher (April'15 - December'17) Uttam Girls School, Ghaziabad**

- Have taught grades 3 to 5
- Handled inter school competitions

Have attended various seminars on Education of girl child.

Published research papers on women empowerment.

**Personal Details**

Name: Sumita/Sumit Khanna

Date of Birth: 17/05/1995

Marital Status: Unmarried

Address: H no.234, Kavi Nagar, Ghaziabad,

Ph No: 11111 1111

e-mail : akshay@gmail.com

(The student may add more details if needed; the above are hints. You may write about your hobbies and interests.)



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**FOUNDATION EXAMINATION: DECEMBER, 2023****2. Freshers resume****Address:** H no.64/5, Jawaharpur Gwalior, MP**Phone:** +91- 11111 1111 | **Email:** abc@gmail.com**Objective**

To work for a finance firm with the aim to learn and impart financial expertise to everyone around.

**Educational Qualification**

Qualification	Year	Board/University	Institution's Name
Class 12 <sup>th</sup>	2016	IGCSE	Amity Public, Gwalior
Class 10 <sup>th</sup>	2018	IGCSE	Amity Public, Gwalior
B.Com (H)	2018-2021	Gwalior University	XYZ college

**Participation in School**

- Actively participated in school debates and declamations
- Inter school finance quiz and won the first prize (Individual and team)
- Avid badminton player; in school Sports team

**Participation in college**

- Represented the college in an inter college festival for 'know your country'
- Committee member for cultural festival and 'economics club'
- Worked as an intern in a finance start up

**Hobbies and Interests**

- Like to play badminton
- Avid reader of books on finance and economics
- Learning to play guitar
- Social service is a passion.

**Personal Details**

Name: Avantika Verma

Date of Birth: 28/10/1996

Marital Status: Unmarried

Address: H no.546, Ludhiana, Punjab

Ph No: 11111 111 e-mail : avant@gmail.com

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(The student may add more details if needed; the above are hints. You may write about your hobbies and interests.)

**Chapter-13 Meetings****1. Hint: Mention the agenda and the cause for the same.**

Participants in the meeting: Mr. XY, Vice-President; Mr. A, HR Manager; Mr. AB, Operations Head; Mr. ABC, Operations Manager and Mr. XY's Secretary

Date: August 2023

Meeting started at 10:00 am

Mr. A started the meeting and discussed the agenda with details of the visit of foreign delegates.

Mr. ABC adds to the trip details and also emphasizes on their comfort and meetings to be held.

Mr. A and Mr. ABC together presented a presentation with the travel plans, itinerary, and meetings planned with vendors in the city.

Mr. XY gave his valuable inputs on how the attendance of staff should be maximum during the visit of the foreign delegates.

Mr. ABC gives his suggestions on having some cultural night planned as part of a recreation activity.

Mr. A concluded the meeting with vote of thanks to all the members who attended the meeting.

**2. Hint: Focus on one product. Mention the product and product specifications**

Participants in the meeting: Mr. A, Vice-President; Mr. AB Product Manager, Mr. ABC, Sales Manager and their Associates, Mrs. XY, Finance Manager

Date: August 20th, 2023

Meeting started at 11:00pm

Mr. AB explains about the agenda of the meeting, and he talks about the need to increase the price of the specific product.

The associates have brainstormed few ideas about how the product can be changed according to the market requirements.

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Mr. ABC listens to everyone carefully and shares his thoughts about changing the packaging too. He also proposes to work on the ingredients, pricing and presentation of the product. (We are taking the product to be a soap)

Mrs. XY expresses her concern over rising prices of similar competitive products.

Mr. A agrees and informs that he would like to discuss with the design team and finalize the appropriate pricing with the team soon.

The meeting concluded with few ideas regarding packaging and pricing that everyone is ready to explore and implement.

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

**SECTION A: BUSINESS LAWS**

**PART – I: Amendments for June, 2023 Examinations**

**1. Chapter 4: The Limited Liability Act, 2008**

The Limited Liability Act, 2008 has been amended through the Limited Liability Partnership (Amendment) Act, 2021 dated 13<sup>th</sup> August, 2021. The following are the amendments w.e.f. 1<sup>st</sup> April, 2022.

Earlier provision	New provision
-	Throughout the Limited Liability Partnership Act, 2008, for the words and figures “the Companies Act, 1956” wherever they occur, the words and figures “the Companies Act, 2013” shall be substituted.
<p><b>Body Corporate [(Section 2(d))]:</b> It means a company as defined in section 3 of the Companies Act, 1956 and includes—</p> <p>(i) a LLP registered under this Act;</p> <p>(ii) a LLP incorporated outside India; and</p> <p>(iii) a company incorporated outside India,</p> <p>but does not include—</p> <p>(i) a corporation sole;</p> <p>(ii) a co-operative society registered under any law for the time being in force; and</p> <p>(iii) any other body corporate (not being a company as defined in section 3 of the Companies Act, 1956 or a limited liability partnership as defined in this Act), which the Central Government may, by notification in the Official Gazette, specify in this behalf.</p>	<p><b>Body Corporate [(Section 2(d))]:</b> It means a company as defined in <b>clause (20) of section 2 of the Companies Act, 2013</b> and includes</p> <p>(i) a limited liability partnership registered under this Act;</p> <p>(ii) a limited liability partnership incorporated outside India; and</p> <p>(iii) a company incorporated outside India,</p> <p>but does not include</p> <p>(i) a corporation sole;</p> <p>(ii) a co-operative society registered under any law for the time being in force; and</p> <p>(iii) any other body corporate (not being a company as defined in <b>clause (20) of section 2 of the Companies Act, 2013</b> or a limited liability partnership as defined in this Act), which the Central Government may, by notification in the Official Gazette, specify in this behalf.</p>
<p><b>Business [Section 2(e)]:</b> “Business” includes every trade, profession, service and occupation.</p>	<p><b>Business [Section 2(e)]:</b> “Business” includes every trade, profession, service <b>and occupation except any activity which the Central Government may, by notification, exclude.</b></p>

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<p><b>Newly inserted</b></p>	<p><b>“Small limited liability partnership [Section 2(ta)]:</b> It means a limited liability partnership—</p> <p>(i) the contribution of which, does not exceed twenty-five lakh rupees or such higher amount, not exceeding five crore rupees, as may be prescribed; and</p> <p>(ii) the turnover of which, as per the Statement of Accounts and Solvency for the immediately preceding financial year, does not exceed forty lakh rupees or such higher amount, not exceeding fifty crore rupees, as may be prescribed; or</p> <p>(iii) which meets such other requirements as may be prescribed, and fulfils such terms and conditions as may be prescribed;</p>
<p><b>Designated partners (Section 7):</b></p> <p>(i) Every LLP shall have at least two designated partners who are individuals and at least one of them shall be a resident in India.</p> <p>(ii) If in LLP, all the partners are bodies corporate or in which one or more partners are individuals and bodies corporate, at least two individuals who are partners of such LLP or nominees of such bodies corporate shall act as designated partners.</p> <p>(iii) <i>Resident in India:</i> For the purposes of this section, the term “resident in India” means a person who has stayed in India for a period of not less than 182 days during the immediately preceding one year.</p>	<p><b>Designated partners (Section 7)</b></p> <p>(1) Every limited liability partnership shall have at least two designated partners who are individuals and at least one of them shall be a resident in India: Provided that in case of a limited liability partnership in which all the partners are bodies corporate or in which one or more partners are individuals and bodies corporate, at least two individuals who are partners of such limited liability partnership or nominees of such bodies corporate shall act as designated partners. <b>Explanation.</b> For the purposes of this section, the term resident in India means a person who has stayed in India for a period of not less than one hundred and <b>twenty days during the financial year.</b></p> <p>(2) Subject to the provisions of sub-section (1),</p> <p>(i) if the incorporation document</p>

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	<p>(a) specifies who are to be designated partners, such persons shall be designated partners on incorporation; or</p> <p>(b) states that each of the partners from time to time of limited liability partnership is to be designated partner, every partner shall be a designated partner;</p> <p>(ii) any partner may become a designated partner by and in accordance with the limited liability partnership agreement and a partner may cease to be a designated partner in accordance with limited liability partnership agreement.</p> <p>(3) An individual shall not become a designated partner in any limited liability partnership unless he has given his prior consent to act as such to the limited liability partnership in such form and manner as may be prescribed.</p> <p>(4) Every limited liability partnership shall file with the Registrar the particulars of every individual who has given his consent to act as designated partner in such form and manner as may be prescribed within thirty days of his appointment.</p> <p>(5) An individual eligible to be a designated partner shall satisfy such conditions and requirements as may be prescribed.</p> <p>(6) Every designated partner of a limited liability partnership shall obtain a Designated Partners Identification Number (DPIN) from the Central Government and the provisions of <b>sections 153 to 159 (both inclusive) of the Companies Act, 2013</b> shall apply <i>mutatis mutandis</i> for the said purpose.</p>
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<p><b>Registered office of LLP and change therein (Section 13):</b></p> <p>(1) Every LLP shall have a registered office to which all communications and notices may be addressed and where they shall be received.</p> <p>(2) A document may be served on a LLP or a partner or designated partner thereof by sending it by post under a certificate of posting or by registered post or by any other manner, as may be prescribed, at the registered office and any other address specifically declared by the LLP for the purpose in such form and manner as may be prescribed.</p> <p>(3) A LLP may change the place of its registered office and file the notice of such change with the Registrar in such form and manner and subject to such conditions as may be prescribed and any such change shall take effect only upon such filing.</p> <p>(4) If the LLP contravenes any provisions of this section, the LLP and its every partner shall be punishable with fine which shall not be less than ₹ 2,000 but which may extend to ₹ 25,000.</p>	<p><b>Registered office of LLP and change therein (Section 13):</b></p> <p>(1) Every limited liability partnership shall have a registered office to which all communications and notices may be addressed and where they shall be received.</p> <p>(2) A document may be served on a limited liability partnership or a partner or designated partner thereof by sending it by post under a certificate of posting or by registered post or by any other manner, as may be prescribed, at the registered office and any other address specifically declared by the limited liability partnership for the purpose in such form and manner as may be prescribed.</p> <p>(3) A limited liability partnership may change the place of its registered office and file the notice of such change with the Registrar in such form and manner and subject to such conditions as may be prescribed and any such change shall take effect only upon such filing.</p> <p><b>(4) If any default is made in complying with the requirements of this section, the limited liability partnership and its every partner shall be liable to a penalty of five hundred rupees for each day during which the default continues, subject to a maximum of fifty thousand rupees for the limited liability partnership and its every partner.</b></p>
<p><b>Name (Section 15):</b></p> <p>(1) Every limited liability partnership shall have either the words "limited liability partnership" or the acronym "LLP" as the last words of its name.</p>	<p><b>Name (Section 15):</b></p> <p>(1) Every limited liability partnership shall have either the words limited liability partnership or the acronym LLP as the last words of its name.</p>

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<p>(2) No LLP shall be registered by a name which, in the opinion of the Central Government is—</p> <p>(a) undesirable; or</p> <p>(b) identical or too nearly resembles to that of any other partnership firm or LLP or body corporate or a registered trade mark, or a trade mark which is the subject matter of an application for registration of any other person under the Trade Marks Act, 1999.</p>	<p>(2) No limited liability partnership shall be registered by a name which, in the opinion of the Central Government is</p> <p>(a) undesirable; or</p> <p><b>(b) identical or too nearly resembles to that of any other limited liability partnership or a company or a registered trade mark of any other person under the Trade Marks Act, 1999.</b></p>
<p><b>Change of name of LLP (Section 17):</b></p> <p>(1) Notwithstanding anything contained in sections 15 and 16, where the Central Government is satisfied that a LLP has been registered (whether through inadvertence or otherwise and whether originally or by a change of name) under a name which —</p> <p>(a) is a name referred to in sub-section (2) of section 15; or</p> <p>(b) is identical with or too nearly resembles the name of any other LLP or body corporate or other name as to be likely to be mistaken for it,</p> <p>the Central Government may direct such LLP to change its name, and the LLP shall comply with the said direction within 3 months after the date of the direction or such longer period as the Central Government may allow.</p> <p>(2) (i) Any LLP which fails to comply with a direction given under sub-section (1) shall be punishable with fine which shall not be less</p>	<p><b>Change of name of LLP (Section 17):</b></p> <p>(1) <b>Notwithstanding anything contained in sections 15 and 16, if through inadvertence or otherwise, a limited liability partnership, on its first registration or on its registration by a new body corporate, its registered name; is registered by a name which is identical with or too nearly resembles to—</b></p> <p><b>(a) that of any other limited liability partnership or a company; or</b></p> <p><b>(b) a registered trade mark of a proprietor under the Trade Marks Act, 1999, as is likely to be mistaken for it, then on an application of such limited liability partnership or proprietor referred to in clauses (a) and (b) respectively or a company, the Central Government may direct that such limited liability partnership to change its name or new name within a period of three months from the date of issue of such direction:</b></p> <p><b>Provided that an application of the proprietor of the registered trade marks shall be maintainable within a</b></p>



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<p>than ₹ 10,000 but which may extend to ₹ 5 Lakhs.</p> <p>(ii) The designated partner of such LLP shall be punishable with fine which shall not be less than ₹ 10,000 but which may extend to ₹ 1 Lakh.</p>	<p>period of three years from the date of incorporation or registration or change of name of the limited liability partnership under this Act.</p> <p>(2) Where a limited liability partnership changes its name or obtains a new name under sub-section (1), it shall within a period of fifteen days from the date of such change, give notice of the change to Registrar along with the order of the Central Government, who shall carry out necessary changes in the certificate of incorporation and within thirty days of such change in the certificate of incorporation, such limited liability partnership shall change its name in the limited liability partnership agreement.</p> <p>(3) If the limited liability partnership is in default in complying with any direction given under sub-section (1), the Central Government shall allot a new name to the limited liability partnership in such manner as may be prescribed and the Registrar shall enter the new name in the register of limited liability partnerships in place of the old name and issue a fresh certificate of incorporation with new name, which the limited liability partnership shall use thereafter: Provided that nothing contained in this sub-section shall prevent a limited liability partnership from subsequently changing its name in accordance with the provisions of section 16.</p>
<p><b>Registration of changes in partners (Section 25):</b></p> <p>(1) Every partner shall inform the LLP of any change in his name or address</p>	<p><b>Registration of changes in partners (Section 25):</b></p> <p>(1) Every partner shall inform the limited liability partnership of any change in his</p>

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<p>within a period of 15 days of such change.</p> <p>(2) A LLP shall—</p> <p>(a) where a person becomes or ceases to be a partner, file a notice with the Registrar within 30 days from the date he becomes or ceases to be a partner; and</p> <p>(b) where there is any change in the name or address of a partner, file a notice with the Registrar within 30 days of such change.</p> <p>(3) A notice filed with the Registrar under sub-section (2)—</p> <p>(a) shall be in such form and accompanied by such fees as may be prescribed;</p> <p>(b) shall be signed by the designated partner of the LLP and authenticated in a manner as may be prescribed; and</p> <p>(c) if it relates to an incoming partner, shall contain a statement by such partner that he consents to becoming a partner, signed by him and authenticated in the manner as may be prescribed.</p> <p>(4) If the LLP contravenes the provisions of sub-section (2), the LLP and every designated partner of the LLP shall be punishable with fine which shall not be less than ₹ 2,000 but which may extend to ₹ 25,000.</p> <p>(5) If any partner contravenes the provisions of sub-section (1), such partner shall be punishable with fine which shall not be less than ₹ 2,000 but which may extend to ₹ 25,000.</p> <p>(6) Any person who ceases to be a partner of a LLP may himself file with</p>	<p>name or address within a period of fifteen days of such change.</p> <p>(2) A limited liability partnership shall</p> <p>(a) where a person becomes or ceases to be a partner, file a notice with the Registrar within thirty days from the date he becomes or ceases to be a partner; and</p> <p>(b) where there is any change in the name or address of a partner, file a notice with the Registrar within thirty days of such change.</p> <p>(3) A notice filed with the Registrar under sub-section (2)</p> <p>(a) shall be in such form and accompanied by such fees as may be prescribed;</p> <p>(b) shall be signed by the designated partner of the limited liability partnership and authenticated in a manner as may be prescribed; and</p> <p>(c) if it relates to an incoming partner, shall contain a statement by such partner that he consents to becoming a partner, signed by him and authenticated in the manner as may be prescribed.</p> <p><b>(4) If the limited liability partnership contravenes the provisions of sub-section (2), the limited liability partnership and its every designated partner shall be liable to a penalty of ten thousand rupees.</b></p> <p><b>(5) If the contravention referred to in sub-section (1) is made by any partner of the limited liability partnership, such partner shall be liable to a penalty of ten thousand rupees.</b></p> <p>(6) Any person who ceases to be a partner of a limited liability partnership may himself file with the Registrar the notice referred to in sub-section (3) if he has</p>
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<p>the Registrar the notice referred to in sub-section (3) if he has reasonable cause to believe that the LLP may not file the notice with the Registrar and in case of any such notice filed by a partner, the Registrar shall obtain a confirmation to this effect from the LLP unless the LLP has also filed such notice.</p> <p>However, where no confirmation is given by the LLP within 15 days, the registrar shall register the notice made by a person ceasing to be a partner under this section.</p>	<p>reasonable cause to believe that the limited liability partnership may not file the notice with the Registrar and in case of any such notice filed by a partner, the Registrar shall obtain a confirmation to this effect from the limited liability partnership unless the limited liability partnership has also filed such notice:</p> <p>Provided that where no confirmation is given by the limited liability partnership within fifteen days, the Registrar shall register the notice made by a person ceasing to be a partner under this section.</p>
<p><b>Unlimited liability in case of fraud (Section 30):</b></p> <p>(1) In case of fraud:</p> <ul style="list-style-type: none"> <li>• In the event of an act carried out by a LLP, or any of its partners,</li> <li>• with intent to defraud creditors of the LLP or any other person, or for any fraudulent purpose,</li> <li>• the liability of the LLP and partners who acted with intent to defraud creditors or for any fraudulent purpose</li> <li>• shall be unlimited for all or any of the debts or other liabilities of the LLP.</li> </ul> <p>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.</p> <p>(2) Where any business is carried on with such intent or for such purpose as mentioned in sub-section (1), every person who was knowingly a party to the carrying on of the business in the</p>	<p><b>Unlimited liability in case of fraud (Section 30):</b></p> <p>(1) In the event of an act carried out by a limited liability partnership, or any of its partners, with intent to defraud creditors of the limited liability partnership or any other person, or for any fraudulent purpose, the liability of the limited liability partnership 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 limited liability partnership:</p> <p>Provided that in case any such act is carried out by a partner, the limited liability partnership is liable to the same extent as the partner unless it is established by the limited liability partnership that such act was without the knowledge or the authority of the limited liability partnership.</p> <p>(2) Where any business is carried on with such intent or for such purpose as mentioned in sub-section (1), every person who was knowingly a party to the carrying on of the business in the manner aforesaid shall be punishable with imprisonment for a term which may</p>

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<p>manner aforesaid shall be punishable with</p> <ul style="list-style-type: none"> <li>• imprisonment for a term which may extend to 2 years and</li> <li>• with fine which shall not be less than ₹ 50,000 but which may extend to ₹ 5 Lakhs.</li> </ul> <p>(3) Where a LLP or any partner or designated partner or employee of such LLP has conducted the affairs of the LLP in a 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 designated partner or employee shall be liable to pay compensation to any person who has suffered any loss or damage by reason of such conduct. However, such LLP shall not be liable if any such partner or designated partner or employee has acted fraudulently without knowledge of the LLP.</p>	<p>extend to <b>five years</b> and with fine which shall not be less than fifty thousand rupees but which may extend to five lakh rupees.</p> <p>(3) Where a limited liability partnership or any partner or designated partner or employee of such limited liability partnership has conducted the affairs of the limited liability partnership in a fraudulent manner, then without prejudice to any criminal proceedings which may arise under any law for the time being in force, the limited liability partnership and any such partner or designated partner or employee shall be liable to pay compensation to any person who has suffered any loss or damage by reason of such conduct: Provided that such limited liability partnership shall not be liable if any such partner or designated partner or employee has acted fraudulently without knowledge of the limited liability partnership.</p>
<p><b>Maintenance of books of account, other records and audit, etc. (Section 34):</b></p> <p>(1) <b>Proper Books of account:</b></p> <ul style="list-style-type: none"> <li>• The LLP shall maintain such proper books of account as may be prescribed</li> <li>• relating to its affairs for each year of its existence</li> <li>• on cash basis or accrual basis and</li> <li>• according to double entry system of accounting and</li> <li>• shall maintain the same at its registered office</li> <li>• for such period as may be prescribed.</li> </ul>	<p><b>Maintenance of books of account, other records and audit, etc. (Section 34):</b></p> <p>(1) The limited liability partnership shall maintain such proper books of account as may be prescribed relating to its affairs for each year of its existence on cash basis or accrual basis and according to double entry system of accounting and shall maintain the same at its registered office for such period as may be prescribed.</p> <p>(2) Every limited liability partnership shall, within a period of six months from the end of each financial year, prepare a Statement of Account and Solvency for the said financial year as at the last day of the said financial year in such form as may be prescribed, and such statement</p>

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<p>(2) <b>Statement of Account and Solvency:</b></p> <ul style="list-style-type: none"> <li>• Every LLP shall,</li> <li>• within a period of 6 months from the end of each financial year,</li> <li>• prepare a Statement of Account and Solvency</li> <li>• for the said financial year as at the last day of the said financial year</li> <li>• in such form as may be prescribed, and</li> <li>• such statement shall be signed by the designated partners of the LLP.</li> </ul> <p>(3) Every LLP shall file within the prescribed time, the Statement of Account and Solvency prepared pursuant to sub-section (2) with the Registrar every year in such form and manner and accompanied by such fees as may be prescribed.</p> <p>(4) The accounts of LLP shall be audited in accordance with such rules as may be prescribed. However, the Central Government may, by notification in the Official Gazette, exempt any class or classes of LLP from the requirements of this sub-section.</p> <p>(5) Any LLP which fails to comply with the provisions of this section shall be punishable</p> <ul style="list-style-type: none"> <li>• with fine which shall not be less than ₹ 25,000</li> <li>• but which may extend to ₹ 5 Lakhs</li> </ul> <p>Every designated partner of such LLP shall be punishable</p> <ul style="list-style-type: none"> <li>• with fine which shall not be less than ₹ 10,000</li> </ul>	<p>shall be signed by the designated partners of the limited liability partnership.</p> <p>(3) Every limited liability partnership shall file within the prescribed time, the Statement of Account and Solvency prepared pursuant to sub-section (2) with the Registrar every year in such form and manner and accompanied by such fees as may be prescribed.</p> <p>(4) The accounts of limited liability partnerships shall be audited in accordance with such rules as may be prescribed: Provided that the Central Government may, by notification in the Official Gazette, exempt any class or classes of limited liability partnerships from the requirements of this sub-section.</p> <p>(5) <b>Any limited liability partnership which fails to comply with the provisions of sub-section (3), such limited liability partnership and its designated partners shall be liable to a penalty of one hundred rupees for each day during which such failure continues, subject to a maximum of one lakh rupees for the limited liability partnership and fifty thousand rupees for every designated partner.</b></p> <p>(6) <b>Any limited liability partnership which fails to comply with the provisions of sub-section (1), sub-section (2) and sub-section (4), such limited liability partnership shall be punishable with fine which shall not be less than twenty-five thousand rupees, but may extend to five lakh rupees and every designated partner of such limited liability partnership shall be punishable with fine which shall not</b></p>
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<ul style="list-style-type: none"> <li>• but which may extend to ₹ 1 Lakh.</li> </ul>	<p>be less than ten thousand rupees, but may extend to one lakh rupees.</p>
<p><b>Newly inserted</b></p>	<p><b>[34A. Accounting and auditing standards.</b> The Central Government may, in consultation with the National Financial Reporting Authority constituted under section 132 of the Companies Act, 2013,—</p> <p>(a) prescribe the standards of accounting; and</p> <p>(b) prescribe the standards of auditing, as recommended by the Institute of Chartered Accountants of India constituted under section 3 of the Chartered Accountants Act, 1949, for a class or classes of limited liability partnerships.]</p>
<p><b>Annual return (Section 35):</b></p> <p>(1) Every LLP shall file an annual return duly authenticated with the Registrar within 60 days of closure of its financial year in such form and manner and accompanied by such fee as may be prescribed.</p> <p>(2) Any LLP which fails to comply with the provisions of this section shall be punishable with fine which shall not be less than ₹ 25,000 but which may extend to ₹ 5 Lakhs.</p> <p>(3) If the LLP contravenes the provisions of this section, the designated partner of such LLP shall be punishable with fine which shall not be less than ₹ 10,000 but which may extend to ₹ 1 Lakh.</p>	<p><b>Annual return (Section 35):</b></p> <p>(1) Every limited liability partnership shall file an annual return duly authenticated with the Registrar within sixty days of closure of its financial year in such form and manner and accompanied by such fee as may be prescribed.</p> <p>(2) <b>If any limited liability partnership fails to file its annual return under sub-section (1) before the expiry of the period specified therein, such limited liability partnership and its designated partners shall be liable to a penalty of one hundred rupees for each day during which such failure continues, subject to a maximum of one lakh rupees for the limited liability partnership and fifty thousand rupees for designated partners.</b></p>
<p><b>Newly inserted</b></p>	<p><b>67A. Establishment of Special Courts.</b></p> <p>(1) The Central Government may, for the purpose of providing speedy trial of offences under this Act, by notification, establish or designate as many Special Courts as may be</p>

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	<p>necessary for such area or areas, as may be specified in the notification.</p> <p>(2) The Special Court shall consist of—</p> <p>(a) a single Judge holding office as Sessions Judge or Additional Sessions Judge, in case of offences punishable under this Act with imprisonment of three years or more; and</p> <p>(b) a Metropolitan Magistrate or a Judicial Magistrate of the first class, in the case of other offences, who shall be appointed by the Central Government with the concurrence of the Chief Justice of the High Court:</p> <p>Provided that until Special Courts are designated or established under subsection (1), the Courts designated as Special Courts in terms of section 435 of the Companies Act, 2013 shall be deemed to be Special Courts for the purpose of trial of offences punishable under this Act:</p> <p>Provided further that notwithstanding anything contained in the Code of Criminal Procedure, 1973, any offence committed under this Act, which is triable by a Special Court shall, until a Special Court is established under this Act or the Companies Act, 2013, be tried by a Court of Sessions or the Court of Metropolitan Magistrate or a Judicial Magistrate of the first class, as the case may be, exercising jurisdiction over the area.</p> <p><b>67B. Procedure and powers of Special Court.</b></p> <p>(1) Notwithstanding anything contained in the Code of Criminal Procedure, 1973, all offences specified under subsection (1) of section 67A shall be</p>
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	<p>triable only by the Special Court established or designated for the area in which the registered office of the limited liability partnership is situated in relation to which the offence is committed or where there are more than one Special Courts for such area, by such one of them as may be specified in this behalf by the High Court concerned.</p> <p>(2) While trying an offence under this Act, a Special Court may also try an offence other than an offence under this Act with which the accused may, under the Code of Criminal Procedure, 1973 be charged at the same trial.</p> <p>(3) Notwithstanding anything contained in the Code of Criminal Procedure, 1973, the Special Court may, if it thinks fit, try in a summary way any offence under this Act which is punishable with imprisonment for a term not exceeding three years:          Provided that in the case of any conviction in a summary trial, no sentence of imprisonment for a term exceeding one year shall be passed:          Provided further that, when at the commencement of or in the course of a summary trial, it appears to the Special Court that the nature of the case is such that the sentence of imprisonment for a term exceeding one year may have to be passed or that it is, for any other reason, undesirable to try the case summarily, the Special Court shall, after hearing the parties, record an order to that effect and thereafter recall any witnesses who may have been examined and proceed to hear or re-hear the case in accordance with the procedure for the regular trial.</p>
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Newly inserted	<p><b>67C. Appeal and revision.</b></p> <p>The High Court may exercise, so far as may be applicable, all the powers conferred by Chapters XXIX and XXX of the Code of Criminal Procedure, 1973 on a High Court, as if a Special Court within the local limits of the jurisdiction of the High Court were a Court of Sessions trying cases within the local limits of the jurisdiction of the High Court.</p>
Newly inserted	<p><b>68A. Registration offices.</b></p> <p>(1) For the purpose of exercising such powers and discharging such functions as are conferred on the Central Government by or under this Act or under rules made thereunder and for the purpose of registration of limited liability partnerships under this Act, the Central Government shall, by notification, establish such number of registration offices at such places as it thinks fit, specifying their jurisdiction.</p> <p>(2) The Central Government may appoint such Registrars, Additional Registrars, Joint Registrars, Deputy Registrars and Assistant Registrars as it considers necessary, for the registration of limited liability partnerships and discharge of various functions under this Act.</p> <p>(3) The powers and duties of the Registrars referred to in sub-section (2) and the terms and conditions of their service shall be such as may be prescribed.</p> <p>(4) The Central Government may direct the Registrar to prepare a seal or seals for the authentication of documents required for, or connected with the registration of limited liability partnerships.</p>

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<p><b>Payment of additional fee (Section 69):</b> Any document or return required to be filed or registered under this Act with the Registrar, if, is not filed or registered in time provided therein, may be filed or registered after that time upto a period of 300 days from the date within which it should have been filed, on payment of additional fee of ₹ 100 for every day of such delay in addition to any fee as is payable for filing of such document or return.</p> <p>However, such document or return may, without prejudice to any other action or liability under this Act, also be filed after such period of 300 days on payment of fee and additional fee specified in this section.</p>	<p><b>Payment of additional fee (Section 69):</b> <b>Any document or return required to be registered or filed under this Act with Registrar, if, is not registered or filed in time provided therein, may be registered or filed after that time, on payment of such additional fee as may be prescribed in addition to any fee as is payable for filing of such document or return:</b></p> <p><b>Provided that such document or return shall be filed after the due date of filing, without prejudice to any other action or liability under this Act:</b></p> <p><b>Provided further that a different fee or additional fee may be prescribed for different classes of limited liability partnerships or for different documents or returns required to be filed under this Act or rules made thereunder.</b></p>
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## 2. Chapter 5: The Companies Act, 2013

Notification G.S.R. 700(E) dated 15<sup>th</sup> September, 2022

The Central Government has amended Companies (Specification of definition details) Rules, 2014, through the Companies (Specification of definition details) Amendment Rules, 2022.

Earlier provision	New provision
<p>As per the Companies (Specification of Definitions Details) Rules, 2014, for the purposes of sub-clause (i) and sub-clause (ii) of clause (85) of section 2 of the Act, paid up capital and turnover of the small company shall not exceed rupees <b>two crores</b> and rupees <b>twenty crores</b> respectively.</p>	<p>As per the Companies (Specification of Definitions Details) Rules, 2014, for the purposes of sub-clause (i) and sub-clause (ii) of clause (85) of section 2 of the Act, paid up capital and turnover of the small company shall not exceed rupees <b>four crores</b> and rupees <b>forty crores</b> respectively.</p> <p>(Page No. 5.11)</p>

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**FOUNDATION EXAMINATION: JUNE, 2023****PART – II****QUESTION AND ANSWER**

1. State which of the following agreements are valid contract under the Indian Contract Act, 1872?
  - (a) A, who owns two cars is selling red car to B. B thinks he is purchasing the black car.
  - (b) A threatened to shoot B if he (B) does not lend him ₹2,00,000 and B agreed to it.
  - (c) A agrees to sell his house to B against 100 kgs of cocaine (drugs).
  - (d) A ask B if he wants to buy his bike for ₹ 50,000. B agrees to buy bike.
  - (e) Mr. X agrees to write a book with a publisher. But after few days, X dies in an accident.
2. Mr. Harish owes payment of 3 bills to Mr. Ashish as on 31<sup>st</sup> March, 2022. (i) ₹ 12,120 which was due in May 2018. (ii) ₹ 5,650 which was due in August 2020 (iii) ₹ 9,680 which was due in May 2021. Mr. Harish made payment on 1<sup>st</sup> April 2022 as below without any notice of how to appropriate them:
  - (i) A cheque of ₹ 9,680
  - (ii) A cheque of ₹ 15,000Advice under the provisions of the Indian Contract Act, 1872.
3. Mr. Shyam Mundra was a big businessman having one son and one married daughter. He decided to gift his house to his daughter. For this purpose, he called his lawyer at his house and made a written document for such gift. The lawyer advised him to get the transfer document properly registered. When they both were going for registration of document, they met with an accident and both died. Later, the daughter found the document and claimed the house on the basis of that document. Explain, whether she can get the house as gift under the Indian Contract Act, 1872?
4. Mr. Mukund wants to sell his car. For this purpose, he appoints Mr. Parth, a minor as his agent. Mr. Mukund instructs Mr. Parth that car should not be sold at price less than ₹ 2,00,000. Mr. Parth ignores the instruction of Mr. Mukund and sells the car to Mr. Naman for ₹ 1,50,000. Explain the legal position of contract under Indian Contract Act, 1872 whether:
  - (a) Mr. Mukund can recover the loss of ₹ 50,000 from Mr. Parth?
  - (b) Mr. Mukund can recover his car from Mr. Naman?
5. Mukesh is running a grocery store in Delhi. He sells his grocery business, including goodwill worth ₹1,00,000 to Rohit for a sum of ₹ 5,00,000. After the sale of goodwill, Rohit made an agreement with Mukesh. As per this agreement, Mukesh cannot open another

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grocery store (similar kind of business) in the whole of India for next ten years. However, Mukesh opens another store in the same city two months later. What are the rights available with Rohit regarding the restriction imposed on Mukesh with reference to Indian Contract Act, 1872?

6. P left his carriage on D's premises. Landlord of D seized the carriage against the rent due from D. P paid the rent and got his carriage released. Can P recover the amount from D?
7. Avyukt purchased 100 Kgs of wheat from Bhaskar at ₹30 per kg. Bhaskar says that wheat is in his warehouse in the custody of Kishore, the warehouse keeper. Kishore confirmed Avyukt that he can take the delivery of wheat from him and till then he is holding wheat on Avyukt's behalf. Before Avyukt picks the goods from warehouse, the whole wheat in the warehouse has flowed in flood. Now Avyukt wants his price on the contention that no delivery has been done by seller. Whether Avyukt is right with his views under the Sale of Goods Act, 1930.
8. Priyansh orders an iron window to an Iron Merchant for his new house. Iron merchant sends his technician to take the size of windows. The technician comes at the site and takes size of area where window to be fitted. Afterwards, Iron merchant on discussion with his technician intimates Priyansh that cost of the window will be ₹ 5,000 and he will take ₹ 1,000 as advance. Priyansh gives ₹ 1,000 as advance and rest after fitting of window. After three days when technician try to fit the window made by him at the site of Priyansh, it was noticed that the size of window was not proper. Priyansh requests the Iron merchant either to remove the defect or return his advance. Iron merchant replies that the window was specifically made for his site and the defect cannot be removed nor can it be of other use. So, he will not refund the advance money rather Priyansh should give him the balance of ₹ 4,000. State with reason under the provisions of the Sale of Goods Act, 1930, whether Priyansh can take his advance back?
9. Ayushman is the owner of a residential property situated at Indraprastha Marg, New Delhi. He wants to sell this property and for this purpose he appoints Ravi, a mercantile agent with a condition that Ravi will not sell the house at a price not less than ₹ 5 crores. Ravi sells the house for ₹ 4 crores to Mudit, who buys in good faith. Ravi misappropriated the money received from Mudit. Ayushman files a suit against Mudit to recover his property. Decide with reasons, can Ayushman do so under the Sale of Goods Act, 1930?
10. A agrees to sell certain goods to B on a certain date on 10 days credit. The period of 10 days expired and goods were still in the possession of A. B has also not paid the price of the goods. B becomes insolvent. A refuses to deliver the goods to exercise his right of lien on the goods. Can he do so under the Sale of Goods Act, 1930?
11. State the difference between Sale and Agreement to sell.

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**FOUNDATION EXAMINATION: JUNE, 2023**

12. Mr. Ram and Mr. Raheem are working as teacher in Ishwarchand Vidhyasagar Higher Secondary School and also are very good friends. They jointly purchased a flat which was given on rent to Mr. John. It was decided between landlords and tenant that the rent would be ₹ 10,000 per month inclusive of electricity bill. It means electricity bill will be paid by landlords. The landlords, by mistake, did not pay the electricity bill for the month of March 2021. Due to this, the electricity department cut the connection. Mr. John has to pay the electricity bill of ₹ 2800 and ₹ 200 as penalty to resume the electricity connection. Mr. John claimed ₹ 3000 from Mr. Ram but Mr. Ram replied that he is liable only for ₹ 1500. Mr. John said that Mr. Ram and Mr. Raheem are partners therefore he can claim the full amount from any of the partner. Explain, whether under the provision of Indian Partnership Act, 1932, Mr. Ram is liable to pay whole amount of ₹ 3000 to Mr. John?
13. Shyam, Mohan and Keshav were partners in M/s Nandlal Gokulwale and Company. They mutually decided that Shyam will take the responsibility to sell the goods, Mohan will do the purchase of goods for firm and Keshav will look after the accounts and banking department. No one will interfere in other's department. Once, when Shyam and Keshav were out of town, Mohan got the information that the price of their good is going down sharply due to some government policy which would result in heavy loss to firm if goods not sold immediately. He tried to contact Shyam who has authority to sell the goods. When Mohan couldn't contact to Shyam, he sold all goods at some reduced price to save the firm from heavy loss. Thereafter, Shyam and Keshav denied accepting the loss due to sale of goods at reduced price as it's only Shyam who has express authority to sell the goods. Discuss the consequences under the provisions of the Indian Partnership Act, 1932.
14. X and Y were partners in a firm. The firm was dissolved on 12<sup>th</sup> June, 2022 but no public notice was given. Thereafter, X purchased some goods in the firm's name from Z. Z was ignorant of the fact of dissolution of firm. X became insolvent and Z filed a suit against Y for recovery of his amount. State with reasons whether Y would be liable under the provisions of the Indian Partnership Act, 1932?
15. State the modes by which a partner may transfer his interest in the firm in favour of another person under the Indian Partnership Act, 1932. What are the rights of such a transferee?
16. Explain the Small Limited Liability Partnership under the LLP Act, 2008.
17. In the Flower Fans Private Limited, there are only 5 members. All of them go in a boat on a pleasure trip into an open sea. The boat capsizes and all of them died being drowned. Explain with reference to the provisions of Companies Act, 2013:
- Is Flower Fans Private Limited no longer in existence?
  - Further is it correct to say that a company being an artificial person cannot own property and cannot sue or be sued?

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18. ABC Limited was into sale and purchase of iron rods. This was the main object of the company mentioned in the Memorandum of Association. The company entered into a contract with Mr. John for some finance related work. Later on, the company repudiated the contract as being ultra vires.

With reference to the same, briefly explain the doctrine of “ultravires” under the Companies Act, 2013. What are the consequences of ultravires acts of the company?

19. Articles of Association of XYZ Private Limited provides that Board of Directors (BOD) can take the loan upto ₹ 5,00,000 for Company by passing the board resolution. In that case, the loan amount is in excess of the limit, special resolution is required to be passed in general meeting. Due to urgent needs of funds, BOD applied for loan in a reputed bank for ₹ 10,00,000 without passing the resolution in the general meeting. BOD gave an undertaking to bank that Special Resolution has been passed for such loan. The bank on believing on such undertaking lend the money. On demanding the repayment of loan, company denied the payment as act was ultra vires to company. Kindly, advise.
20. Explain the classification of the companies on the basis of control as per the Companies Act, 2013.

**ANSWERS**

1. (a) A, who owns two cars is selling red car to B. B thinks he is purchasing the black car. There is no *consensus ad idem* and hence not a valid contract.
  - (b) A threatened to shoot B if he (B) does not lend him ₹2,00,000 and B agreed to it. Here the agreement is entered into under coercion and hence not a valid contract.
  - (c) A agrees to sell his house to B against 100 kgs of cocaine (drugs). Such agreement is illegal as the consideration is unlawful.
  - (d) A ask B if he wants to buy his bike for ₹ 50,000. B agrees to buy bike. It is agreement which is enforceable by law. Hence, it is a valid contract.
  - (e) Mr. X agrees to write a book with a publisher. But after few days, X dies in an accident. Here the contract becomes void due to the impossibility of performance of the contract.
2. If the performance consists of payment of money and there are several debts to be paid, the payment shall be appropriated as per provisions of Sections 59, 60 and 61 of the Indian Contract Act, 1872. The debtor has, at the time of payment, the right of appropriating the payment. In default of debtor, the creditor has option of election and in default of either, the law will allow appropriation of debts in order of time.

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In the present case, Mr. Harish had made two payments by way of two cheques. One cheque was exactly the amount of the bill drawn. It would be understood even though not specifically appropriated by Mr. Harish that it will be against the bill of exact amount. Hence cheque of ₹9,680 will be appropriated against the bill of ₹ 9,680 which was due in May 2021.

Cheque of ₹ 15000 can be appropriated against any lawful debt which is due even though the same is time-barred.

Hence, Mr. Ashish can appropriate the same against the debt of ₹12,120 which was due in 2018 and balance against ₹ 5650 which was due in August 2020.

3. Section 25 of Indian Contract Act, 1872 provides that an agreement made without consideration is valid if it is expressed in writing and registered under the law for the time being in force for the registration of documents and is made on account of natural love and affection between parties standing in a near relation to each other. In other words, a written and registered agreement based on natural love and affection between the parties standing in near relation to each other is enforceable even without consideration.

In the given problem, the transfer of house made by Mr. Shyam Mundra on account of natural love and affection between the parties standing in near relation to each other is written but not registered. Hence, this transfer is not enforceable.

4. According to the provisions of Section 11 of Indian Contract Act, 1872, a minor is disqualified from contracting. A contract with minor is void-ab-initio but minor can act as an agent. But he will not be liable to his principal for his acts.

In the instant case, Mr. Mukund appoints Mr. Parth, a minor as his agent to sale his car. Mr. Mukund clearly instructed to Mr. Parth that the minimum sale price of the car should be ₹ 2,00,000 yet Mr. Parth sold the car to Mr. Naman for ₹ 1,50,000.

- (a) Considering the facts, although the contract between Mr. Mukund and Mr. Parth is valid, Mr. Parth will not be liable to his principal for his acts. Hence, Mr. Mukund cannot recover the loss of ₹ 50,000.
- (b) Further, Mr. Naman purchased the car from agent of Mr. Mukund, he got good title. Hence, Mr. Mukund cannot recover his car from Mr. Naman.
5. According to Section 27 of the Indian Contract Act, 1872, any agreement that restrains a person from carrying on a lawful trade, profession or business is a void agreement. However, there are certain exceptions to this rule. One of the statutory exceptions includes sale of Goodwill. The restraint as to sale of goodwill would be a valid restraint provided -
- (i) Where the restraint is to refrain from carrying on a similar business,
- (ii) The restraint should be within the specified local limits,

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- (iii) The restraint should be not to carry on the similar business after sale of goodwill to the buyer for a price,
- (iv) The restriction should be reasonable. Reasonableness of restriction will depend upon number of factors as considered by court.

In the given case, Mukesh has sold the goodwill and there is restraint for not carrying on the same business of grocery store. However, the restriction imposed on Mukesh is unreasonable as he cannot carry similar business in whole of India for next 10 years. The restriction on restraint to similar kind of trade should be reasonable to make it a valid agreement.

Hence, Rohit cannot take any legal action against Mukesh as the restriction is unreasonable as per Section 27 of Indian Contract Act, 1872. Hence, the agreement made between in restraint of trade between Mukesh and Rohit is void agreement.

6. Section 69 of the Indian Contract Act, 1872 states that a person who is interested in the payment of money which another person is bound by law to pay, and who therefore pays it, is entitled to get it reimbursed by the other.

In the present case, D was lawfully bound to pay rent. P was interested in making the payment to D's landlord as his carriage was seized by him. Hence being an interested party, P made the payment and can recover the same from D.

7. As per the provisions of the Sale of Goods Act, 1930 there are three modes of delivery, i) Actual delivery, ii) Constructive delivery and iii) Symbolic delivery. When delivery is affected without any change in the custody or actual possession of the things, it is called constructive delivery or delivery by acknowledgement. Constructive delivery takes place when a person in possession of goods belonging to seller acknowledges to the buyer that he is holding the goods on buyer's behalf.

On the basis of above provisions and facts, it is clear that possession of the wheat has been transferred through constructive delivery. Hence, Avyukt is not right. He cannot claim the price back.

8. By virtue of provisions of Section 16 of the Sale of Goods Act, 1930, there is an implied condition that the goods should be in merchantable position at the time of transfer of property. Sometimes, the purpose for which the goods are required may be ascertained from the facts and conduct of the parties to the sale, or from the nature of description of the article purchased. In such a case, the buyer need not tell the seller the purpose for which he buys the goods.



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On the basis of above provisions and facts given in the question, it is clear that as window size was not proper, window was not in merchantable condition. Hence, the implied condition as to merchantability was not fulfilled and Priyansh has the right to avoid the contract and recover his advance money back.

9. As per the Proviso to Section 27 of the Sale of Goods Act, 1930, a sale made by a mercantile agent of the 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.

On the basis of above, it can be said that Ravi, the mercantile agent, sells property to Mudit who bought in good faith. Mudit obtained a good title of that residential property. Hence, Ayushman cannot recover his property from Mudit. Rather, Ayushman can recover his loss from Ravi.

10. Lien is the right of a person to retain possession of the goods belonging to another until claim of the person in possession is satisfied. The unpaid seller has also right of lien over the goods for the price of the goods sold.

Section 47(1) of the Sale of Goods Act, 1930 provides that the unpaid seller who is in the possession of the goods is entitled to exercise right of lien in the following cases: -

1. Where the goods have been sold without any stipulation as to credit
2. Where the goods have been sold on credit but the term of credit has expired
3. Where the buyer has become insolvent even though the period of credit has not yet expired.

In the given case, A has agreed to sell certain goods to B on a credit of 10 days. The period of 10 days has expired. B has neither paid the price of goods nor taken the possession of the goods. That means the goods are still physically in the possession of A, the seller. In the meantime, B, the buyer has become insolvent. In this case, A is entitled to exercise the right of lien on the goods because the buyer has become insolvent and the term of credit has expired without any payment of price by the buyer.

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11. The differences between Sale and Agreement to sell are as follows:

<b>Basis of difference</b>	<b>Sale</b>	<b>Agreement to sell</b>
<b>Transfer of property</b>	The property in the goods passes to the buyer immediately.	Property in the goods passes to the buyer on future date or on fulfilment of some condition.
<b>Nature of contract</b>	It is an executed contract i.e. contract for which consideration has been paid.	It is an executory contract i.e. contract for which consideration is to be paid at a future date.
<b>Remedies for breach</b>	The seller can sue the buyer for the price of the goods because of the passing of the property therein to the buyer.	The aggrieved party can sue for damages only and not for the price, unless the price was payable at a stated date.
<b>Liability of parties</b>	A subsequent loss or destruction of the goods is the liability of the buyer.	Such loss or destruction is the liability of the seller.
<b>Burden of risk</b>	Risk of loss is that of buyer since risk follows ownership.	Risk of loss is that of seller.
<b>Nature of rights</b>	Creates Jus in rem means right against the whole world.	Creates Jus in personam means rights against a particular party to the contract.
<b>Right of resale</b>	The seller cannot resell the goods.	The seller may sell the goods since ownership is with the seller.
<b>In case of insolvency of seller</b>	The official assignee will not be able to take over the goods but will recover the price from the buyer.	The official assignee will acquire control over the goods but the price will not be recoverable.
<b>In case of insolvency of buyer</b>	The official assignee will have control over the goods.	The official assignee will not have any control over the goods.

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12. According to Section 4 of the Indian Partnership Act, 1932, "Partnership" is the relation between persons who have agreed to share the profits of a business carried on by all or any of them acting for all. Therefore, for determining the existence of partnership, it must be proved.

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

On the basis of above provisions and facts provided in the question, Mr. Ram and Mr. Raheem cannot be said under partnership as they are teachers in a school and just purchased a flat jointly. By merely giving the flat on rent, they are not doing business. They are just earning the income from the property under their co-ownership. Hence, there is no partnership between them. Therefore, Mr. Ram is liable to pay his share only i.e. ₹ 1500. Mr. John has to claim rest ₹ 1500 from Mr. Raheem.

13. According to Section 20 of Indian Partnership Act, 1932, the partners in a firm may, by contract between the partners, extend or restrict the implied authority of any partner. Notwithstanding any such restriction, any act done by a partner on behalf of the firm which falls within his implied authority binds the firm, unless the person with whom he is dealing knows of the restriction or does not know or believe that partner to be a partner.

Further, according to Section 21, a partner has authority, in an emergency to do all such acts for the purpose of protecting the firm from loss as would be done by a person of ordinary prudence, in his own case, acting under similar circumstances, and such acts bind the firm.

On the basis of provisions and facts provided in the question, though Shyam was expressly authorised to sell the goods, Mohan sold the goods at some loss. It was very much clear that Mohan has done what a person of ordinary prudence does in an emergency to protect the firm from heavy loss. Hence, this sale will bind the firm.

14. By virtue of provisions of Section 45 of the Indian Partnership Act, 1932, notwithstanding the dissolution of a firm, the partners continue to be liable as such to third parties for any act done by any of them which would have been an act of the firm, if done before the dissolution, until public notice is given of the dissolution.

In the instant case, X and Y were partners in a firm which was dissolved but no public notice was given. After dissolution, X purchased some goods in the firm's name from Z who was ignorant of the fact of dissolution of firm. X became insolvent and Z filed a suit against Y for recovery of his amount.

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Following the provisions of Section 45, X and Y are continuing liable against third party even after dissolution of firm until public notice is given. As in the given problem, X became insolvent, therefore, Y will be liable to Z.

15. Section 29 of the Indian Partnership Act, 1932 provides that a share in a partnership is transferable like any other property, but as the partnership relationship is based on mutual confidence, the assignee of a partner's interest by sale, mortgage or otherwise cannot enjoy the same rights and privileges as the original partner.

The rights of such a transferee are as follows:

- (1) During the continuance of partnership, such transferee is not entitled
- (a) to interfere with the conduct of the business,
  - (b) to require accounts, or
  - (c) to inspect books of the firm.

He is only entitled to receive the share of the profits of the transferring partner and he is bound to accept the profits as agreed to by the partners, i.e., he cannot challenge the accounts.

- (2) On the dissolution of the firm or on the retirement of the transferring partner, the transferee will be entitled, against the remaining partners:
- (a) to receive the share of the assets of the firm to which the transferring partner was entitled, and
  - (b) for the purpose of ascertaining the share,
- he is entitled to an account as from the date of the dissolution.

By virtue of Section 31, no person can be introduced as a partner in a firm without the consent of all the partners. A partner cannot by transferring his own interest, make anybody else a partner in his place, unless the other partners agree to accept that person as a partner. At the same time, a partner is not debarred from transferring his interest. A partner's interest in the partnership can be regarded as an existing interest and tangible property which can be assigned.

16. **Small Limited Liability Partnership [Section 2(ta) of the LLP Act, 2008]:** It means a limited liability partnership—
- (i) the contribution of which, does not exceed twenty-five lakh rupees or such higher amount, not exceeding five crore rupees, as may be prescribed; and
  - (ii) the turnover of which, as per the Statement of Accounts and Solvency for the immediately preceding financial year, does not exceed forty lakh rupees or such higher amount, not exceeding fifty crore rupees, as may be prescribed; or

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(iii) which meets such other requirements as may be prescribed, and fulfils such terms and conditions as may be prescribed.

17. (i) **Perpetual Succession** – A company on incorporation becomes a separate legal entity. It is an artificial legal person and have perpetual succession which means even if all the members of a company die, the company still continues to exist. It has permanent existence.

The existence of a company is independent of the lives of its members. It has a perpetual succession. In this problem, the company will continue as a legal entity. The company's existence is in no way affected by the death of all its members.

- (ii) The statement given is incorrect. A company is an artificial person as it is created by a process other than natural birth. It is legal or judicial as it is created by law. It is a person since it is clothed with all the rights of an individual. Further, the company being a separate legal entity can own property, have banking account, raise loans, incur liabilities and enter into contracts. Even members can contract with company, acquire right against it or incur liability to it. It can sue and be sued in its own name. It can do everything which any natural person can do except be sent to jail, take an oath, marry or practice a learned profession. Hence, it is a legal person in its own sense.

18. **Doctrine of ultra vires:** The meaning of the term ultra vires is simply “beyond (their) powers”. The legal phrase “ultra vires” is applicable only to acts done in excess of the legal powers of the doers. This presupposes that the powers in their nature are limited. It is a fundamental rule of Company Law that the objects of a company as stated in its memorandum can be departed from only to the extent permitted by the Act, thus far and no further. 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. On this account, a company can be restrained from employing its fund for purposes other than those sanctioned by the memorandum. Likewise, it can be restrained from carrying on a trade different from the one it is authorised to carry on.

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, when one deals with a company one is deemed to know about the powers of the company. If in spite of this you enter into a transaction which is ultra vires the company, you cannot enforce it against the company.

An act which is ultra vires the company being void, cannot be ratified even by the unanimous consent of all the shareholders of the company.

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Hence in the given case, ABC Limited cannot enter into a contract outside the purview of its object clause of Memorandum of Association as it becomes ultra vires and thus null and void.

19. According to doctrine of Indoor Management, persons dealing with the Company are presumed to have read the registered documents and to see that the proposed dealing is not inconsistent therewith, but they are not bound to do more; they need not enquire into the regularity of internal proceedings as required by Memorandum and Articles. This was also decided in case of *Royal British Bank Vs. Turquand*.

In the instant case, XYZ Private Limited have taken loan from reputed bank for ₹ 10,00,000 by passing Board Resolution while Special Resolution was necessary for such amount. BOD gave an undertaking to bank that Special Resolution has been passed for such loan. The bank on believing on such undertaking lends the money. On demanding the repayment of loan, company denied the payment as act was ultra vires to company.

On the basis of provisions of doctrine of indoor management, the bank can claim the amount of his loan from the company. The bank can believe on the undertaking given by board and no need to enquire further.

20. **In line with the Companies Act, 2013, following are the classification of the Companies on the basis of control:**

- (a) **Holding and subsidiary companies:** 'Holding and subsidiary' companies are relative terms.

A company is a holding company in relation to one or more other companies, means a company of which such companies are subsidiary companies. [Section 2(46)]

For the purposes of this clause, the expression "company" includes any body corporate.

Whereas section 2(87) defines "subsidiary company" in relation to any other company (that is to say the holding company), means a company in which the holding company—

- (i) controls the composition of the Board of Directors; or
- (ii) exercises or controls more than one-half of the total voting power either at its own or together with one or more of its subsidiary companies:

Provided that such class or classes of holding companies as may be prescribed shall not have layers of subsidiaries beyond such numbers as may be prescribed.

- (b) **Associate company [Section 2(6)]:** 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.

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Explanation. — For the purpose of this clause —

- (i) the expression “significant influence” means control of at least twenty per cent of total voting power, or control of or participation in business decisions under an agreement;
- (ii) the expression “joint venture” means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

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

- (1) Paid-up equity share capital; and
- (2) Convertible preference share capital.

**PAPER – 2 : BUSINESS LAWS & BUSINESS CORRESPONDENCE AND REPORTING 29****SECTION 2B: BUSINESS CORRESPONDENCE AND REPORTING****Part A****Chapter-1 Communication**

1. What is 'Aesthetic Communication'? Explain briefly.
2. Visual Communication is a powerful medium. Justify.

**Part-B****Chapter-2 Sentence Types, Active-Passive Voice and Direct-Indirect Speech**

1. Change the following sentences into passive voice.
  - a. Savita had missed the last metro.
  - b. The course co-ordinator will give them instructions.
  - c. The two neighbouring countries are signing the treaty.
  - d. Shekhar received a cheque of rupees five thousand.
  - e. Aruna is baking a chocolate cake today.
2. Change the following sentences into active voice.
  - a. The dinner is being prepared by the Master Chef.
  - b. The assignments were submitted by class 10 students.
  - c. Holi was played by the young and the old.
  - d. The city was nearly destroyed by the hurricane.
  - e. The cookies were stolen by the kids.
3. Change the following sentences from direct to indirect speech.
  - a. Reena said, 'I have been a studying a lot'.
  - b. Ajay asked, 'Do they live nearby?'
  - c. Karthik said, 'I can speak perfect Spanish'.
  - d. 'Please help me to carry the bag', exclaimed mother.
  - e. Kids shouted, 'We saw a thief'.



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**Chapter-3 Vocabulary**

1. In the following question, out of the four alternatives, select the one which best expresses the meaning of the given word.
  1. MESMERIZE
    - a. Control
    - b. Ignore
    - c. Achieve
    - d. Fascinate
  2. EPITOME
    - a. Relatable
    - b. Tomb
    - c. Exemplar
    - d. Peculiar
  3. FATHOM
    - a. Comprehend
    - b. Feelings
    - c. Over night
    - d. Untrue
  4. PREVALENT
    - a. widespread
    - b. Cheap
    - c. Summary
    - d. Judgement
2. In the following question, out of the given four alternatives, select the one which is opposite in meaning of the given word.
  1. Vital
    - a. Essential
    - b. Easy

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- c. Unimportant
  - d. Heavy
2. Dearth
- a. Less
  - b. Insufficient
  - c. Shortage
  - d. Abundance
3. Lethargy
- a. Energy
  - b. Enervate
  - c. Illegal
  - d. Remote
4. Arbitrary
- a. Casual
  - b. Rational
  - c. Account for
  - d. Judgement
3. Choose the correct meaning of the idioms given below.
- a. To shed light on
    - (i) To help someone
    - (ii) To work as an electrician
    - (iii) To interfere
    - (iv) To give further information
  - b. The lion's share
    - (i) To get scared of big animals
    - (ii) Big amount
    - (iii) Feel proud

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- (iv) Act smart
- c. To turn over a new leaf
  - (i) To turn pages quickly
  - (ii) To make a new start
  - (iii) To meditate
  - (iv) To hold anger
- d. To work a miracle
  - (i) To know magic
  - (ii) To make the almost impossible happen
  - (iii) To regret
  - (iv) To leave it to God
- e. Over the moon
  - (i) Bored
  - (ii) Arrogant
  - (iii) Delighted
  - (iv) Careless

**Part-C****Chapter-4**

1. Read the following passage carefully and answer the questions that follow.

Selfie is the latest fad among people, especially the younger generation. Whether you are at a railway station, at a restaurant, in the park or just walking on a street, you would come across youngsters clicking pictures of themselves, which are more commonly known as selfies. Though these selfies are good for social media post's but there have been several instances where selfie obsessed youngsters have severely injured themselves or even met with their death while taking a selfie. Oblivious of the surroundings, people have fallen to their death or have been run over by vehicles while in the process of taking a selfie. Some individuals have even gone a step ahead and attempted to take a selfie at a dangerous place or in difficult positions, there by meeting a gory end.

Infact, such is the craze of selfies in India that it has been recorded as having one of the highest number of selfie related deaths in the world. A study conducted in 2016, titled, 'Me Myself and my Killfie', estimated that of the 127 selfie deaths across the globe in the same

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year, 76 occurred in India alone. In contrast, Pakistan reported just 9 deaths while both the US and Russia witnessed 8 and 6 deaths respectively. It is the youngsters, under the age of 25, who are more prone to explore newer and more dangerous selfies. While in US, most people had selfie related deaths by falling off high buildings and mountain cliffs, in India most such deaths have been water related or near the railway tracks. The authors of the study hope that their study will serve as a warning for the people and would inspire new technology that would warn selfie takers when they are in risky zones.

Taking selfies is not wrong, but it is imperative to be aware of the surroundings. Selfies should be avoided in dangerous places, for it is always better to be safe than sorry.

**Questions**

1. Why does the author feel that selfies have become a fad among the young generation?
  2. Which segment of the society is prone to explore newer and more dangerous selfies?
  3. How can the study on selfies, according to the author be helpful?
  4. Choose the synonym of the word 'oblivious' as used in the passage.
    - (a) Warning
    - (b) Scared
    - (c) Easy going
    - (d) Unaware
  5. Choose the antonym of the word 'imperative' as used in the passage.
    - (a) Optional
    - (b) Important
    - (c) Difficult
    - (d) Unending
2. Read the given passage carefully and answer the questions that follow.

In the heart of the city of Kolkata, a man is singing his voice straining to be heard over the roar of traffic that encircles the maidan. A veteran singer of kathas, he is past of a vast gathering of entertainers, acrobats, palmists, and 'sundry folk', who meet at the Dharamtala Mela every Sunday afternoon. Accompanied by his dholak, the singer punctuates his story of blood and romance with pithy reverences to the state of the downtrodden. Listening to him intently are labourers and vagrants who sit around him in a circle, responding to his skillful interweaving of fact and fiction, myth and history.

Clearly, the singer knows how to tell a story as can be judged from the way he pitches his voice, varies his rhythm, breaks the narrative, then picks it up unexpectedly, only to shift

the perspective of his story with a change in voice and transformation of character. The performance ends after hours of non-stop delivery, whereupon 10 to 20 paise coins are collected from the crowd who part with what they can spare. The entire collection adds up to barely four to five rupees.

As the crowd disperses, I talk to the performer haltingly and express my appreciation with a small donation. I learn that he is in his 70's, he lives in Shyam bazar though his home state is Bihar and that he has been singing all his life. Later, as he rushes to catch his bus, I am left thinking about him and the possibilities of his representation. He is free to sing, but he is also desperately poor. In spite of the state, he exists. But for how long? And at what cost?

### Questions

1. The singer is a native of which state?
  - (a) West Bengal
  - (b) Kolkata
  - (c) Bihar
  - (d) Cant say.
2. The passage is mainly about:
  - (a) An unrecognised singer
  - (b) Art and culture
  - (c) Life in Kolkata
  - (d) Life in Shyam bazar
3. The tone of the author in the passage is
  - (a) Energetic
  - (b) Informing
  - (c) Thoughtful
  - (d) Depressing
4. Select the suitable meaning of the word 'vagrants' as used in Para 1
  - (A) Elite people
  - (b) Wanderers
  - (c) Thieves
  - (d) Artists
5. What story does the singer sing about?

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3. Read the given passage carefully and answer the questions that follow.

It is an indisputable fact that the world has gone too far with the innovation of new technologies such as mobile phones, the internet and so on, due to which people are able to tour the cosmos virtually sitting at one place using their smart devices or other technological gadgets. Though mobile internet access is oftentimes hurried and short, it can still provide common interest features like alerts, weather data, emails, search engines, instant messages, and game and music downloading.

Due to the easy access of smart phones, communication has been very efficient and quick. Messages get conveyed in an instant, even around the world, personal and professional talks/meetings happen; even business deals of high valuation happen over the internet now a days. Moreover, youngsters have been able to enhance their skills by the use of internet and these gadgets. Many educational institutions have started offering online classes for various courses for the easy and comfort of the students.

The mobile smart phone has acted as a life saver for many, especially in times of exigency. Likewise, smart phones can be used to avoid/prevent and even detect crimes in the society. Information can easily get tracked and the culprits can be traced by their location.

Nonetheless, for the young the use of mobile phones can be like an addiction and they can misuse it. Youngsters are prone to getting involved in undesirable and anti-social activities by virtue of their inquisitiveness. This might not only effect their academic performance, but also cause mental health issues. A number of depression and suicide cases have been observed in adolescents due to over exposure to the internet and involvement in morally incorrect activities. A major contributor to this problem is the prepaid or pay as you go service offered by a phone shop or an online store. Without having understood the repercussions of such services, youngsters get trapped and even end up sharing the PIN numbers of their parents' debit and credit cards. This further leads to misuse of money and related crimes.

The fact remains that technology has its own pros and cons. It depends on us whether we make use of it judiciously or impetuously.

**Questions**

1. How has the mobile phone acted as a life saver?
2. How have mobile phones made communication easy and quick?
3. What negative effects has the author mentioned, youngsters can face while using mobiles?
4. The word 'judiciously' as used in the passage means:
  - a) Attractively
  - b) Carelessly

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- c) Wisely
  - d) Dedicatedly
5. Explain the main idea of the passage in about 20 to 30 words.
  6. What common interest features does mobile internet provide?

**Chapter-5**

1. Read the following passages carefully.
  - (i) Make notes, using headings, sub-headings and using abbreviations wherever necessary.
  - (ii) Give a suitable title and write summary.

**Passage-1**

The Indus Valley Civilization is one of the oldest civilizations in human history. It arose on the Indian subcontinent nearly 5,000 years ago — roughly the same time as the emergence of ancient Egypt and nearly 1,000 years after the earliest Sumerian cities of Mesopotamia. The Indus Valley Civilization, in its mature phase, thrived for about 700 years, from around 2600 B.C. to 1900 B.C.

"The Indus Valley Civilization, also called the Saraswati or Harappan civilization, is one of the 'pristine' civilizations on our planet," William Belcher, an anthropologist at the University of Nebraska-Lincoln, told Live Science.

A pristine civilization is one that arose indigenously or independently of other civilizations. More specifically, it is one that developed on its own, without conquest, and without the benefit of cultural exchange or immigration with another established society. Generally, the six pristine civilizations recognized by archaeologists and historians are in the following areas: Egypt, Mesopotamia, China, Mesoamerica (which includes parts of Mexico and Central America), the Andean region and the Indus Valley. These civilizations arose at different times — the earliest of these, Mesopotamia, arose some 6,000 years ago, while the earliest Andean civilization, the Chavin, (opens in new tab) developed in approximately 900 B.C.

The Indus Valley Civilization derives its name from the Indus River, one of the longest rivers in Asia. Many of the Indus Valley Civilization's large, well-planned cities, such as Mohenjo-Daro, Kot Diji and Chanhu-Daro, were situated along the course of the Indus river, which flows from the mountains of western Tibet, through the disputed region of Kashmir and southwestward before emptying into the Arabian Sea near the modern city of Karachi, Pakistan. Other Indus Valley Civilization cities were located next to different major rivers, such as the Ghaggar-Hakra, Sutlej, Jhelum, Chenab and the Ravi rivers or on the alluvial floodplains between rivers. Today, much of this area is part of the Punjab region, which is translated as the "land of the five rivers" in what is now Pakistan. Other Indus

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Valley Civilization cities are located in northwest India, and a few additional cities are in northeastern Afghanistan, near archaeological sites where tin and lapis lazuli, a blue metamorphic rock, were mined.

**Passage -2**

Ideas rule the world. You shape your fate and decide your destiny by your thoughts. You have to think high to rise. You have to believe and be sure of yourself to win a prize. Life's battles don't always go 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 success and believe it firmly. You will then do whatever is necessary to bring success about.

Faith in yourself as well as the confidence that you can and will succeed are the key to your success at any step in life. If you keep your mind and heart focused on your goal and your thoughts have only the goal in them, you will do splendid in your life. You will find yourself capturing all the opportunities that come your way. Your energy will be directed, consciously or unconsciously towards your goal and you will be close to success.

Always, remember, thoughts are the most supreme, the most significant. Preserve the right attitude, right courage, frankness and confidence. Think of success in your work and you will do great. If your desire is weak, changing; your focus will be the same and the percentage of achieving success will reduce. But if you pursue your goal, with single minded attention, then nobody can stop you. A well- defined goal, a clear thought, a planned path and the will to win, are the key ingredients to become successful.

**Chapter-7 Précis Writing**

Write a précis and give an appropriate title to the passage given below.

1. Logic is the study of the methods and principles used to distinguish good (correct) reasoning from bad (incorrect) reasoning. This definition must not be taken to imply that only the student of logic can reason well or correctly. To say so, would be mistaken as to say that to run well requires studying the physics and physiology involved in that activity. Some excellent athletes are quite ignorant of the complex processes that go inside their bodies while they perform. And needless to say the somewhat elderly professors who know most about such things would perform very poorly, were they to risk their dignity on the athletic field. Even given the same basic muscular and nervous apparatus, the person who knows might not surpass the 'natural athlete'.



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Logic has frequently been defined as the science of the laws of thought. But this definition, although it gives a clue to the nature of logic, is not accurate. In the first place, thinking is studied by psychologists. Logic cannot be 'the' science of the laws of thought, because psychology is also a science that deals with the laws of thoughts.

2. When we survey our lives and efforts, we soon observe that almost the whole of our actions and desires are bound up with the existence of other human beings. We notice that whole nature resembles that of the social animals. We eat food that others have produced, wear clothes that others have made, live in houses that others have built. The greater part of our knowledge and beliefs has been passed on to us by other people though the medium of a language which others have created. Without language and mental capacities, we would have been poor indeed comparable to higher animals. We have, therefore, to admit that we owe our principal knowledge over the least to the fact of living in human society. The individual if left alone from birth would remain primitive and beast like in his thoughts and feelings to a degree that we can hardly imagine. The individual is what he is and has the significance that he has, not much in virtue of the individuality, but rather as a member of a great human community, which directs his material and spiritual existence from the cradle to grave.
3. The tree is worshipped as the Earth mother in tribal India. It gives us food, air and work and also housing material. Moreover, trees also sometimes give fodder for animals and fuel for energy making. Without trees, there is no soil; nothing can prevent soil from getting washed away. In the tribal areas of India, where we find the Bhils, Santhals, the Nagas and the Bishnois, whenever a child is born, a tree is planted in his/her name. This enables a strong relationship between the child and the tree. As the child grows, the tree also grows and starts bearing fruits. It starts its life a food giver to the tribal community and the tribal become the guardian of the tree. This kind of a nature shows the true faith in nature. The tribals worship nature and make sure no human intervenes. This is a learning lesson for all those who tamper with nature in the name of urbanization. Every entity, small or big, plant or animal has a place in life; with its due importance. If humans start intervening and disturbing Nature, the fury is felt in the form of natural calamities like floods, and droughts. It is an earnest request to all the mankind; Lets work together to make the world a better place to love, not a bitter place.

**Chapter-8 Article Writing**

1. Write an article on the following topics in not more than 200-250 words.
  - a. Impact of advertisements on the young generations.
  - b. Easy and basic ways to contribute towards keeping the environment clean and pollution free.

**PAPER – 2 : BUSINESS LAWS & BUSINESS CORRESPONDENCE AND REPORTING 39****Chapter-9 Report Writing**

1. Write a report on the following topics.
  - a. A newspaper report about a health campaign organized by an NGO in a local area.
  - b. You are the Accounts head of a Call centre. Write a formal report stating details of expenditure made in the last financial year towards purchase of systems and other items needed in office.

**Chapter-10 Formal letters and Official Communication**

1. You manage the food supply in your organization. Write a letter to a nearby, famous restaurant for a monthly tie up with it, to supply breakfast and lunch meals for the employees of your organization.
2. Write a letter to the customer service manager of 'Wooden Store', complaining about the bad quality of a study table unit and a chair purchased from it last week. Sign yourself as Mitali/ Mahesh.
3. You plan to open a cyber café in your area, Arjun Nagar, New Delhi. Write a letter to M/S PC electronics, giving an order of computers and related accessories needed in your café. Mention the quantity of each item as required.

**Chapter-11 Writing formal mails**

1. On behalf of your private firm, write a formal mail to all your employees, requesting them to provide the necessary KYC information, needed to be updated in a newly installed employee software. State that details should be sent well in time, before the last date i.e 10<sup>th</sup> April, 2023. Sign yourself as Manager, HR of the firm.
2. You are Raj/Rani, Head, Advertising in Admad Technologies. Write a letter to your clients stating the new terms and conditions that your organization has decided upon for future projects with effect from 15<sup>th</sup> March 2023.

**Chapter-12 Resume Writing**

1. You are Sumita/Sumit, MBA, marketing. Draft your resume to apply for jobs in private companies (Any MNC) along with a cover letter.
2. You are Rani /Raj Mehta, HR Head of C and C Pvt. Limited, an investment firm. Draft a formal e-mail stating the details of an interview scheduled with a candidate for the post of Senior Accountant.

**Chapter-13 Meetings**

1. Write 'Minutes of the Meeting' for a meeting conducted to discuss the low attendance in office after Covid. State reasons and discuss solutions.

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2. Write the 'Minutes of the Meeting' for a meeting organized to discuss the bad customer feedback about a product. Discuss future course of action. (Choose a food item like biscuit, chips, snacks etc.)

**ANSWERS****Part A****Chapter-1 Communication**

1. **Aesthetic Communication** includes art forms like dancing, painting, sculpting and music. These art forms convey the ideas and thoughts of the artists.
2. **Visual Communications** includes sign language, typography, graphics, illustrations etc. These means re inforce the written communication. The print and audio visual media make effective use of visuals to convey their message. Also, pie charts and other diagrammatic representation are now widely used in office presentations and convey a lot more. Hence, Visual communication is a powerful medium

**Part-B****Chapter-2 Sentence Types, Active-Passive Voice and Direct-Indirect Speech**

1.
  - a. The last metro was missed by Savita.
  - b. The instructions will be given by the course coordinator.
  - c. The treaty is being signed by the two neighbouring countries.
  - d. A cheque of rupees five thousand was received by Shekhar.
  - e. A chocolate cake is being baked by Aruna today.
2.
  - a. The Master Chef is preparing dinner.
  - b. Class 10 students submitted the assignments
  - c. The young and the old played Holi.
  - d. The hurricane nearly destroyed the city.
  - e. The kids stole the cookies.
3.
  - a. Reena said that she had been studying a lot.
  - b. Ajay asked if they lived nearby.
  - c. Karthik said that he could speak perfect Spanish.
  - d. Mother requested to help her to carry the bag.
  - e. Kids shouted that they saw a thief.

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1. 1. d
2. c
3. a
4. a
2. 1. c
2. d
3. a
4. b
3. a. iv
- b. ii
- c. ii
- d. ii
- e. iii

**Part-C****Chapter-4**

1. 1. The author feels that selfies have become a fad because whether you are at a railway station, at a restaurant, in the park or just walking on a street, you would come across youngsters clicking pictures of themselves.
2. The youngsters, under the age of 25, who are more prone to explore newer and more dangerous selfies.
3. The authors of the study hope that their study will serve as a warning for the people and would inspire new technology, that would warn the selfie takers when they are in risky zones.
4. (d) Unaware
5. (a) Optional
2. 1. (c) Bihar
2. (a) an unrecognized singer
3. (c) Thoughtful
4. (b) Wanderers.

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5. The singer sings a story of blood and romance with pithy reverences to the state of the downtrodden.
3. 1. The mobile phone has acted as life saver in times of exigency/emergency. Smart phones can also be used to prevent and detect crimes in society. Tracking of information is possible, when mobiles are used.
2. Mobile phones have made communication easy and quick as information can be transferred around the world, personal and professional meetings can happen; even business deals can happen through internet using mobiles.
3. Youngsters can addicted to the usage of the mobile phones. They might get involved in undesirable and anti-social activities. The addiction can impact their mental and physical health.
4. (c) Wisely
5. The main idea in the passage is to highlight the pros and cons of mobile phone usage. The author preaches to make a wise use of internet and mobiles, to avoid getting addicted to it and getting involved in undesirable activities.
6. A mobile internet offers features like alerts, weather data, emails, search engines, instant messages, and game and music downloading.

**Chapter-5****Passage 1**

## Indus Valley Civilization

1. Indus Valley Oldest cvlzn
  - 1.1 started nrly 50,000 yrs ago
  - 1.2 strtd some time as ancnt Egypt
  - 1.3 Thrvd fr 700 yrs
2. Also known as Saraswati/Harappan Cvlzn
  - 2.1 Called 'pristine' by William Belcher, anthropologist
  - 2.2 devlpd on its own; indpdntly
  - 2.3. Six Pristine cvlzn:
    - 2.3.1 Egypt
    - 2.3.2 Mesopotamia
    - 2.3.3. China
    - 2.3.4 Mesoamerica

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- 2.3.4. Andean region
- 2.3.5. Indus valley
- 2.4. Earliest civilization was Mesopotamia came 6000 yrs ago
- 2.5. Andean civilization developed in 900 BC
- 3. Name Indus valley derived from the river Indus
  - 3.1. Indus river flows from mountains of western Tibet, Kashmir, Karachi
  - 3.2. Indus valley civilization has cities namely: Mohenjo daro, Kot Diji, Chanhu Daro
  - 3.3. Other cities located near rivers Ravi, Chenab, Sutlej, Ghaggar Hakra
- 4. The area of five rivers is now in Punjab, 'land of five rivers'.
- 5. Other cities located in northwest India, north eastern Afghanistan
  - 5.1. Archaeological sites where tin and lapis lazuli were mined, another site of Indus Valley

**Key:**

- 1. Civilization= civilization
- 2. Nearly= nearly
- 3. Yrs= years
- 4. Started= started
- 5. Ancient= ancient
- 6. Thrived= thrived
- 7. For=for
- 8. Developed= developed
- 9. Independently= independently
- 10. Earliest=earliest
- 11. Valley=valley
- 12. Derived= derived
- 13. Rivers= rivers
- 14. Mountains= mountains
- 15. Namely= namely
- 16. Located= located
- 17. Eastern= eastern

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18. Whr= where

**Summary**

Indus Valley Civilization is the oldest civilizations of the human race, which in its mature phase, thrived for about 700 years, from 2600 BC to 1900 BC. Also known as Harappan /Saraswati civilization, it developed indigenously without any conquest or cultural exchange. One of the 'pristine' civilization of our planet, it derives its name from the river Indus and has well planned cities like Mohenjo daro, Kot diji and Chanhnu daro. Other cities of the civilization are located in north western India and on the 5 rivers from which the state Punjab derives its name: Sutlej, Chenab, Ravi, Jhelum and Ghagar Hakra.

**Passage- 2**

Think positive! Be positive!

1. Imprtno of ideas
  - 1.1. Thgts dcd fate and dstny
  - 1.2. Thnkng high lds to a rise
  - 1.3. Blv in yrslf
2. One who thinks he can win, acly wins
3. Succs strts with ones thgts
  - 3.1 Mnd is a bndl of thgts
  - 3.2 Thgts are potnt, pwrfl and prime src of succs
  - 3.3 Thgts be cmbnd with prpose, psrvnc, dsr to fulfill
4. Blv firmly and you will succd.
5. Keys to succs
  - 5.1 Fth, cnfdc, will to succd
  - 5.2 Fcsd mind, fcsd heart
  - 5.3 Opptnts get cptrd close to succs
6. Thgts are suprm and sigfent
7. Rght attd, rght courage, frankness, cnfdnc: elmnts needed
8. Well dfnd goal, clr thgts, plnnd path, will to win: gv you succs and you becm an exmpl

**Key**

1. Imprtno= importance
2. Thgts= thoughts

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3. Dct = decide
4. Dstny=destiny
5. Thknng= thinking
6. Lds=leads
7. Blv=believe
8. Yrslf= yourself
9. Acly= actually
10. Succs= success
11. Strts=starts
12. Mnd= mind
13. Bndl= bundle
14. Potnt= potent
15. Pwrfl= powerful
16. Src= source
17. Cmbnd= combined
18. Prpose= purpose
19. Prsvnc= preserverence
20. Dsr= desire
21. Blv= believe
22. Succd= succeed
23. Fth= faith
24. Cnfdc= confidence
25. Fcsd= focused
26. Opptnts= opportunities
27. Cptrd= captured
28. Suprm= supreme
29. Sigfnt= significant
30. Rght= right
31. Attd= attitude



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32. Elmnts= elements
33. Dfnd= defined
34. Clr=clear
35. Plnd= planned
36. Exmpl= example

**Summary**

Thoughts are the most important aspect of one's success. A positive mind and a one track focus on the goal are required to pursue success. Moreover, the belief that one can do it combined with faith and confidence leads one on the path that will lead to being a winner. The path should be planned with a clear focus. With this in hand, no one can stop and you set an example for others.

**Chapter-7 Précis Writing****1. What is logic?**

Logic is the study of methods and principles that helps to differentiate between the good/correct and the bad/incorrect. This does not hint towards only students studying logic can apply the correct thoughts. A person can perform well in sports without knowing the logic behind his body/physiological changes. However, it is a misconception to believe that logic is a law of thoughts as Psychology is also a science that primarily studies the same.

**2. Life is about interdependence**

A survey on the lives and efforts of humans would show that all the actions and desires are dependent on the existence of other human beings. From the food we eat, to the clothes we wear, to the houses we stay in, to the passing of knowledge from generation to generation; all this hints towards being social. The individual, thus becomes a member of the great humanity and that is what takes him through the journey from cradle to grave.

**3. Let's worship mother Nature**

The tribals in India have always worshipped mother Earth as the source of housing, food and fuel, and also occupation. The tribal communities like namely, the Bhils, the Santhals, the Nagas and the Bishnois plant a tree when a child is born, bringing an ownership to the tree. The tribals become the guardian of the tree and ensure no unwanted human intervention with nature. One needs to fear nature's fury and work in harmony with the environment. The idea is to promote peace and stay one with Nature as we are dependent on it.

**Chapter-8 Article Writing****1. a. Hints**

- Advertisements and their Impact (Title)

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- 'Advertisement is the art of persuasion', William Bernbach.
- Advertisements have become part and parcel of the visual and audio media. Whether it is a cricket match on TV, or a top 10 Hindi music show on radio, advertisements can be seen and heard often.
- While some ads are meaningful and lesson oriented, some others are irrelevant. Social campaigns advertisements leave a deep impact on the young generation.
- Some good ads are those that have a creative angle to them. They show the product with a catchy jingle, or some good humour which leaves an impact on the audience, especially the youngsters who easily get influenced. Talk about the other side of the coin.
- It has been noted that, good or bad, ads have a strong influence on the young minds.
- Moreover, these days ads on social media have become a source of earning. More the ads on one's channel, more it gets popularity.
- It is request to all the young minds of the country. Believe by finding out the why and the how. Do not accept things at their face value.
- The world of advertisement is a creative, innovative yet misleading one. Make your choices wisely.

*(The student may write other relevant points. Above mentioned are hints for a better understanding)*

**b. Hints:**

- Keep your environment green and clean! (Suitable title)
- Numerous discussions happen, several policies are made to keep the environment clean and healthy.
- All this might be happening at a higher level. But what can we do as good citizens of our country is the question?
- Start from our own house our own neighbourhood. Let's make an effort to not throw garbage on the road. Littering is one of the most difficult problem to tackle.
- State ways of preventing environmental pollution:
  - Less usage of fossil fuels
  - Control carbon footprints
  - Stop using old model vehicles that disrupt the AQI
  - Shift towards recycle, reduce and reuse (3 R's)

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- Another easy step is using public transport, or car pool for specific destinations. This will ensure less traffic on the road and hence control air pollution.
- It is imperative for citizens of the country, young and old, to contribute to the best of their ability to help to keep our surroundings clean. This will ensure a greener and safer environment for the future generations.

*(The student may write other relevant points. Above mentioned are hints for a better understanding)*

**Chapter-9 Report Writing****1. Hints:****a.**

- Newspaper report writing format (Timeline, name of reporter) Heading to the news brief.
- Name the NGO that has organized the health campaign
- Location, venue, date/time details
- Few lines on the background of the NGO
- Details about the campaign: who inaugurated, how many people participated, what is the purpose, how is the issue being addressed

**b.**

To: The Director, Finance

From: Secretary, Finance

Date: 27<sup>th</sup> Dec, 2022

Subject: Expenditure made towards systems and office stationery in the last financial year

Acknowledgements: I am deeply grateful to all my team members who helped me in formulating this detailed report. The expenditure and other related details have been recorded with precision.

**(1) Contents**

- i. List of items purchased
- ii. Segregation of systems, office stationery and other miscellaneous items
- iii. Cost and invoice details
- iv. Current budget versus amount spent
- v. Conclusion

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**Summary:** With the advancement in technology, we decided to enhance our working conditions ensuring a comfortable and employee friendly work zone. The items purchased will lead to better productivity and efficiency on the part of the work staff. It will add to the revenues of the organization and bring a good name in the industry.

Can be continued with a few tables mentioned and then the conclusion.

**Chapter-10 Formal letters and Official Communication****1. Creative Arts Pvt. Ltd.**

Sarojini Nagar  
New Delhi- 110023

27th December 2022  
Kasturi Vegetarian Dhaba.  
Sarojini Nagar Market  
New Delhi- 110023

Subject: Placing an order for breakfast and lunch on monthly basis

Dear Sir,

As discussed over telephone, we would like to place an order for breakfast and lunch meals supply on a monthly basis. This would be for around 25 employees. The meals would be needed five days a week (Monday to Friday).

Breakfast delivery: 9:00-9:30 am

Lunch delivery: 1:30 to 2:00 pm

The food should be delivered hot, in a hygienic way. The delivery has to be at our office premises and we would appreciate punctuality.

We wish to start the service from 1<sup>st</sup> April, 2023. Kindly revert so that the needful can be done.

Thanks and Regards

Rajesh

Assistant Manager (Admin)

Creative Arts

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2.

Flat no. 508, tower 12  
Green Valley apartments  
Sector 6, Dwarka  
New Delhi 110075

28<sup>th</sup> December, 2022

Customer Service Manager  
Wooden Store  
Shop No. 34,  
Jail road, Tilak Nagar  
New Delhi

Dear Sir,

Subject: Filing complaint for a broken item against Bill no. WS-60ST/2022

I hereby write to complain regarding the defect in the study table unit purchased on 22<sup>nd</sup> December, 2022 from your store, Jail road outlet.

The product when received at home was in a broken condition. One leg of the table was broken, the table top had several scratches; the arm of the chair was also broken into two pieces. The delivery man says, he got the product as given to him in the shop.

I request you to look into this matter without any delay and provide a new unit. I have enclosed a copy of the bill of purchase for your reference. Looking forward to your early response.

Thanking you

Yours truly,  
Mitali/ Mahesh  
Dwarka, New Delhi.

**PAPER – 2 : BUSINESS LAWS & BUSINESS CORRESPONDENCE AND REPORTING 51****3.**

Future Cyber Cafe  
 Arjun Nagar  
 New Delhi- 110000

4th March 2023

PC Electronics.  
 Nehru Place  
 New Delhi- 110023

Subject: Placing an order for computer systems and accessories.

Dear Sir,

This is with respect to our newly opened cyber café, Future Cyber Café' in Arjun Nagar. I would like to place an order for some computer systems and related accessories for the same. Below is a detailed table listing the requirements.

<b>Product Name</b>	<b>Quantity</b>
Computers (Full units)	10
UPS	5
Speakers	5
Modem	10

We wish to start operations from 1<sup>st</sup> April 2023. Kindly ensure that all products are quality checked and in a warranty period. Please send the items by next week to allow smooth flow of business. We would also need your help for installation.

Thanks and Regards

Arpit/Arpita  
 Future Cyber Cafe (Owner)

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## FOUNDATION EXAMINATION: JUNE, 2023

**Chapter-11 Writing formal mails**

1. Dear employees,

Greetings!

This is with respect to your KYC details needed, to be updated in a newly installed software. We request you to share your details in the given format (attached) by 10<sup>th</sup> April, 2023 to avoid any delay in work.

This is a mandatory process and we request our employees to kindly do the needful at the earliest.

For any help regarding the matter, an executive has been assigned to every department. The details of executives are enclosed with this mail. You can also write to [helpdesk@sittech.com](mailto:helpdesk@sittech.com) for any further clarifications.

Looking forward to your kind cooperation.

With warm regards

Mr. Sushil

Manager, HR

Sitcom Technologies

2. Dear clients,

Greetings!

This is with respect to the new norms and policies our organization has decided upon for future business. In the light of a mutually beneficial business relationship, the committee members have decided to revise the fee for print and social media advertising. Also, we request the clients to give us atleast two weeks for working on the requirements, to enable us to deliver quality work.

We would expect 25% of the full payment to be paid, at the beginning of the project. Balance amount can be paid, after the full completion of the project. This has been done seeing our past bitter experiences with a few clients. We have full faith in you; however business ethics cannot be over ruled

A team member will share with you all the necessary changes/additions made to our work policies. For any help regarding the matter, please feel free to contact him through email or phone call.

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Looking forward to your kind cooperation.

With warm regards

Mr. Raj/Rani

Head, Advertising

Admad Technologies

**Chapter-12 Resume Writing****1. Cover Letter:**

36/7

Old Rajinder Nagar,

Delhi 110060

29<sup>th</sup> December 2022

Manager, HR

Infra Technologies, USA Inc

Gurugram

Dear Ma'am/Sir,

Subject: Application for the Associate Consultant

This is with respect to the position of Associate Consultant in your esteemed organization.

I hold a Master's degree in Management (MBA) Finance from the premiere Management Development Institute, Gurugram. I have a work experience of 5 years with a Fintech firm. I am well aware of the developments in the finance sector and can contribute well with my expertise and knowledge.

Please find my resume for the details of my credentials.

Looking forward to hearing from you soon!

Yours sincerely,

Sumita/Sumit

11111-11111



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**FOUNDATION EXAMINATION: JUNE, 2023****Resume:****Sumita/Sumit Khanna**

36/7, Old Rajinder Nagar, Delhi | +91- 11111 1111 | sumita@gmail.com

**Objective**

To impart meaningful knowledge to the organization and help in better revenue and sales with the parallel aim of working for the betterment of the economy/society.

**Educational Qualification**

Qualification	Year	Board/University	Institution's Name
MBA	2015	MDI, Gurgaon	MDI Gurgaon
BBA	2013	Delhi University	College of Business Studies
Class 12 <sup>th</sup>	2010	CBSE	Springdales, Dhaula Kuan, New Delhi
Class 10 <sup>th</sup>	2008	CBSE	Springdales, Dhaula Kuan, New Delhi

**Professional Experience****Consultant ABC Technologies (April'17 - December'17)**

- Worked in association with the Finance team
- Delivered multiple projects within deadlines
- Handled Accounts of big clients
- Member of the Audit team, for learning purpose
- Attended professional development workshops organized by the organization

**Project Associate XYZ Pvt. Ltd. (April'15 - March'17)**

- Experience of working in a finance led team of seven members.
- Certified as 'finance literate', awarded as the best employee for a financial year.
- teaching Grade 3, 4, 5 and 6 as per CIE curriculum
- Worked in close association with senior finance executives of the firm,
- Built on the deck for client meetings and onsite projects.

**Social Work****Volunteer for the Non-Profit Organization, education for all (December 2013-March 2014)**

- Project: Each one teach one

**PAPER – 2 : BUSINESS LAWS & BUSINESS CORRESPONDENCE AND REPORTING 55**

- Job Role: Helping children with their education; majorly working over their mathematics skills

**Volunteer for the Non-Profit Organization, Teach India (October 2009-March 2011)**

- Job Role: Organized campaigns to help spread literacy among the poor and backward classes.

**(The student may add more details if needed; the above are Hints)**

**2. Rajkumar Rao**

Flat no. 78, Dream View hills,  
Sector 57  
NOIDA, UP

Subject: Interview Scheduled for 3<sup>rd</sup> May, 2023 at office premises for the post of Associate Offer for appointment for the post of Senior Accountant.

Dear Rajkumar,

We are pleased to inform you that your name has been shortlisted for an interview, for the post of Senior Accountant at C and C Pvt Ltd. Please find the details below.

Date of interview: 3<sup>rd</sup> Jan, 2023

Location: C and C Pvt Ltd, Sector 62, Noida

Time: 10:30 am

You requested to wear formals for the interview. Please carry all your credentials (Mark sheets, certificates, work experience proofs etc) that you wish to show to the interview panel. We also would like you to carry your Aadhar Card.

The interview would last for maximum 20 minutes. Kindly plan your day accordingly.

Kind regards,

Rani/Raj Mehta

Head – HR

+91- 33333000

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**FOUNDATION EXAMINATION: JUNE, 2023****Chapter-13 Meetings****1. Hint: Mention the agenda and the cause for the same.**

Participants in the meeting: Mr. XY, Vice-President; Mr. A, HR Manager; Mr. AB. Operations Head; Mr. ABC, Operations Manager and Mr. XY's Secretary

Date: December 30th, 2022

Meeting started at 10:30 am

Mr. A started the meeting and discussed the agenda as to why there was a low percentage of employees present in office.

Mr. AB intervenes and mentions how important it is for the company to have staff being present in the office. It will ensure better facilities being offered and operations cost is approved.

Mr. A and Mr. AB together presented a presentation with the statistics of absent versus present in the last financial year.

Mr. ABC suggests ideas to have atleast 50 % attendance in every division, on a daily basis.

Mr. XY gave his valuable inputs on how the attendance of staff can be increased.

Mr. ABC gives his suggestions on having some bonus or incentive schemes for the employees so as to attract them .

Mr. A concluded the meeting with vote of thanks to all the members who attended the meeting.

**2. Hint: Focus on one product. Mention the product and product specifications**

Participants in the meeting: Mr. B, Vice-President; Mr. A Product Manager, Mr. C, Sales Manager and their Associates

Date: December 29th, 2022

Meeting started at 12.00pm

Mr. C explains about the agenda of the meeting, and he talks about how people are facing issues using their new product. Negative feedback discussed

The associates have brainstormed few ideas about how the product can be changed according to the market requirements.

Mr. A listens to everyone carefully and shares his thoughts about changing the packaging too. He also proposes to work on the ingredients, pricing and presentation of the product. (We are taking the product to be edible)

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Mr. A agrees and informs that he would like to discuss with the design team and finalize the appropriate designs with everyone soon. Vice Chairman also exclaims the need to bring down the price for a better and healthy competition in the market.

The meeting concluded with few ideas that everyone is ready to explore and implement.

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

**SECTION A: BUSINESS LAWS**

**PART – I: The Limited Liability Act, 2008 has been amended through the Limited Liability Partnership (Amendment) Act, 2021 dated 13<sup>th</sup> August, 2021. The following are the amendments w.e.f. 1<sup>st</sup> April, 2022.**

<b>Earlier provision</b>	<b>New provision</b>
-	Throughout the Limited Liability Partnership Act, 2008, for the words and figures “the Companies Act, 1956” wherever they occur, the words and figures “the Companies Act, 2013” shall be substituted.
<p><b>Body Corporate [(Section 2(d)):</b> It means a company as defined in section 3 of the Companies Act, 1956 and includes—</p> <ul style="list-style-type: none"> <li>(i) a LLP registered under this Act;</li> <li>(ii) a LLP incorporated outside India; and</li> <li>(iii) a company incorporated outside India,</li> </ul> <p>but does not include—</p> <ul style="list-style-type: none"> <li>(i) a corporation sole;</li> <li>(ii) a co-operative society registered under any law for the time being in force; and</li> <li>(iii) any other body corporate (not being a company as defined in section 3 of the Companies Act, 1956 or a limited liability partnership as defined in this Act), which the Central Government may, by notification in the Official Gazette, specify in this behalf.</li> </ul>	<p><b>Body Corporate [(Section 2(d)):</b> It means a company as defined in <b>clause (20) of section 2 of the Companies Act, 2013</b> and includes</p> <ul style="list-style-type: none"> <li>(i) a limited liability partnership registered under this Act;</li> <li>(ii) a limited liability partnership incorporated outside India; and</li> <li>(iii) a company incorporated outside India,</li> </ul> <p>but does not include</p> <ul style="list-style-type: none"> <li>(i) a corporation sole;</li> <li>(ii) a co-operative society registered under any law for the time being in force; and</li> <li>(iii) any other body corporate (not being a company as defined in <b>clause (20) of section 2 of the Companies Act, 2013</b> or a limited liability partnership as defined in this Act), which the Central Government may, by notification in the Official Gazette, specify in this behalf.</li> </ul>
<p><b>Business [Section 2(e):</b> “Business” includes every trade, profession, service and occupation.</p>	<p><b>Business [Section 2(e):</b> “Business” includes every trade, profession, service <b>and occupation except any activity which the Central Government may, by notification, exclude.</b></p>

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## FOUNDATION EXAMINATION: NOVEMBER, 2022

<p><b>Newly inserted</b></p>	<p><b>“Small limited liability partnership [Section 2(ta)]:</b> It means a limited liability partnership—</p> <p>(i) the contribution of which, does not exceed twenty-five lakh rupees or such higher amount, not exceeding five crore rupees, as may be prescribed; and</p> <p>(ii) the turnover of which, as per the Statement of Accounts and Solvency for the immediately preceding financial year, does not exceed forty lakh rupees or such higher amount, not exceeding fifty crore rupees, as may be prescribed; or</p> <p>(iii) which meets such other requirements as may be prescribed, and fulfils such terms and conditions as may be prescribed;</p>
<p><b>Designated partners (Section 7):</b></p> <p>(i) Every LLP shall have at least two designated partners who are individuals and at least one of them shall be a resident in India.</p> <p>(ii) If in LLP, all the partners are bodies corporate or in which one or more partners are individuals and bodies corporate, at least two individuals who are partners of such LLP or nominees of such bodies corporate shall act as designated partners.</p> <p>(iii) <i>Resident in India:</i> For the purposes of this section, the term “resident in India” means a person who has stayed in India for a period of not less than 182 days during the immediately preceding one year.</p>	<p><b>Designated partners (Section 7)</b></p> <p>(1) Every limited liability partnership shall have at least two designated partners who are individuals and at least one of them shall be a resident in India: Provided that in case of a limited liability partnership in which all the partners are bodies corporate or in which one or more partners are individuals and bodies corporate, at least two individuals who are partners of such limited liability partnership or nominees of such bodies corporate shall act as designated partners.</p> <p><b>Explanation.</b> For the purposes of this section, the term resident in India means a person who has stayed in India for a period of not less than one hundred and <b>twenty days during the financial year.</b></p> <p>(2) Subject to the provisions of sub-section (1),</p> <p>(i) if the incorporation document</p>

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	<p>(a) specifies who are to be designated partners, such persons shall be designated partners on incorporation; or</p> <p>(b) states that each of the partners from time to time of limited liability partnership is to be designated partner, every partner shall be a designated partner;</p> <p>(ii) any partner may become a designated partner by and in accordance with the limited liability partnership agreement and a partner may cease to be a designated partner in accordance with limited liability partnership agreement.</p> <p>(3) An individual shall not become a designated partner in any limited liability partnership unless he has given his prior consent to act as such to the limited liability partnership in such form and manner as may be prescribed.</p> <p>(4) Every limited liability partnership shall file with the Registrar the particulars of every individual who has given his consent to act as designated partner in such form and manner as may be prescribed within thirty days of his appointment.</p> <p>(5) An individual eligible to be a designated partner shall satisfy such conditions and requirements as may be prescribed.</p> <p>(6) Every designated partner of a limited liability partnership shall obtain a Designated Partners Identification Number (DPIN) from the Central Government and the provisions of <b>sections 153 to 159 (both inclusive) of the Companies Act, 2013</b> shall apply <i>mutatis mutandis</i> for the said purpose.</p>
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<p><b>Registered office of LLP and change therein (Section 13):</b></p> <p>(1) Every LLP shall have a registered office to which all communications and notices may be addressed and where they shall be received.</p> <p>(2) A document may be served on a LLP or a partner or designated partner thereof by sending it by post under a certificate of posting or by registered post or by any other manner, as may be prescribed, at the registered office and any other address specifically declared by the LLP for the purpose in such form and manner as may be prescribed.</p> <p>(3) A LLP may change the place of its registered office and file the notice of such change with the Registrar in such form and manner and subject to such conditions as may be prescribed and any such change shall take effect only upon such filing.</p> <p>(4) If the LLP contravenes any provisions of this section, the LLP and its every partner shall be punishable with fine which shall not be less than ₹ 2,000 but which may extend to ₹ 25,000.</p>	<p><b>Registered office of LLP and change therein (Section 13):</b></p> <p>(1) Every limited liability partnership shall have a registered office to which all communications and notices may be addressed and where they shall be received.</p> <p>(2) A document may be served on a limited liability partnership or a partner or designated partner thereof by sending it by post under a certificate of posting or by registered post or by any other manner, as may be prescribed, at the registered office and any other address specifically declared by the limited liability partnership for the purpose in such form and manner as may be prescribed.</p> <p>(3) A limited liability partnership may change the place of its registered office and file the notice of such change with the Registrar in such form and manner and subject to such conditions as may be prescribed and any such change shall take effect only upon such filing.</p> <p><b>(4) If any default is made in complying with the requirements of this section, the limited liability partnership and its every partner shall be liable to a penalty of five hundred rupees for each day during which the default continues, subject to a maximum of fifty thousand rupees for the limited liability partnership and its every partner.</b></p>
<p><b>Name (Section 15):</b></p> <p>(1) Every limited liability partnership shall have either the words "limited liability partnership" or the acronym "LLP" as the last words of its name.</p>	<p><b>Name (Section 15):</b></p> <p>(1) Every limited liability partnership shall have either the words limited liability partnership or the acronym LLP as the last words of its name.</p>



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<p>(2) No LLP shall be registered by a name which, in the opinion of the Central Government is—</p> <p>(a) undesirable; or</p> <p>(b) identical or too nearly resembles to that of any other partnership firm or LLP or body corporate or a registered trade mark, or a trade mark which is the subject matter of an application for registration of any other person under the Trade Marks Act, 1999.</p>	<p>(2) No limited liability partnership shall be registered by a name which, in the opinion of the Central Government is</p> <p>(a) undesirable; or</p> <p><b>(b) identical or too nearly resembles to that of any other limited liability partnership or a company or a registered trade mark of any other person under the Trade Marks Act, 1999.</b></p>
<p><b>Change of name of LLP (Section 17):</b></p> <p>(1) Notwithstanding anything contained in sections 15 and 16, where the Central Government is satisfied that a LLP has been registered (whether through inadvertence or otherwise and whether originally or by a change of name) under a name which —</p> <p>(a) is a name referred to in sub-section (2) of section 15; or</p> <p>(b) is identical with or too nearly resembles the name of any other LLP or body corporate or other name as to be likely to be mistaken for it,</p> <p>the Central Government may direct such LLP to change its name, and the LLP shall comply with the said direction within 3 months after the date of the direction or such longer period as the Central Government may allow.</p> <p>(2) (i) Any LLP which fails to comply with a direction given under sub-section (1) shall be punishable with fine which shall not be less</p>	<p><b>Change of name of LLP (Section 17):</b></p> <p>(1) <b>Notwithstanding anything contained in sections 15 and 16, if through inadvertence or otherwise, a limited liability partnership, on its first registration or on its registration by a new body corporate, its registered name;"&gt;name, is registered by a name which is identical with or too nearly resembles to—</b></p> <p><b>(a) that of any other limited liability partnership or a company; or</b></p> <p><b>(b) a registered trade mark of a proprietor under the Trade Marks Act, 1999, as is likely to be mistaken for it, then on an application of such limited liability partnership or proprietor referred to in clauses (a) and (b) respectively or a company, the Central Government may direct that such limited liability partnership to change its name or new name within a period of three months from the date of issue of such direction:</b></p> <p><b>Provided that an application of the proprietor of the registered trade marks shall be maintainable within a</b></p>

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<p>than ₹ 10,000 but which may extend to ₹ 5 Lakhs.</p> <p>(ii) The designated partner of such LLP shall be punishable with fine which shall not be less than ₹ 10,000 but which may extend to ₹ 1 Lakh.</p>	<p>period of three years from the date of incorporation or registration or change of name of the limited liability partnership under this Act.</p> <p>(2) Where a limited liability partnership changes its name or obtains a new name under sub-section (1), it shall within a period of fifteen days from the date of such change, give notice of the change to Registrar along with the order of the Central Government, who shall carry out necessary changes in the certificate of incorporation and within thirty days of such change in the certificate of incorporation, such limited liability partnership shall change its name in the limited liability partnership agreement.</p> <p>(3) If the limited liability partnership is in default in complying with any direction given under sub-section (1), the Central Government shall allot a new name to the limited liability partnership in such manner as may be prescribed and the Registrar shall enter the new name in the register of limited liability partnerships in place of the old name and issue a fresh certificate of incorporation with new name, which the limited liability partnership shall use thereafter: Provided that nothing contained in this sub-section shall prevent a limited liability partnership from subsequently changing its name in accordance with the provisions of section 16.</p>
<p><b>Registration of changes in partners (Section 25):</b></p> <p>(1) Every partner shall inform the LLP of any change in his name or address</p>	<p><b>Registration of changes in partners (Section 25):</b></p> <p>(1) Every partner shall inform the limited liability partnership of any change in his</p>

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<p>within a period of 15 days of such change.</p> <p>(2) A LLP shall—</p> <p>(a) where a person becomes or ceases to be a partner, file a notice with the Registrar within 30 days from the date he becomes or ceases to be a partner; and</p> <p>(b) where there is any change in the name or address of a partner, file a notice with the Registrar within 30 days of such change.</p> <p>(3) A notice filed with the Registrar under sub-section (2)—</p> <p>(a) shall be in such form and accompanied by such fees as may be prescribed;</p> <p>(b) shall be signed by the designated partner of the LLP and authenticated in a manner as may be prescribed; and</p> <p>(c) if it relates to an incoming partner, shall contain a statement by such partner that he consents to becoming a partner, signed by him and authenticated in the manner as may be prescribed.</p> <p>(4) If the LLP contravenes the provisions of sub-section (2), the LLP and every designated partner of the LLP shall be punishable with fine which shall not be less than ₹ 2,000 but which may extend to ₹ 25,000.</p> <p>(5) If any partner contravenes the provisions of sub-section (1), such partner shall be punishable with fine which shall not be less than ₹ 2,000 but which may extend to ₹ 25,000.</p> <p>(6) Any person who ceases to be a partner of a LLP may himself file with</p>	<p>name or address within a period of fifteen days of such change.</p> <p>(2) A limited liability partnership shall</p> <p>(a) where a person becomes or ceases to be a partner, file a notice with the Registrar within thirty days from the date he becomes or ceases to be a partner; and</p> <p>(b) where there is any change in the name or address of a partner, file a notice with the Registrar within thirty days of such change.</p> <p>(3) A notice filed with the Registrar under sub-section (2)</p> <p>(a) shall be in such form and accompanied by such fees as may be prescribed;</p> <p>(b) shall be signed by the designated partner of the limited liability partnership and authenticated in a manner as may be prescribed; and</p> <p>(c) if it relates to an incoming partner, shall contain a statement by such partner that he consents to becoming a partner, signed by him and authenticated in the manner as may be prescribed.</p> <p><b>(4) If the limited liability partnership contravenes the provisions of sub-section (2), the limited liability partnership and its every designated partner shall be liable to a penalty of ten thousand rupees.</b></p> <p><b>(5) If the contravention referred to in sub-section (1) is made by any partner of the limited liability partnership, such partner shall be liable to a penalty of ten thousand rupees.</b></p> <p>(6) Any person who ceases to be a partner of a limited liability partnership may himself file with the Registrar the notice referred to in sub-section (3) if he has</p>
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## FOUNDATION EXAMINATION: NOVEMBER, 2022

<p>the Registrar the notice referred to in sub-section (3) if he has reasonable cause to believe that the LLP may not file the notice with the Registrar and in case of any such notice filed by a partner, the Registrar shall obtain a confirmation to this effect from the LLP unless the LLP has also filed such notice.</p> <p>However, where no confirmation is given by the LLP within 15 days, the registrar shall register the notice made by a person ceasing to be a partner under this section.</p>	<p>reasonable cause to believe that the limited liability partnership may not file the notice with the Registrar and in case of any such notice filed by a partner, the Registrar shall obtain a confirmation to this effect from the limited liability partnership unless the limited liability partnership has also filed such notice:</p> <p>Provided that where no confirmation is given by the limited liability partnership within fifteen days, the Registrar shall register the notice made by a person ceasing to be a partner under this section.</p>
<p><b>Unlimited liability in case of fraud (Section 30):</b></p> <p>(1) In case of fraud:</p> <ul style="list-style-type: none"> <li>• In the event of an act carried out by a LLP, or any of its partners,</li> <li>• with intent to defraud creditors of the LLP or any other person, or for any fraudulent purpose,</li> <li>• the liability of the LLP and partners who acted with intent to defraud creditors or for any fraudulent purpose</li> <li>• shall be unlimited for all or any of the debts or other liabilities of the LLP.</li> </ul> <p>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.</p> <p>(2) Where any business is carried on with such intent or for such purpose as mentioned in sub-section (1), every person who was knowingly a party to the carrying on of the business in the</p>	<p><b>Unlimited liability in case of fraud (Section 30):</b></p> <p>(1) In the event of an act carried out by a limited liability partnership, or any of its partners, with intent to defraud creditors of the limited liability partnership or any other person, or for any fraudulent purpose, the liability of the limited liability partnership 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 limited liability partnership:</p> <p>Provided that in case any such act is carried out by a partner, the limited liability partnership is liable to the same extent as the partner unless it is established by the limited liability partnership that such act was without the knowledge or the authority of the limited liability partnership.</p> <p>(2) Where any business is carried on with such intent or for such purpose as mentioned in sub-section (1), every person who was knowingly a party to the carrying on of the business in the manner aforesaid shall be punishable with imprisonment for a term which may</p>

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<p>manner aforesaid shall be punishable with</p> <ul style="list-style-type: none"> <li>• imprisonment for a term which may extend to 2 years and</li> <li>• with fine which shall not be less than ₹ 50,000 but which may extend to ₹ 5 Lakhs.</li> </ul> <p>(3) Where a LLP or any partner or designated partner or employee of such LLP has conducted the affairs of the LLP in a 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 designated partner or employee shall be liable to pay compensation to any person who has suffered any loss or damage by reason of such conduct. However, such LLP shall not be liable if any such partner or designated partner or employee has acted fraudulently without knowledge of the LLP.</p>	<p>extend to <b>five years</b> and with fine which shall not be less than fifty thousand rupees but which may extend to five lakh rupees.</p> <p>(3) Where a limited liability partnership or any partner or designated partner or employee of such limited liability partnership has conducted the affairs of the limited liability partnership in a fraudulent manner, then without prejudice to any criminal proceedings which may arise under any law for the time being in force, the limited liability partnership and any such partner or designated partner or employee shall be liable to pay compensation to any person who has suffered any loss or damage by reason of such conduct:</p> <p>Provided that such limited liability partnership shall not be liable if any such partner or designated partner or employee has acted fraudulently without knowledge of the limited liability partnership.</p>
<p><b>Maintenance of books of account, other records and audit, etc. (Section 34):</b></p> <p>(1) <b>Proper Books of account:</b></p> <ul style="list-style-type: none"> <li>• The LLP shall maintain such proper books of account as may be prescribed</li> <li>• relating to its affairs for each year of its existence</li> <li>• on cash basis or accrual basis and</li> <li>• according to double entry system of accounting and</li> <li>• shall maintain the same at its registered office</li> <li>• for such period as may be prescribed.</li> </ul>	<p><b>Maintenance of books of account, other records and audit, etc. (Section 34):</b></p> <p>(1) The limited liability partnership shall maintain such proper books of account as may be prescribed relating to its affairs for each year of its existence on cash basis or accrual basis and according to double entry system of accounting and shall maintain the same at its registered office for such period as may be prescribed.</p> <p>(2) Every limited liability partnership shall, within a period of six months from the end of each financial year, prepare a Statement of Account and Solvency for the said financial year as at the last day of the said financial year in such form as may be prescribed, and such statement</p>

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<p>(2) <b>Statement of Account and Solvency:</b></p> <ul style="list-style-type: none"> <li>• Every LLP shall,</li> <li>• within a period of 6 months from the end of each financial year,</li> <li>• prepare a Statement of Account and Solvency</li> <li>• for the said financial year as at the last day of the said financial year</li> <li>• in such form as may be prescribed, and</li> <li>• such statement shall be signed by the designated partners of the LLP.</li> </ul> <p>(3) Every LLP shall file within the prescribed time, the Statement of Account and Solvency prepared pursuant to sub-section (2) with the Registrar every year in such form and manner and accompanied by such fees as may be prescribed.</p> <p>(4) The accounts of LLP shall be audited in accordance with such rules as may be prescribed. However, the Central Government may, by notification in the Official Gazette, exempt any class or classes of LLP from the requirements of this sub-section.</p> <p>(5) Any LLP which fails to comply with the provisions of this section shall be punishable</p> <ul style="list-style-type: none"> <li>• with fine which shall not be less than ₹ 25,000</li> <li>• but which may extend to ₹ 5 Lakhs</li> </ul> <p>Every designated partner of such LLP shall be punishable</p> <ul style="list-style-type: none"> <li>• with fine which shall not be less than ₹ 10,000</li> </ul>	<p>shall be signed by the designated partners of the limited liability partnership.</p> <p>(3) Every limited liability partnership shall file within the prescribed time, the Statement of Account and Solvency prepared pursuant to sub-section (2) with the Registrar every year in such form and manner and accompanied by such fees as may be prescribed.</p> <p>(4) The accounts of limited liability partnerships shall be audited in accordance with such rules as may be prescribed: Provided that the Central Government may, by notification in the Official Gazette, exempt any class or classes of limited liability partnerships from the requirements of this sub-section.</p> <p>(5) <b>Any limited liability partnership which fails to comply with the provisions of sub-section (3), such limited liability partnership and its designated partners shall be liable to a penalty of one hundred rupees for each day during which such failure continues, subject to a maximum of one lakh rupees for the limited liability partnership and fifty thousand rupees for every designated partner.</b></p> <p>(6) <b>Any limited liability partnership which fails to comply with the provisions of sub-section (1), sub-section (2) and sub-section (4), such limited liability partnership shall be punishable with fine which shall not be less than twenty-five thousand rupees, but may extend to five lakh rupees and every designated partner of such limited liability partnership shall be punishable with fine which shall not</b></p>
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<ul style="list-style-type: none"> <li>• but which may extend to ₹ 1 Lakh.</li> </ul>	<p>be less than ten thousand rupees, but may extend to one lakh rupees.</p>
<p><b>Newly inserted</b></p>	<p><b>[34A. Accounting and auditing standards.</b> The Central Government may, in consultation with the National Financial Reporting Authority constituted under section 132 of the Companies Act, 2013,—</p> <p>(a) prescribe the standards of accounting; and</p> <p>(b) prescribe the standards of auditing, as recommended by the Institute of Chartered Accountants of India constituted under section 3 of the Chartered Accountants Act, 1949, for a class or classes of limited liability partnerships.]</p>
<p><b>Annual return (Section 35):</b></p> <p>(1) Every LLP shall file an annual return duly authenticated with the Registrar within 60 days of closure of its financial year in such form and manner and accompanied by such fee as may be prescribed.</p> <p>(2) Any LLP which fails to comply with the provisions of this section shall be punishable with fine which shall not be less than ₹ 25,000 but which may extend to ₹ 5 Lakhs.</p> <p>(3) If the LLP contravenes the provisions of this section, the designated partner of such LLP shall be punishable with fine which shall not be less than ₹ 10,000 but which may extend to ₹ 1 Lakh.</p>	<p><b>Annual return (Section 35):</b></p> <p>(1) Every limited liability partnership shall file an annual return duly authenticated with the Registrar within sixty days of closure of its financial year in such form and manner and accompanied by such fee as may be prescribed.</p> <p>(2) <b>If any limited liability partnership fails to file its annual return under subsection (1) before the expiry of the period specified therein, such limited liability partnership and its designated partners shall be liable to a penalty of one hundred rupees for each day during which such failure continues, subject to a maximum of one lakh rupees for the limited liability partnership and fifty thousand rupees for designated partners.</b></p>
<p><b>Newly inserted</b></p>	<p><b>67A. Establishment of Special Courts.</b></p> <p>(1) The Central Government may, for the purpose of providing speedy trial of offences under this Act, by notification, establish or designate as many Special Courts as may be</p>

	<p>necessary for such area or areas, as may be specified in the notification.</p> <p>(2) The Special Court shall consist of—</p> <p>(a) a single Judge holding office as Sessions Judge or Additional Sessions Judge, in case of offences punishable under this Act with imprisonment of three years or more; and</p> <p>(b) a Metropolitan Magistrate or a Judicial Magistrate of the first class, in the case of other offences, who shall be appointed by the Central Government with the concurrence of the Chief Justice of the High Court:</p> <p>Provided that until Special Courts are designated or established under subsection (1), the Courts designated as Special Courts in terms of section 435 of the Companies Act, 2013 shall be deemed to be Special Courts for the purpose of trial of offences punishable under this Act:</p> <p>Provided further that notwithstanding anything contained in the Code of Criminal Procedure, 1973, any offence committed under this Act, which is triable by a Special Court shall, until a Special Court is established under this Act or the Companies Act, 2013, be tried by a Court of Sessions or the Court of Metropolitan Magistrate or a Judicial Magistrate of the first class, as the case may be, exercising jurisdiction over the area.]</p> <p><b>67B. Procedure and powers of Special Court.</b></p> <p>(1) Notwithstanding anything contained in the Code of Criminal Procedure, 1973, all offences specified under subsection (1) of section 67A shall be</p>
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	<p>triable only by the Special Court established or designated for the area in which the registered office of the limited liability partnership is situated in relation to which the offence is committed or where there are more than one Special Courts for such area, by such one of them as may be specified in this behalf by the High Court concerned.</p> <p>(2) While trying an offence under this Act, a Special Court may also try an offence other than an offence under this Act with which the accused may, under the Code of Criminal Procedure, 1973 be charged at the same trial.</p> <p>(3) Notwithstanding anything contained in the Code of Criminal Procedure, 1973, the Special Court may, if it thinks fit, try in a summary way any offence under this Act which is punishable with imprisonment for a term not exceeding three years:          Provided that in the case of any conviction in a summary trial, no sentence of imprisonment for a term exceeding one year shall be passed:          Provided further that, when at the commencement of or in the course of a summary trial, it appears to the Special Court that the nature of the case is such that the sentence of imprisonment for a term exceeding one year may have to be passed or that it is, for any other reason, undesirable to try the case summarily, the Special Court shall, after hearing the parties, record an order to that effect and thereafter recall any witnesses who may have been examined and proceed to hear or re-</p>
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	hear the case in accordance with the procedure for the regular trial.
Newly inserted	<p><b>67C. Appeal and revision.</b> The High Court may exercise, so far as may be applicable, all the powers conferred by Chapters XXIX and XXX of the Code of Criminal Procedure, 1973 on a High Court, as if a Special Court within the local limits of the jurisdiction of the High Court were a Court of Sessions trying cases within the local limits of the jurisdiction of the High Court.]</p>
Newly inserted	<p><b>68A. Registration offices.</b></p> <p>(1) For the purpose of exercising such powers and discharging such functions as are conferred on the Central Government by or under this Act or under rules made thereunder and for the purpose of registration of limited liability partnerships under this Act, the Central Government shall, by notification, establish such number of registration offices at such places as it thinks fit, specifying their jurisdiction.</p> <p>(2) The Central Government may appoint such Registrars, Additional Registrars, Joint Registrars, Deputy Registrars and Assistant Registrars as it considers necessary, for the registration of limited liability partnerships and discharge of various functions under this Act.</p> <p>(3) The powers and duties of the Registrars referred to in sub-section (2) and the terms and conditions of their service shall be such as may be prescribed.</p> <p>(4) The Central Government may direct the Registrar to prepare a seal or seals for the authentication of documents required for, or connected with the</p>

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	registration of limited liability partnerships.]
<p><b>Payment of additional fee (Section 69):</b> Any document or return required to be filed or registered under this Act with the Registrar, if, is not filed or registered in time provided therein, may be filed or registered after that time upto a period of 300 days from the date within which it should have been filed, on payment of additional fee of ₹ 100 for every day of such delay in addition to any fee as is payable for filing of such document or return.</p> <p>However, such document or return may, without prejudice to any other action or liability under this Act, also be filed after such period of 300 days on payment of fee and additional fee specified in this section.</p>	<p><b>Payment of additional fee (Section 69):</b> <b>Any document or return required to be registered or filed under this Act with Registrar, if, is not registered or filed in time provided therein, may be registered or filed after that time, on payment of such additional fee as may be prescribed in addition to any fee as is payable for filing of such document or return:</b></p> <p><b>Provided that such document or return shall be filed after the due date of filing, without prejudice to any other action or liability under this Act:</b></p> <p><b>Provided further that a different fee or additional fee may be prescribed for different classes of limited liability partnerships or for different documents or returns required to be filed under this Act or rules made thereunder.</b></p>

## PART – II QUESTION AND ANSWER

## QUESTIONS

- Mr. Y is a devotee and wants to donate an elephant to the temple as a core part of ritual worship. He contacted Mr. X who wanted to sell his elephant. Mr. X contracted with Mr. Y to sell his elephant for ₹ 20 Lakhs. Both were unaware that the elephant was dead a day before the agreement. Referring to the provisions of the Indian Contract Act, 1872, explain whether it is a void, voidable or a valid contract.
- In the light of the provisions of the Indian Contract Act, 1872, answer the following:
  - A student was induced by his teacher to sell his brand-new bike to the latter at a price less than the purchase price to secure more marks in the examination. Accordingly, the bike was sold. However, the father of the student persuaded him to sue his teacher. Whether the student can sue the teacher? If yes, on what grounds?
  - Give the circumstances as to when “Vindictive or Exemplary Damages” may be awarded for breach of a contract.

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3. Karan agreed to purchase wooden table for his study room from Mr. X. Table was in good condition and was examined by Karan before purchasing. He found no defects in it and paid ₹ 20,000 for that table. Later on, it was found that one leg of table is broken, and Mr. X has pasted the wood and tried to hide the defects in the table. Can Karan return the table and claim the amount back? Discuss the same with reference to Indian Contract Act, 1872.
4. What will be rights with the promisor in following cases? Explain with reasons:
  - (a) Mr. X promised to bring back Mr. Y to life again.
  - (b) A agreed to sell 50 kgs of apple to B. The loaded truck left for delivery on 15<sup>th</sup> March but due to riots in between reached A on 19<sup>th</sup> March.
  - (c) An artist promised to paint on the fixed date for a fixed amount of remuneration but met with an accident and lost his both hands.
  - (d) Abhishek entered into contract of import of toys from China. But due to disturbance in the relation of both the countries, the imports from China were banned.
5. "Though a minor is not competent to contract, nothing in the Contract Act prevents him from making the other party bound to the minor". Discuss.
6. (i) C bought a bun from a baker's shop. The piece of bun contained a stone in it which broke C's tooth while eating. What are the rights available to the buyer against the seller under the Sale of Goods Act, 1930?  
(ii) A contract with B to buy 50 chairs of a certain quality. B delivers 25 chairs of the type agreed upon and 25 chairs of some other type. Under the circumstances, what are the rights of A against B under the Sale of Goods Act, 1930?
7. Ankit needs a black pen for his exams. He went to a nearby stationery shop and told the seller for a black pen. Seller gives him a pen saying that it is a black pen but it was clearly mentioned on the packet of pen that "Blue Ink Pen". Ankit ignore that and takes the pen. After reaching his house, Ankit finds that the pen is actually a blue pen. Now Ankit wants to return the pen with the words that the seller has violated the implied conditions of sale by description. Whether Ankit can do what he wants as per the Sale of Goods Act, 1930.
8. Akansh purchased a Television set from Jethalal, the owner of Gada Electronics on the condition that first three days he will check it's quality and if satisfied he will pay for that otherwise he will return the Television set. On the second day, the Television set was spoiled due to an earthquake. Jethalal demand the price of Television set from Akansh. Whether Akansh is liable to pay the price under the Sale of Goods Act, 1930? Who will ultimately bear the loss?

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9. When can an unpaid seller of goods exercise his right of lien over the goods under the Sale of Goods Act? Can he exercise his right of lien even if the property in goods has passed to the buyer? When such a right is terminated? Can he exercise his right even after he has obtained a decree for the price of goods from the court?
10. Mohan, Sohan and Rohan are partners in the firm M/s Mosoro & Company. They admitted Bohan as nominal partner and on agreement between all the partners, Bohan is not entitled to share profit in the firm. After some time, a creditor Karan filed a suit to Bohan for recovery of his debt. Bohan denied for same as he is just a nominal partner and he is not liable for the debts of the firm and Karan should claim his dues from the other partners. Taking into account the provisions of the Indian Partnership Act, 1932
  - (a) Whether Bohan is liable for the dues of Karan against the firm.
  - (b) In case, Karan has filed the suit against firm, whether Bohan would be liable?
11. A, B and C are partners in M/s ABC & Company. The firm has decided to purchase a machine from M/s LMN & Company. Before A & B purchase the machine, C died. The machine was purchased but thereafter A and B became insolvent and the firm was unable to pay for machine. Explain, would the estate of C liable for the dues of M/s LMN & Company?
12. G, I and S were friends and they decided to form a partnership firm and trade in a particular type of chemicals. After three years of partnership, a law was passed which banned the trading of such chemicals. As per the provisions of the Indian Partnership Act, 1932 can G, I and S continue the partnership or will their partnership firm get dissolved?
13. What is the procedure for maintenance of books of account, other records and audit of Limited Liability Partnership under LLP Act, 2008?
14. A transport company wanted to obtain licences for its vehicles but could not obtain licences if applied in its own name. It, therefore, formed a subsidiary company and the application for licence was made in the name of the subsidiary company. The vehicles were to be transferred to the subsidiary company. Will the parent and the subsidiary company be treated as separate commercial units? Explain in the light of the provisions of the Companies Act, 2013.
15. ABC Pvt Ltd, has been overstating expenditures in their Profit & Loss account for the past few years. On Inquiry, it was found that the mere purpose was to avoid tax. However, there was no fraudulent intentions. Should the corporate veil of the company be lifted? Kindly justify.
16. A Company registered under Section 8 of the Companies Act, 2013, has been consistently making profits for the past 5 years after a major change in the management structure. Few members contented that they are entitled to receive dividends. Can the company distribute dividend? If yes, what is the maximum percentage of dividend that can be distributed as

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per provisions of the Companies Act, 2013? Also, to discuss this along with other regular matters, the company kept a general meeting by giving only 14 days' notice. Is this valid?

17. Nolimit Private Company is incorporated as unlimited company having share capital of ₹ 10,00,000. One of its creditors, Mr. Samuel filed a suit against a shareholder Mr. Innocent for recovery of his debt against Nolimit Private Company. Mr. Innocent has given his plea in the court that he is not liable as he is just a shareholder. Explain, whether Mr. Samuel will be successful in recovering his dues from Mr. Innocent?

**ANSWERS**

1. As per Section 2(j) of the Indian Contract Act, 1872 a contract which ceases to be enforceable by law becomes void when it ceases to be enforceable. The fact of impossibility may be known or unknown to the promisor or promisee.

It may be added by clarification here that the term "contract" shall be understood as an "agreement".

Thus, when the parties agree on doing something which is obviously impossible in itself the agreement would be void.

In this case, Mr. X and Mr. Y were ignorant of the fact that the elephant was dead and therefore the performance of the contract was impossible from the very start (impossibility ab initio).

Hence, this contract is void being not enforceable by law.

2. (i) A contract brought as a result of coercion, undue influence, fraud or misrepresentation would be voidable at the option of the person whose consent was caused. The relation of teacher and student is as such that the teacher is in a position to dominate the will of the student. As a result, the consent of the student is caused by an undue influence. Hence, the contract between them is voidable at the option of the student, and therefore, he can sue the teacher.

**(ii) Vindictive or Exemplary damages**

These damages may be awarded only in two cases:

- (a) for breach of promise to marry because it causes injury to his or her feelings; and  
 (b) for wrongful dishonour by a banker of his customer's cheque because in this case the injury due to wrongful dishonour to the drawer of cheque is so heavy that it causes loss of credit and reputation to him.

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A business man whose credit has suffered will get exemplary damages even if he has sustained no pecuniary loss. But a non-trader cannot get heavy damages in the like circumstances, unless the damages are alleged and proved as special damages. (*Gibbons v West Minister Bank*)

3. As per Section 17 of Indian Contract Act, 1872, "A false representation of material facts when made intentionally to deceive the other party to induce him to enter into a contract is termed as a fraud." Section 17(2) further states about active concealment. When a party intentionally conceals or hides some material facts from the other party and makes sure that the other party is not able to know the truth, in fact makes the other party believe something which is false, then a fraud is committed.

In case a fraud is committed, the aggrieved party gets the right to rescind the contract. (Section 19).

In the present case, Karan has examined the study table before purchasing it from Mr. X and could not find any defect in the table as it was concealed by Mr. X.

On the basis of above provisions and facts of the case, Karan can rescind the contract and claim compensation for the loss suffered due to fraud done by Mr. X.

4. (a) The contract is void because of its initial impossibility of performance.  
 (b) Time is essence of this contract. As by the time apples reached B, they were already rotten. The contract is discharged due to destruction of subject matter of contract.  
 (c) Such contract is of personal nature and hence cannot be performed due to occurrence of an event resulting in impossibility of performance of contract.  
 (d) Such contract is discharged without performance because of subsequent illegality nature of the contract.
5. Minor can be a beneficiary or can take benefit out of a contract. Though a minor is not competent to contract, nothing in the Contract Act prevents him from making the other party bound to the minor. Thus, a promissory note duly executed in favour of a minor is not void and can be sued upon by him, because he though incompetent to contract, may yet accept a benefit.

A minor cannot become partner in a partnership firm. However, he may with the consent of all the partners, be admitted to the benefits of partnership (Section 30 of the Indian Partnership Act, 1932).

6. (i) **Condition as to wholesomeness:** In the case of eatables and provisions, in addition to the implied condition as to merchantability, there is another implied condition that the goods shall be wholesome.

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Hence, C could recover damages in light of the violation of said condition as regards to the consumption of goods i.e. the bun from the baker which is not of merchantable quality.

**(ii) Delivery of different description:**

As per Section 37(3) of the Sale of Goods Act, 1930 where the seller delivers to the buyer the goods, he contracted to sell mixed with goods of a different description not included in the contract, the buyer may accept the goods which are in accordance with the contract and reject the rest or may reject the whole.

Hence, A may accept 25 chairs of the type agreed upon and may reject the other 25 chairs of some other type not agreed upon or may reject all 50 chairs.

7. According to Section 16(2) of the Sale of Goods Act, 1930, 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 correspond with that quality. But where the buyer could find the defect of the goods by ordinary examination, this rule shall not apply. The rule of Caveat Emptor is not applicable.

In the instant case, Ankit orders a black pen to a stationery shop. Seller gives him a pen saying that it is a black pen. But on the pack of pen, it was clearly mentioned that it is Blue Ink Pen. Ankit ignores the instruction mention on the pack and bought it. On reaching at his house, he finds that actually the pen is blue ink pen. Now he wants to return the pen.

On the basis of above provisions and facts, it is clear that undoubtedly is case of sale by description but Ankit can find the defect using his ordinary diligence as instructions of blue ink pen was clearly mentioned on the pack of pen. Hence, the rule of Caveat Emptor will be applicable here and Ankit cannot return the pen.

8. According to Section 24 of the Sale of Goods Act, 1930, "When the goods are delivered to the buyer on approval or on sale or return or other similar terms the property passes to the buyer:
- (i) when he signifies his approval or acceptance to the seller,
  - (ii) when he does any other act adopting the transaction, and
  - (iii) if he does not signify his approval or acceptance to the seller but retains goods beyond a reasonable time".

Further, as per Section 8, where there is an agreement to sell specific goods, and subsequently the goods without any fault on the part of the seller or buyer perish or become so damaged as no longer to answer to their description in the agreement before the risk passes to the buyer, the agreement is thereby avoided.



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Akansh purchases a Television set from Jethalal, the owner of Gada Electronics on sale or approval for three days. Before Akansh could take any decision, the Television set spoiled due to earth quake.

According to above provisions and fact, the property has not passed to Akansh i.e. buyer as no condition of Section 24 is satisfied. Hence, risk is not passes to the buyer and the agreement is thereby avoided. Akansh is not liable to pay the price. The loss finally should be borne by Seller, Mr. Jethalal.

9. A lien is a right to retain possession of goods until the payment of the price. It is available to the unpaid seller of the goods who is in possession of them where-
- (i) the goods have been sold without any stipulation as to credit;
  - (ii) the goods have been sold on credit, but the term of credit has expired;
  - (iii) the buyer becomes insolvent.

The unpaid seller can exercise 'his right of lien even if the property in goods has passed on to the buyer. He can exercise his right even if he is in possession of the goods as agent or bailee for the buyer.

**Termination of lien:** An unpaid seller loss his right of lien thereon-

- (i) When he delivers the goods to a carrier or other bailee for the purpose of transmission to the buyer without reserving the right of disposal of the goods;
- (ii) When the buyer or his agent lawfully obtains possession of the goods;

Yes, he can exercise his right of lien even after he has obtained a decree for the price of goods from the court.

10. Nominal Partner is a partner only in name. The person's name is used as if he were a partner of the firm, though actually he is not. He is not entitled to share the profits of the firm but is liable for all acts of the firm as if he were a real partner. A nominal partner must give public notice of his retirement and his insanity is not a ground for dissolving the firm.

In the instant case, Bohan was admitted as nominal partner in the firm. A creditor of the firm, Karan has claimed his dues from Bohan as he is the partner in the firm. Bohan has denied for the claim by replying that he is merely a nominal partner.

- (a) Bohan is a nominal partner. Even he is not entitled to share the profits of the firm but is liable for all acts of the firm as if he were a real partner. Therefore, he is liable to Karan like other partners.
- (b) In case, Karan has filed the suit against firm, answer would remain same.

**22 FOUNDATION EXAMINATION: NOVEMBER, 2022****11. Liability of Partner in case of death**

According to Section 35 of Indian Partnership Act, 1932, the estate of a deceased partner is not liable for any act of the firm done after his death. 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 instant case, M/s ABC & Company was having three partners A, B and C. The firm was going to purchase a machine from M/s LMN & Company. Before A & B purchase the machine, C died. Machine was purchased but after that A and B become insolvent and the firm was unable to pay for machine.

On the basis of above provisions and facts of the problem given, the machine was purchased after the death of C. Hence, the estate of C would not be liable for the dues of M/s LMN & Company.

**12. Compulsory dissolution of a firm (Section 41)**

A firm is compulsorily dissolved by the happening of any event which makes it unlawful for the business of the firm to be carried on or for the partners to carry it on in partnership.

In this case, the firm is carrying on the business of trading in a particular chemical and a law is passed which bans the trading of such a particular chemical.

The business of the firm becomes unlawful and so the firm will have to be compulsorily dissolved in the light of Section 41 of the Indian Partnership Act, 1932.

**13. Maintenance of books of account, other records and audit, etc. (Section 34 of LLP Act, 2008):**

The LLP shall maintain such proper books of account as may be prescribed relating to its affairs for each year of its existence on cash basis or accrual basis and according to double entry system of accounting and shall maintain the same at its registered office for such period as may be prescribed.

Every LLP shall, within a period of six months from the end of each financial year, prepare a Statement of Account and Solvency for the said financial year as at the last day of the said financial year in such form as may be prescribed, and such statement shall be signed by the designated partners of the LLP.

Every LLP shall file within the prescribed time, the Statement of Account and Solvency prepared with the Registrar every year in such form and manner and accompanied by such fees as may be prescribed.

The accounts of LLP shall be audited in accordance with such rules as may be prescribed.

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14. If the subsidiary is formed to act as agent of the Principal Company, it may be deemed to have lost its individuality in favour of its principal. The veil of Corporate Personality is lifted and the principal will be held liable for the acts of subsidiary company.

The facts of the case are similar to the case of *Merchandise Transport Limited vs. British Transport Commission (1982)*, wherein a transport company wanted to obtain licences for its vehicles but could not do so, if applied in its own name. It, therefore, formed a subsidiary company, and the application for the licence was made in the name of the subsidiary. The vehicles were to be transferred to the subsidiary company. Held, the parent and the subsidiary were held to be one commercial unit and the application for licences was rejected.

Hence, in this case the parent and the subsidiary company shall not be treated as separate commercial units.

15. Corporate veil refers to the concept that members of a company are shielded from liability connected to the company's action. It is the legal concept whereby the company is identified separately from the members of the company. However, under the below circumstances, the company law disregards the principle of corporate personality.

- To determine the character of the company
- To protect revenue/tax
- To avoid a legal obligation
- Formation of subsidiaries to act as agents
- Company formed for fraud/improper conduct.

In the given scenario, though the intention of the company was not fraudulent to defeat law, it had the intention of avoiding taxes and protecting revenue.

Hence, corporate veil should be lifted and the principles of corporate personality will be disregarded.

16. A company registered under Section 8 of the Companies Act, 2013 is prohibited from the payment of any dividends to its members.

Hence in the given case, the contention of the members to distribute dividend from the profits earned is wrong.

Also, Section 8 company is allowed to call a general meeting by giving 14 days instead of 21 days.

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17. Section 2(92) of Companies Act, 2013, provides that an unlimited company means a company not having any limit on the liability of its members. The liability of each member extends to the whole amount of the company's debts and liabilities, but he will be entitled to claim contribution from other members. In case the company has share capital, the Articles of Association must state the amount of share capital and the amount of each share. So long as the company is a going concern the liability on the shares is the only liability which can be enforced by the company. The creditors can institute proceedings for winding up of the company for their claims. The official liquidator may call the members for their contribution towards the liabilities and debts of the company, which can be unlimited.

On the basis of above, it can be said that Mr. Samuel cannot directly claim his dues against the company from Mr. Innocent, the shareholder of the company even the company is an unlimited company. Mr. Innocent is liable upto his share capital. His unlimited liability will arise when official liquidator calls the members for their contribution towards the liabilities and debts of the company at the time of winding up of company.

**PAPER – 2 : BUSINESS LAW & BUSINESS CORRESPONDENCE AND REPORTING 25****SECTION -B: BUSINESS CORRESPONDENCE AND REPORTING****QUESTIONS****Part A****Chapter-1 Communication**

1. Explain any two characteristics of nonverbal communication.
2. Briefly describe the process of communication.

**Part-B****Chapter-2 Sentence Types, Active-Passive Voice and Direct-Indirect Speech**

1. Change the following sentences from passive voice to active voice.
  - a. The new blue car was stolen by a noted gangster.
  - b. A bill was passed by the Parliament this year.
  - c. Accounts is being taught by Mr. Sharma.
  - d. The cookies were stolen by the little kid.
  - e. A type of air pollution is caused by hydrocarbons.
2. Change the following sentences from active voice to passive voice.
  - a. Jack is building a house.
  - b. A burglar broke the window.
  - c. I was watering the plants.
  - d. The teacher wrote an essay on the blackboard.
  - e. Star channel will telecast a new show soon.
3. Change the following sentences from indirect to direct speech.
  - a. Radha asked me to wait there until she returned.
  - b. John said that German was easy to learn.
  - c. The speaker asked to be quiet and listen to him.
  - d. The helper urged to call the ambulance.
  - e. The Guru ordered his student to shoot the arrow.

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**Chapter-3 Vocabulary**

1. Choose the similar meaning of the words given. (Synonyms)

1. INNUNDATE

- a. Overcome
- b. Original
- c. Overload
- d. Outside

2. PETITION

- a. Appeal
- b. Protest
- c. Revolt
- d. Believe

3. REJOICE

- a. Rework
- b. Ghostly
- c. Intelligent
- d. Pleasure

4. CALLOUS

- a. Heartless
- b. Concerned
- c. Primary
- d. Very old

2. Choose the correct meaning of the idioms given below.

a. The best of both worlds

- (i) To travel around the world
- (ii) An ideal situation
- (iii) A good sign
- (iv) To have a strong memory

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- b. Add fuel to the fire
  - (i) To burn something
  - (ii) To discuss fuel prices
  - (iii) To do risky things
  - (iv) To add more to an existing problem
- c. A piece of cake
  - (i) Like to have cake
  - (ii) Anything sweet
  - (iii) To remain happy always
  - (iv) An easy thing to do
- d. Bed of roses
  - (i) A garden with roses
  - (ii) Being comfortable
  - (iii) To keep dreaming
  - (iv) To count the advantages
- e. Go the extra mile
  - (i) To walk a lot
  - (ii) To get tired easily
  - (iii) Make an extra effort
  - (iv) To get distracted
- f. Put your foot in your mouth
  - (i) Say something you shouldn't be saying
  - (ii) To be good at aerobics
  - (iii) To take criticism
  - (iv) Easy going attitude
- g. Step up your game
  - (i) To quit
  - (ii) To take things easily

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- (iii) Start accepting faults
- (iv) Start performing better

**Part-C****Chapter-4**

1. Read the following passage carefully and answer the questions at the end of each passage.

**Passage 1**

A stout old lady was walking with her basket down the middle of a street in Petrograd to the great perplexity of the traffic and with no small peril to herself. It was pointed out to her that the pavement was the place for pedestrians, but she replied: 'I'm going to walk where I like. We've got liberty now.' It did not occur to the dear old lady that if liberty entitled the pedestrian to walk down the middle of the road, then the end of such liberty would be universal chaos. Everybody would be getting in everybody else's way and nobody would get anywhere. Individual liberty would have become social anarchy.

There is a danger of the world getting liberty-drunk these days like the old lady with the basket, and it is just as well to remind ourselves of what the rule of the road means. It means that in order that the liberties of all may be preserved, the liberties of everybody must be curtailed. When the policeman, at Piccadilly Circus steps into the middle of the road and puts out his hand, he is the symbol not of tyranny but of liberty. You may not think so. You may, being in a hurry, and seeing your car pulled up by this insolence of office, feel that your liberty has been outraged. How dare this fellow interfere with your free use of the public highway? Then if you are a reasonable person, you will reflect that if he did not interfere with you, he would interfere with no one, and the result would be that Piccadilly Circus would be a maelstrom that you would never cross at all. You have submitted to a curtailment of private liberty in order that you may enjoy a social order which makes your liberty a reality.

Liberty is not a personal affair only but a social contract. It is an accommodation of interests. In matters which do not touch anybody else's liberty, of course, I may be as free as I like. If I choose to go down the road in a dressing-gown, who shall stop me? You have the liberty to laugh at me, but I have the liberty to be indifferent to you. And if I have a fancy for dyeing my hair, or wearing an overcoat and sandals, or going to bed late or getting up early, I shall follow my fancy and ask no man's permission.

**Questions**

1. In the phrase 'symbol not of tyranny but liberty', what does the word tyranny mean? (para 2)
2. What is the narrator trying to preach by means of this passage? State in two sentences.



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3. What reason did the lady give for her walking in the middle of the road?
4. Select the suitable synonym for the word 'perplexity' as used in the passage:  
(a) Morality (b) Pleasure (c) Confusion (d) Horror
5. According to the author, what is liberty?

**Passage 2**

The sage of science, Einstein, was sitting in a depressive and pensive mood one evening. His eyes were brimming with tears. The pain was evident on his face. He peeped out of the window of his room. The sun had set a few minutes back. The sky was filled with a reddish glow. At this sunset, he felt that it was humanity that had sunk into devilish darkness and the reddish glow in the sky was the blood of humanity spilling all over the sky from earth. With tired steps, he walked back to his chair and settled down. It was the 9th of August 1945. Three days back, he had felt the same agony as if someone had torn him apart. He was deeply hurt and depressed when he heard on the radio that America had dropped an atom bomb on the Japanese city, Hiroshima. Today, within three days another bomb was dropped on another city, Nagasaki and lakhs of people had been killed.

He had heard that the blast released so much energy that it had paled all past destructions in comparison and death had played out a pitiable dance of destruction. The flames that broke out of the bomb were burning, melting and exploding buildings. Scared of the heat of the bomb, people had jumped into lakes and rivers, but the water was boiling, and the people too were burnt and killed. The animals in the water were already boiled to death. Animals, trees, herbs, fragrant flowering plants were all turned into ashes. The atomic energy destruction had just not stopped there. It had entered the atmosphere there and had spread radiation that would affect people for generations to come and would also ring about destructive irreversible biological changes in animals and plants. As the news of the atomic attack reached Einstein, and he became aware of the glaring horror of the abuse of atomic energy, his distress and restlessness knew no bounds. He could not control himself and picked up his violin to turn his mind on to other things. While playing the violin, he tried to dissolve his distress in its sad notes but couldn't. He was burning on the embers of destruction; his heart was filled with an ocean of agony and tears just continued streaming uncontrollably out of his eyes. Night had fallen. His daughter came up and asked him to eat something as he had not taken anything for the last four days. His voice was restrained, and he said, "I don't feel like eating."

He could not sleep that night. Lying down, he was thinking how he had drawn the attention of the then American President Roosevelt towards the destructive powers of an atomic bomb. He had thought that this would be used to scare Hitler and put an end to the barbarism that Hitler was up to. However, Roosevelt kept him in the dark and made false promises. Eventually, he had abused Einstein's equation of  $E=MC^2$  that resulted in destructive experiments. His actions had made science and scientists as murderers.

Einstein kept on thinking for a long time. Eventually, he slipped into sleep. When he woke up at dawn, there was a new dawn in him too. The atomic threat had transformed his heart.

1. Why was Einstein upset on 9<sup>th</sup> August, 1945?
2. What did Einstein do to distract himself when the news of the atomic attack reached him?
3. Select a suitable antonym for the word 'barbarism' as used in the passage?  
(a) Chaos (b) Mundane (c) Brutality (d) Gentleness
4. Why were animals in water boiled to death after the nuclear bomb attack?
5. Why was Einstein sitting in a depressive and pensive mood?
6. What could be the long terms effects of the nuclear attack?

### Passage 3

The first survey in Japan on 'gaming disorder' found that 18.3% of young people aged between 10 and 29 play video games for an average of three or more hours a day. Those who spend extended and long hours playing these games are more likely to become addicted, which can interfere with their lives and negatively affect their health.

Among those surveyed 85% (92.6% male and 77.4% female) had played video games within the past 12 months. A survey question that allowed multiple answers found that the most popular gaming format, used by 80% of those surveyed was the smartphone, followed by home video game consoles at 48 % approximately and hand held game consoles at 33.5 approximately. About 97.6% persons responded that they played games at homes. It gives them a comfort zone and makes them feel easy and relaxed.

Around 40% of those playing six or more hours of video games a day also reported that they continue despite physical problems like backaches, sore eyes, and headaches or mental stress, even sleep disorders or depression. About half of the pre-school kids and elementary students have already begun to play online games. Adult should set a good example by demonstrating proper self-control themselves.

1. What problems can happen when you play video games for more extended hours?
2. Select a suitable antonym for the word 'relaxed'  
a) Rigorous (b) Comfortable (c) Simple (d) Volcanic
3. On a general, who is more likely to get addicted to video games?
4. What is the order of preference (according to the survey) for playing video games. Mention the devices in order of usage (highest usage mentioned first)

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5. Give the passage a suitable title.

**Chapter-5 Note Making**

1. Read the following passage carefully.

(i) Make notes, using headings, sub-headings and using abbreviations wherever necessary. (ii) Give a suitable title (ii) Write summary.

We have but one method of acquiring knowledge. From the lowest man to the highest yogi, all have to use the same method, and that method, is called concentration. The chemist who works in his laboratory concentrates all the powers of his mind, brings them into one focus and throws them on the elements, and the elements stand analysed, and thus his knowledge comes. The astronomer also concentrates the powers of his mind and brings them into one focus and then throws them on to objects through his telescope and stars and systems roll forward and give up their secrets to him. So it is in every case—with the professor in his chair, the students and his books—with every man who is working to know.

The more this power of concentration is, the more is the knowledge acquired, because this is the one and the only method of acquiring it. Even the lowest shoeblick, if he pays more concentration, will polish shoes better, the cook with his concentration will focus all his attention on the work in hand and will cook a better meal. In making money or in worshipping God, or in doing anything, the stronger the power of concentration, the better will be that work done.

Even though concentration is the key to acquiring knowledge—Concentration itself is not easy to attain. It is a skill that can be developed only through a lot of patience and practice. He who masters it is real 'yogi'. To control our senses and to gather all our awareness into one focus is by no means an easy task. Life itself is complex and there are invariably several issues vying for our attention which makes it even more difficult to focus on only one thing. Even if we try to concentrate fully on the work in hand, our subconscious mind is scattered in varied directions and soon drags our conscious mind along, without even our realizing it. It therefore requires a lot of discipline, will power and self-control to focus or concentrate.

However, the effort is worth it and pays rich dividends in the form of accomplishment of our goals. This is the one call, the one knock which opens the gate of nature, and lets out floods of light.

**Chapter-7 Précis Writing**

Write a précis and give an appropriate title to the passages given below.

1. Falling down or failing is one of the most agonizing, embarrassing, and scariest human experiences. But it is also one of the most educational, empowering, and essential parts of living a successful and fulfilling life. Did you know that perseverance (grit) is one of the seven qualities that have been described as the keys to personal success and betterment

in society? The other six are curiosity, gratitude, optimism, self-control, social intelligence, and zest. Thomas Edison is a model for grit for trying 1,000 plus times to invent the light bulb. If you are reading this with the lights on in your room, you know well he succeeded. When asked why he kept going despite his hundreds of failures, he merely stated that what he had been were not failures. They were hundreds of ways not to create a light bulb. This statement not only revealed his grit but also his optimism for looking at the bright side.

Grit can be learned to help you become more successful. One of the techniques that helps is mindfulness. Mindfulness is a practice that helps the individual stay in the moment by bringing awareness of his or her experience without judgement. This practice has been used to quiet the noise of their fears and doubts. Through this simple practice of mindfulness, individuals have the ability to stop the self-sabotaging downward spiral of hopelessness, despair, and frustration.

2. Artificial intelligence helps us manage highly complex systems such as global shipping networks. For example, the system at the heart of the Port Botany container terminal in Sydney manages the movement of thousands of shipping containers in and out of the port, controlling a fleet of automated, driverless straddle-carriers in a completely human-free zone. Similarly, in the mining industry, optimisation engines are increasingly being used to plan and coordinate the movement of a resource, such as iron ore, from initial transport on huge driverless mine trucks, to the freight trains that take the ore to port.

AI's are at work wherever you look, in industries from finance to transportation, monitoring the share market for suspicious trading activity or assisting with ground and air traffic control. They even help to keep spam out of your inbox. And this is just the beginning for artificial intelligence. As the technology advances, so too does the number of applications.

So what's the problem? Rather than worrying about a future AI takeover, the real risk is that we can put too much trust in the smart systems we are building. Recall that machine learning works by training software to spot patterns in data. Once trained, it is then put to work analysing fresh, unseen data. But when the computer spits out an answer, we are typically unable to see how it got there.

3. As India is an agricultural country, the most important crops of India are rice, wheat and sugarcane. Significantly, these crops are the most water consuming crops. Rice, a major crop export, consumes about 3500 litres of water for a kilogram of grain produced. Punjab which is the third largest producer of rice in India is completely dependent on groundwater for the production of its rice and consumes two to three times more water than Bihar and West Bengal to produce a kilogram of rice.

Sugarcane is another water guzzling crop in India, which is a very popular crop among farmers in Maharashtra because they are assured of marketing by sugar mills. The primary source of water for growing sugarcane is groundwater, whereas state like Bihar which are more suitable for the production of sugarcane produce only 4% of India's sugar cane output.

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Thus, measures need to be taken to ensure that crop production patterns within the country and across states are aligned to regional water availability. Emphasis should be placed on the adoption of water- better technologies, latest management systems, awareness amongst farmers, and advisory services to improve water consumption in agriculture.

**Chapter-8 Article Writing**

1. Write an article on the following topics in not more than 200-250 words.
  - a. Should Physical Education be a compulsory subject for students till grade 12?
  - b. Importance of reading a newspaper every day.

**Chapter-9 Report Writing**

1. Write a newspaper report about a cultural/yoga held on 21st June, 2022 at Talkatora stadium, New Delhi on the occasion of International Yoga day.
2. You are the Secretary of an RWA (Resident Welfare Association). Write a formal report stating details of expenditure to be made in the next financial year towards purchase of items for the society. (Things like gardening tools, table fans for guards, plastic chairs, lock and key for the office room etc)

**Chapter-10 Formal letters and Official Communication**

1. You manage the supply of raw material for a local restaurant serving vegetarian food. Write a letter for placing the order of grocery items needed in the next one month. Address the letter to M/S Khurana and Sons Grocery Pvt Ltd. Prepare a list of at least 5 items.
2. You are Arun/Anita. Write a letter to the Fastnet Private Ltd, the local internet service provider in your locality complaining about the slow bandwidth and poor signal strength in your internet connection.

**Chapter-11 Writing formal mails**

1. On behalf of your Technology based organization, write a formal mail to all your employees requesting them to log their entry and exit time details in the company's new mobile based application. State that details should be sent to the HR department weekly. Sign yourself as a senior HR personnel of the firm.
2. Write a formal email on behalf of an educational institute addressing the parents to encourage students to attend offline classes regularly. Frequent leaves for reasons unstated is becoming a concern among the student community. Sign yourself as the college Principal.

**Chapter-12 Resume Writing**

1. You are Feroz/Fatima, holding a Master's degree in library Science. Draft your resume to apply for jobs in school as a senior librarian.

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2. You are Krish/Kavita Sethi, HR Head of Team Toppers Private Limited. Draft a formal e-mail stating the cause for rejecting a candidate named Sameer, who had applied for the post of the position of Accountant in your company

**Chapter-13 Meetings**

1. Write 'Minutes of the Meeting' for a meeting conducted to discuss the issue of an extended work from home and the need to call back employees to work.
2. Write the 'Minutes of the Meeting' for a meeting organized to discuss the need to refurbish/renovate the office space to create a better working environment. Mention few specific things to be changed/added.

**ANSWERS****Part A****Chapter-1 Communication**

- (1) The two characteristics of nonverbal communication are:
  - (i) Physical nonverbal communication which includes an individual's facial expressions, gestures, stances and other physical signals.
  - (ii) Paralanguage refers to voice quality, intonation, pitch, stress, tone and style of speaking.
- (2) In communication process, a sender (encoder) encodes a message and then using a medium/channel sends it to the receiver (decoder) who decodes the message and after processing information sends back appropriate feedback/reply using a medium/channel.

**Part-B****Chapter-2 Sentence Types, Active-Passive Voice and Direct-Indirect Speech**

1.
  - a. A noted gangster stole the new blue car.
  - b. The Parliament passed a bill this year.
  - c. Mr. Sharma is teaching Accounts.
  - d. The little kids stole the cookies
  - e. Hydrocarbons cause a type of air pollution
2.
  - a. A house is being built by Jack
  - b. The window was broken by a burglar.
  - c. The plants were being watered by me.

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- d. An essay was written by the teacher on the blackboard.
  - e. A new show will be telecasted by Star channel soon.
- 3.
- a. Radha said, 'Wait for me here until I return'.
  - b. John said, 'German is easy to learn'.
  - c. The speaker said, 'Be quiet and listen to me'.
  - d. The helper said, 'Call the ambulance'.
  - e. The Guru said to the student, 'Shoot the arrow'.

**Chapter-3 Vocabulary**

- 1.
- 1 c
  - 2 a
  - 3 d
  - 4 a
- 2.
- (a) ii
  - (b) iv
  - (c) iv
  - (d) ii
  - (e) iii
  - (f) i
  - (g) iv

**Part-C****Chapter-4****Passage 1**

- 1. The word tyranny means a harsh rule or brutality.
- 2. The narrator is trying to preach the fact that liberty should be exercised to the extent that it doesn't harm anyone else. No citizen should take undue advantage of liberty and do whatever he wishes to.
- 3. The lady said that they had liberty, so she could walk anywhere, even in the middle of the road.
- 4. C. Confusion

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5. Liberty according to the author is not a personal affair only but a social contract. It is an accommodation of interests. One must exercise it within guaranteed limits and not misuse it.

**Passage 2**

1. Einstein was upset on 9<sup>th</sup> august because today within three another bomb was dropped at Nagasaki.
2. He picked up his violin to turn his mind on to other things.
3. d. Gentleness
4. The water was boiling due to the heat of bomb. As a result animals were boiled to death in water.
5. Einstein was sitting in a pensive mood because two nuclear bomb attacks had taken place. He was very well aware of the harmful consequences that had happened and would happen in the future that would badly effect life.

The attack had spread radiation that would affect people for generations to come and would also ring about destructive irreversible biological changes in animals and plants.

**Passage 3**

1. Extended hours of play can lead to backaches, sore eyes, and headaches or mental stress, even sleep disorders or depression
2. A. Rigorous
3. Those who spend extended and long hours playing these games are more likely to become addicted to video games.
4. Devices used by 80% of those surveyed was the smartphone, followed by home video game consoles at 48 % approximately and hand held game consoles at 33.5 approximately.
5. Video games: Fun or addiction -- The choice is yours!!

**Chapter-5 Note Making**

Title: Power of Concentration

- (1) One method of acqrrng knldg: Conc
  - 1.1 chmst shows knldg of elmnts
  - 1.2 The chmst does analysis
  - 1.3 Astrmr shows knldg of object in sky
    - 1.31 Uses telscps, stars and systm
  - 1.4 All profns need conc.



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- (2) More conc. pwr leads to more knldg  
 2.1 Whthr it is polshng shoes, ckng meals or wrshpng God
- (3) Conc. cn b devlpd thru patience and prac.  
 3.1 Real yogi is one who masters conc.  
 3.2 To master it, one needs to gthr awrnss and ctrl senses.  
 3.3 With the no. of distrcons in life, the abv is nt an easy tsk  
 3.4 The sub conscious mind gets divtrd and we dnt even realize.  
 3.5 One needs to hv displn, will pwr and self ctrl to focus on conc.

**Key words**

- Acqrng: acquiring
- Knldg: knowledge
- Chmst: chemist
- Elmnts: elements
- Astrmr: astronomer
- Telscps: telescope
- Systm: system
- Profns: professions
- Conc: concentration
- Pwr: power
- Whthr: whether
- Polshng: polishing
- Ckng: cooking
- Wrshpng: worshipping
- Cn: can
- Devlpd: developed
- Thru: through
- Prac: practice
- Gthr: gather

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- Awrnss: awareness
- Ctrl: control
- No: number
- Distrctn: distractions
- Abv: above
- Nt: not
- Divtrd: Diverted
- Dnt: don't
- Hv: have
- Displn: discipline
- Pwr: power
- Ctrl: control

**Summary****Key to knowledge: Concentration?**

One way of gaining knowledge is to have concentration. Whether it is a yogi, an astronomer, a shoe polisher, a cook, a professor or a student- with concentration he can perform better. The sub conscious mind gets swayed away without our knowledge; the distractions can be controlled through practice and patience. One who does that becomes a 'yogi' and attains success and achieves his goals.

**Chapter 7: Precis Writing****Passage -1 To fail is ok!**

Failing is not about feeling embarrassed or facing agony. It is a learning in itself that increases one's perseverance and is a key to personal success. The other keys are curiosity, gratitude, optimism, self-control, social intelligence and zest. Thomas Edison described his unsuccessful attempts as ways of not creating a light bulb; thus showing his optimism. Being aware of your experience brings mindfulness which as a result brings grit. Being mindful avoids a person's downfall and helps overcome helplessness, despair and frustration.

**Passage 2- Artificial Intelligence; Boon or a bane?**

Artificial Intelligence (AI) is a subject that is being used in various fields like global shipping and mining. A good example is the Port Botany container terminal in Sydney where AI helps to manage movement of ships, and runs driverless carriers. In mining, optimization engines help in transportation of the iron ore end to end on driverless mine trucks. With the advancement of technology, AI is part of monitoring the share market and assisting with air traffic. The risk of AI

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taking over and our over dependence is a cause of concern. However, machine learning works when we feed the system, with a software and let it operate on its own!

**Passage 3 - Water: An important requirement for our primary crops**

In the agrarian India, wheat, rice and sugarcane are the most important crops and co incidentally all three of them have a heavy water dependency.

Rice, which is an export crop needs about 3500 litres of water per kilogram of the rain and states like Punjab, with their dependency on groundwater consume way more water than Bihar and West Bengal, also big producers of the grain. Sugarcane also depends on groundwater for its water needs. A crop famous amongst the farmers of Maharashtra for its sugar value, gives a very low output in Bihar of about 4%. Suitable measures if taken at the right time with emphasis on good technology, management systems, awareness amongst farmers and proper advice would enable the country for better production and efficient usage of water resources.

**Chapter-8 Article Writing**

1. (a) Hints : Exercise is the key- to physical health and mental peace (title)
  - (i) A sound mind resides in a healthy body.
  - (ii) Mental and physical health go hand in hand; to be physically fit, the mind should be stable and sound; also a stable mind shows energy and active strength.
  - (iii) Physical Education can help a child distress, especially after times of the pandemic.
  - (iv) In the present scenario, for the ongoing health issues and disorders in the students, physical exercise and activity can act as a saviour.
  - (v) Considering the need of hour, Physical Education can be made compulsory. Life these days in view of the pandemic has become a little dull and in the comfort zone. Children should indulge in outdoor activities more than sit at home and play video/phone games. It has been observed that children are becoming more obese and developing other health issues due to lack of physical exercise.
- (b) Hints: Newspaper Reading- the Treasure of knowledge (title)
  - (i) Newspapers helps you to stay aware about what is happening around the world.
  - (ii) They help in keeping you up to date in current affairs and other activities happening around the world.
  - (iii) Reading a newspaper helps to build vocabulary and enhance concentration .
  - (iv) Reading a newspaper is a good habit and keeps one active and dedicated towards knowing more. It creates a greed for knowledge and news.
  - (v) It also helps in clearing various competitive exams in different fields.

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**FOUNDATION EXAMINATION: NOVEMBER, 2022****Chapter-9 Report Writing**

(1) Hints:

**'International Yoga Day celebrated with fun and activities'**22<sup>nd</sup> June, 2022, New Delhi

Arvind Khanna

- The International Yoga Day was celebrated on 21<sup>st</sup> June, 2022 with a great pomp and show. The event included, speeches, skits, presentations and cultural programmes performed by kids. The event was inaugurated by Maha Yogi Ramchandra from Haridwar and was attended by noted celebrities from the field of yoga, education and entertainment.
- The celebrations started with a small introduction to 'what is yoga', explained by Mahayogi Ramchandra. He spoke about the benefits about yoga and also showed a few 'asanas' that would be helpful in general.
- This was followed by a speech by the state health minister Mr. XYZ. A short movie on the benefits of yoga was shown to the audience followed by cultural dances by children of different age groups.
- Towards the end of the programme, books and pamphlets were distributed to the audience.
- The session ended with a thank you note given by a team member of Maha Yogi. The celebrations were applauded and praised by one and all.

2. To: The Treasurer, Hind Apartments, RWA

From: Secretary, Hind Apartments, RWA

Date: 29<sup>th</sup> July, 2022

Subject: Expenditure to be made towards miscellaneous items purchased for the society.

Acknowledgements: I am deeply grateful to all my team members who helped me in formulating this detailed report. The expenditure and other related details have been recorded with precision.

Contents:

- Stating the need to buy new equipment
- List of items to be purchased, listed category wise
- Current budget versus last financial year's budget
- Conclusion

Summary: With the pandemic having caused havoc in the last two years, many society works have been pending. Things seem to be improving now, so we plan to upgrade the

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society garden, club house, install security cameras and place swings for children. To boost sports and other outdoor activities, we decided to allow our players to reap maximum benefit from the new equipment to be purchased and hence make a mark for themselves. All these suggestions have been stated keeping in the mind the welfare of the residents and their families.

*Can be continued with a few tables mentioned (list of items to be purchased, cost of each time).*

The RWA shall ensure that all residents benefit from the changes made in the society. We hope to receive the funds well in time to start the needful task.

**Chapter-10 Formal letters and Official Communication****1. Eat Well Restaurant**

Sector 12, Dwarka  
New Delhi- 110075

28<sup>th</sup> July 2022

M/s Khuarana and Sons Grocery Pvt. Ltd.  
Khari Baoli, Central Delhi  
New Delhi- 110002

Subject: Placing an order for grocery items

Dear Sir,

As discussed over telephone, we would like to place an order for the following grocery items for our vegetarian restaurant in Dwarka.

Salt	5 kg
Turmeric	5 kg
Red chilli	2 kg
Coriander powder	4 kg
Rice	20 kg
Wheat flour refined	10 kg
Chick peas	5 kg

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Kindly ensure that the items are fresh and of best quality when packed. We would appreciate if the above items are packed in separate bags and as per the required quantity. It is a request to deliver these grocery items latest by 5th September, 2022. Bills for the same shall be cleared at the time of delivery. Please offer a suitable discount on the purchase.

An early delivery would be appreciated.

Thanking you,

Yours Sincerely,

Arjun Bhatt

Eat Well Restaurant, Dwarka

Manager

2. H.No.34/12,  
East Patel Nagar,  
New Delhi- 110008

30<sup>th</sup> July, 2022

Customer Service Manager,

Fast Net India Pvt. Ltd.,

Karol Bagh, New Delhi- 110005

Subject- Filing complaint for a defect in poor bandwidth and low signal strength in the internet (wifi) connection) Portfolio no. 123/EPN/202021

Dear Sir,

I hereby write to complain regarding the poor internet connection and low signal strength in the Wifi provided. The portfolio number is 123/EPN/20201, dated 20<sup>th</sup> June, 2021

The wires were laid on 20<sup>th</sup> June, 2021 and there seemed to be no problem initially. However, with one season of heavy rain, the internet connection has got disturbed. The band width is very low and the internet keeps going off multiple times in a day. As I am working from home, this kind of a lag is causing me lot of trouble.

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I request you to look into this matter without any delay and send a technician to check the wires and any other connection source. I have enclosed a copy of the bill for your reference. Looking forward to your early response.

Thanking you!

Yours truly,  
Arun/Anita,  
East Patel Nagar,  
New Delhi.

**Chapter-11 Writing formal mails****1. Dear employees,**

Greetings!

We request all our employees to use the company's new mobile application for logging in their entry and exit details. These details should be sent weekly to the concerned authorities in the HR department. For the ease and benefit of our employees, we have shared the link to download the application directly.

This is a mandatory process and we request all our employees to kindly follow the guidelines and do the needful. Defaulters will face unpleasant consequences.

For any help regarding the matter, a help desk counter has been set up at the reception area for the next two days. You can also write to [helpdesk.attendanceentry@email.com](mailto:helpdesk.attendanceentry@email.com) for clarifications.

Looking forward to your kind cooperation.

With warm regards

Mr. ABC,

Director, HR

Global Technologies

Link for app: <http://mobile.attendanceapp/globaltech>

**2. Dear parents,**

This is to inform you that we are witnessing a dwindling number in the attendance of students for offline/physical classes. With the pandemic effect having reduced, we would

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like students to attend the classes regularly and diligently. Classroom teaching not only ensures academic skills but also helps in co scholastic grooming.

We request you to encourage your ward to attend all classes and take maximum benefit from them. Kindly note that leave shall be granted in case of a genuine reason only when approved' signed/authorized by parents.

Looking forward to your cooperation.

With warm regards,

Mr. A.K Sharma

Principal

Nav Darpan College

2<sup>nd</sup> Aug, 2022

**Chapter-12 Resume Writing****1. Cover Letter:**

KJ- 120, 2nd Floor,  
Rajouri Garden, Delhi,  
26<sup>th</sup> July, 2020

The Principal,  
Queen Field International School,  
Rajouri Garden,  
New Delhi.

Subject: Application for the post of librarian

It gives me immense pleasure to share my resume with you for position of Senior Librarian at your esteemed organization/school.

I hold a Master's degree in Library Sciences and have more than six years of experience in this work. My strong interest of working has motivated me to apply for your organization. I have a versatile experience of working with an International school and a branch of one of the top schools of Delhi NCR. I have a widespread knowledge of foreign author books also, which can be helpful in recommending good study material to senior students.

Please find my resume for the details of my credentials.



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Looking forward to hearing from you soon!

Yours Sincerely,

Feroz/Fatima

**Resume:****Feroz/Fatima Sheikh**

ABC, XYZ Colony, New Delhi- 110018 | +91- 11111 1111 | fatima@yahoo.com  
[feroz@yahoo.com](mailto:feroz@yahoo.com)

**Objective**

To offer meaningful suggestions through discussions , with a focus to prioritize student's individualistic needs in specific subjects.

**Educational Qualification**

Qualification	Year	Board/University	Institution's Name
M.Lib.I.Sc	2010	Chatrapati Shivaji University, Sholapur	Shivaji Maharaj College of Education
B.Lib.I.Sc.	2008	Chatrapati Shivaji University, Sholapur	Shivaji Maharaj College of Education
Class 12 <sup>th</sup>	2007	Maharashtra State Board	Rainbow Public School, Sholapur
Class 10 <sup>th</sup>	2005	Maharashtra State Board	Rainbow Public School, Sholapur

**Professional Experience****ABC Private Library, Pune, Librarian April'11 - December'11**

- Experience of handling students of various backgrounds.
- Conducted a workshop on 'Need to Read'.
- Attended seminars on library management.

**XYZ School, Librarian January'12 - March'18**

- Experience of handling students of Grade 8, 9 and 10
- Attended workshop organized by Cambridge University Press for library sciences and its future.

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- Awarded certificate for 'Outstanding Performance in the Role Assigned' for three consecutive years (2013, 2014 and 2015)
- Invited for a talk show by city school to discuss the fading subject of Library sciences.

**2. Sameer Sagar**

H-12, New Friends Colony,

New Delhi-110025

Subject: Disapproval for the post of Accountant.

Dear Sameer,

We are sorry to inform you that you have not been shortlisted for the post of Accountant at Team toppers Pvt Ltd.

We appreciate your efforts and credentials, however there are some concerns in your CV which do not make you the best candidate. With the competition being neck to neck, we suggest, you work on advanced accounting skills that would help you stand a better chance next time.

We wish you luck in the future!

Kind regards,

Krish/Kavita Sethi,

HR Head of Team Toppers Private Limited

+91- 33333 3333

**Chapter-13 Meetings****1. Hint: State the agenda for the meeting**

Participants in the meeting: Mr. XY, Vice-President; Mr. A, HR Manager; Mr. B. HR employee; Mr. C, Business Development Manager

Date: July18, 2022

Meeting started at 12.00pm

Mr. B started the meeting and discussed the agenda.

Mr. XY intervenes and mentions how important is for the employees to return to work.

Mr. A and Mr. B together presented a presentation on the statistics of productivity and late attendance of employees while working from home.

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Mr. B gave suggestions/incentives to call the employees back.

Mr. XY gave his valuable inputs on how he wants everything should be.

Mr. C gives his opinion on how business can get effected if the work from home option gets prolonged.

**2.** Hint: Focus on the agenda.

Participants in the meeting: Mr. B, Vice-President; Mr. A, Mr. C, Sales Manager and their Associates

Date: July 15, 2022

Meeting started at 1.00pm.

Mr. C explains about the agenda of the meeting, and he talks about how people are facing issues in the old set up.

The associates have brainstormed few ideas about how the new look of the office space can bring in better productivity and encourage the employees too.

Mr. B listens to everyone carefully and shares his thoughts about changing specific areas/infrastructure in the office.

Mr. C agrees and informs that he will discuss with design team and share the appropriate designs with everyone soon.

The meeting concluded with few ideas that everyone is ready to explore and implement.