

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

**SECTION A – BUSINESS LAWS**

Question No. 1 is compulsory.

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

**Question 1**

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

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

**(4 Marks)**

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

**Answer**

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

Thus, a finder of lost goods has:

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

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

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

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

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

The essentials are:

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

#### Question 2

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

#### Answer

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

#### Legal Rules Regarding Consideration

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

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

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

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

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

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

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

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

**Question 3**

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

**OR**

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

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

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

*Now you decide:*

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

**(6 Marks)**

**Answer**

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

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

OR

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

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

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

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

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

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

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

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

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

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

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

**Question 4**

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

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

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

**Answer**

- (a) **Rights of an unpaid seller against the goods:** As per the provisions of Section 46 of the Sale of Goods Act, 1930, notwithstanding that the property in the goods may have passed to the buyer, the unpaid seller of goods, as such, has by implication of law-
- (a) a lien on the goods for the price while he is in possession of them;
- (b) in case of the insolvency of the buyer, a right of stopping the goods in transit after he has parted with the possession of them;
- (c) a right of re-sale as limited by this Act. [Sub-section (1)]

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

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

- (i) **Right of lien (Section 47):** According to sub-section (1), the unpaid seller of goods who is in possession of them is entitled to retain possession of them until payment or tender of the price in the following cases, namely:-
    - (a) where the goods have been sold without any stipulation as to credit;
    - (b) where the goods have been sold on credit, but the term of credit has expired;
    - (c) where the buyer becomes insolvent.
  - (ii) **Right of stoppage in transit (Section 50):** When the buyer of goods becomes insolvent, the unpaid seller who has parted with the possession of the goods has the right of stopping them in transit, that is to say, he may resume possession of the goods as long as they are in the course of transit, and may retain them until paid or tendered price of the goods.
  - (iii) **Right to re-sell the goods (Section 54):** The unpaid seller can exercise the right to re-sell the goods under the following conditions:
    - 1. Where the goods are of a perishable nature
    - 2. Where he gives notice to the buyer of his intention to re-sell the goods
    - 3. Where an unpaid seller who has exercised his right of lien or stoppage in transit resells the goods
    - 4. A re-sale by the seller where a right of re-sale is expressly reserved in a contract of sale
    - 5. Where the property in goods has not passed to the buyer
- (b) As per the provisions of Section 30(5) of the Indian Partnership Act, 1932, at any time within six months of his attaining majority, or of his obtaining knowledge that he had been admitted to the benefits of partnership, whichever date is later, such person may give public notice that he has elected to become or that he has elected not to become a partner in the firm, and such notice shall determine his position as regards the firm.
- However, if he fails to give such notice, he shall become a partner in the firm on the expiry of the said six months.
- If the minor becomes a partner by his failure to give the public notice within specified time, his rights and liabilities as given in Section 30(7) are as follows:
- (A) He becomes personally liable to third parties for all acts of the firm done since he was admitted to the benefits of partnership.
  - (B) His share in the property and the profits of the firm remains the same to which he was entitled as a minor.

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

**Question 5**

- (a) *Mrs. Geeta went to the local rice and wheat wholesale shop and asked for 100 kgs of Basmati rice. The Shopkeeper quoted the price of the same as ₹ 125 per kg to which she agreed. Mrs. Geeta insisted that she would like to see the sample of what will be provided to her by the shopkeeper before she agreed upon such purchase.*

*The shopkeeper showed her a bowl of rice as sample. The sample exactly corresponded to the entire lot.*

*The buyer examined the sample casually without noticing the fact that even though the sample was that of Basmati Rice but it contained a mix of long and short grains.*

*The cook on opening the bags complained that the dish if prepared with the rice would not taste the same as the quality of rice was not as per requirement of the dish.*

*Now Mrs. Geeta wants to file a suit of fraud against the seller alleging him of selling mix of good and cheap quality rice. Will she be successful?*

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

*Decide the fate of the case and options open to the buyer for grievance redressal as per the provisions of Sale of Goods Act 1930?*

*What would be your answer in case Mrs. Geeta specified her exact requirement as to length of rice? **(6 Marks)***

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

**Answer**

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



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

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

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

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

- (iii) In the instant case, the buyer does not have any option available to him for grievance redressal.

- (iv) In case Mrs. Geeta specified her exact requirement as to length of rice, then there is an implied condition that the goods shall correspond with the description. If it is not so, the seller will be held liable.

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

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

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

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

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

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

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

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

#### Question 6

- (a) Explain the term 'Coercion' and what are the effects of coercion under Indian Contract Act, 1872. **(5 Marks)**
- (b) "Dissolution of a firm is different from dissolution of Partnership". Discuss. **(4 Marks)**
- (c) A, an assessee, had large income in the form of dividend and interest. In order to reduce his tax liability, he formed four private limited company and transferred his investments to them in exchange of their shares. The income earned by the companies was taken back by him as pretended loan. Can A be regarded as separate from the private limited company he formed? **(3 Marks)**

#### Answer

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

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

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

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

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

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

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

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

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

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

Question No. 7 is compulsory.

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

All candidates (including those who have opted for Hindi Medium) are required to answer the questions in Section B, in English only.

**Question 7**

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

Being the daughter of a physics professor, Marie who was born in 1867 in Warsaw, Poland, was greatly influenced by the wonders of Science and technology. Since an early age, she displayed a blithe personality. Her fascination for learning prompted her to continue with her studies even after school. She became disgruntled, however, when she learned that the university in Warsaw was closed for women. Determined to complete higher education, she defiantly left Poland and in 1891 entered the Sorbonne, a French university, where she completed her doctorate in physics.

Marie met Pierre Curie at the Sorbonne along with some of the other greatest scientists of her day. Marie and Pierre were married in 1895 and spent many productive years working together in the physics laboratory. A short time after they discovered radium, Pierre was killed by a horse-drawn wagon in 1906. For Marie it was an horrible misfortune and heartbreaking event. Despondently she recalled their close relationship and the joy that they had shared in scientific research. The fact that she had two young daughters to raise by herself greatly increased her distress.

Curie's feeling of desolation finally began to fade when she was asked to succeed her husband as a physics professor at the Sorbonne. She was the first woman to be given a professorship at the world-famous university. In 1911 she received the Nobel Prize in physics for isolating radium. Although Marie Curie eventually suffered a fatal illness from her long exposure to radium, she never became disillusioned about her work. Regardless of the consequences, she had dedicated herself to science and to revealing the mysteries of the physical world.

(i) What did Marie did not like about the Warsaw University? **(1 Mark)**

(ii) What was first step that Marie took towards her becoming a scientist? **(1 Mark)**

(iii) How did Marie deal with the desolation caused by her husband's death? **(1 Mark)**

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

(b) Read the Passage:

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

**(3 Marks)**

(ii) Write summary

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

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

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

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

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

**Answer**

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

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

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

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

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

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

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

**Key:**

Hmn: Human/s

Ntr: Nature

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

**(ii) Summary**

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



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

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

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

**Question 8**

(a) *Discuss the process of communication.*

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

**Abundant**

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

**(1 Mark)**

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

**Adumbrate**

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

**(1 Marks)**

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

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

**(1 Mark)**

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

*DNA degrades quickly after an animal dies, so researchers once believed it impossible to find ancient genetic material. The search for primeval vestiges of DNA took off in the late 1980s after the development of a technique called polymerase chain reaction (PCR), which copies minute quantities of DNA. Armed with PCR, scientists could look for tiny fragments of DNA that might have weathered the millennia unharmed.*

*In recent years, researchers have isolated DNA from 20-million-year-old magnolia leaves and extracted DNA from a 135-million-year-old weevil found in amber. Recently, a team*

*extracts DNA from bone dating back millions of years for the first time. In the frenzied hunt for ancient DNA, microbiologist Scott R. Woodward may have bagged the biggest quarry. Drawing on lessons learned while growing up among the fossil-rich rocks of eastern Utah, Woodward and his team became the first people to find genetic material belonging to a dinosaur.*

*Woodward, whose grandfather was a coal miner, knew that mines in the area often contained dinosaur traces. After six months of looking Woodward pulled two bone fragments from a Cretaceous siltstone layer directly a top a coal seam. Impeded by an unstable mine roof) Woodward's team could not recover any more bone samples.*

*The siltstone apparently inhibited fossilization and preserved much of the original cell structure in the bone. Researchers isolated strands of DNA from both fragments and used-PCR to copy a segment that codes for a protein called cytochrome b. Once they had made many copies, they could determine the DNA sequence.*

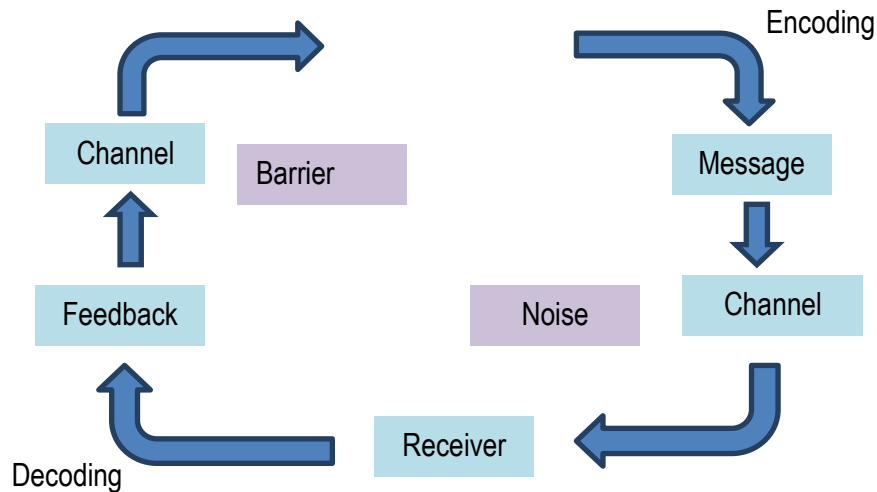
*Throughout their work, the biologists took precautions to avoid contaminating the samples with modern DNA or ancient material found within the coal. According to Woodward, circumstantial evidence indicates that the bone fragments belong to one or two species of dinosaurs. Dinosaur tracks are abundant in this 'coal formation, and the bones visible in the mine were larger than those of a crocodile the biggest non-dinosaur known in these rocks.*

**(5 Marks)**

**Answer**

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

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



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

(c) **Précis':**

Exploring ancient DNA: Innovations and Findings

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

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

**Question 9**

(a) (i) Discuss the term "Virtual Communication" in communication. **(2 Marks)**

OR

(ii) What do you mean by an "Attitude Barrier"? **(2 Marks)**

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

*Relevant*

(1) *Related*

(2) *Important*

(3) *Pertinent*

(4) *Common*

**(1 Mark)**

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

**Unabashed**

(1) *Not fast*

(2) *Not Finding*

(3) *Not Embarrassed*

(4) *Not Angry*

**(1 Mark)**

(iii) Change the following sentence to indirect speech:

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

**(1 Mark)**

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

**Answer**

- (a) (i) Visual communication through visual aids such as signs, typography, drawing, graphic design, illustration, color and other electronic resources usually reinforces written communication. Sometimes, it may replace written communication altogether. Visual communication is powerful medium. It is the reason that the print and audio-visual media makes effective use of visuals to convey their message. Visuals like graphs, pie charts and other diagrammatic presentations convey clearly and concisely a great deal of information. They are an essential part of official presentations these days.
- (ii) Attitude barriers refer to personal attitudes of employees that can affect communication within the organization. A proactive, motivated worker will facilitate the communication process, whereas a dissatisfied, disgruntled, shy, introvert or lazy employee can delay, hesitate in taking the initiative, or refuse to communicate.

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

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

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

NEFT details are as under:

Favour of: PM's Relief Fund

Account No.:

IFSC code::

Source: *Press Trust of India.*

**Question 10**

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

10

FOUNDATION EXAMINATION: NOVEMBER, 2019

(iii) Change the following sentence to indirect speech.

He said, "My Mother is writing letters".

(1 Mark)

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

(5 Marks)

**Answer**

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

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

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

(ii) A cruel boy killed the bird.

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

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

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

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

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

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

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

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

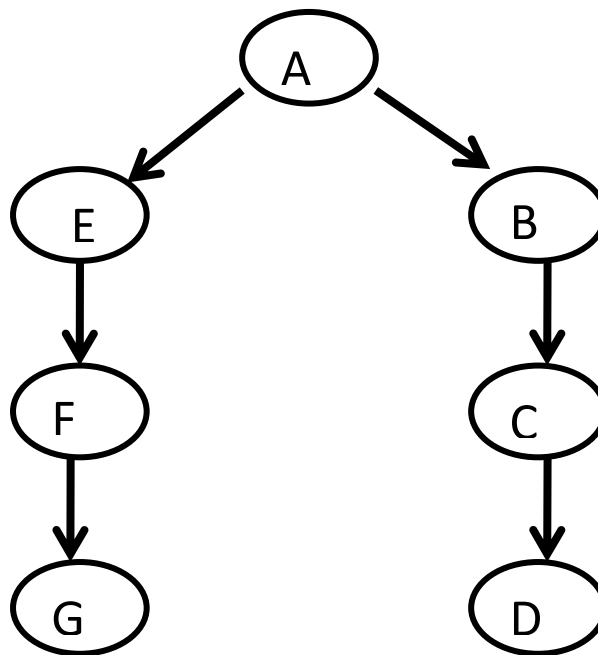
**Question 11**

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

**Answer**

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

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



**Chain of Command**

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



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**(c) Letter:**

From:

ABC Private Limited,  
Nariman Point, Mumbai

November 13, 2019

XYZ Bank  
106 Millenum Tower  
Prashant Lok  
Mumbai-02

Sir/Madam,

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

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

Thanks for your cooperation.

Regards,

ASD

Senior Manager, Accounts