

FOUNDATION COURSE

MOCK TEST PAPER - 1

PAPER 2: SECTION A: BUSINESS LAWS (60 Marks)

Question No. 1 is compulsory.

Answer any **FOUR** questions from the remaining **FIVE** questions

QUESTIONS

1. (i) Mr. JHUTH entered into an agreement with Mr. SUCH to purchase his (Mr. SUCH's) motor car for Rs. 5,00,000/- within a period of three months. A security amount of Rs. 20,000/- was also paid by Mr. JHUTH to Mr. SUCH in terms of the agreement. After completion of three months of entering into the agreement, Mr. SUCH tried to contract Mr. JHUTH to purchase the car in terms of the agreement. Even after lapse of another three month period, Mr. JHUTH neither responded to Mr. SUCH, nor to his phone calls. After lapse of another period of six months. Mr. JHUTH contracted Mr. SUCH and denied to purchase the motor car. He also demanded back the security amount of Rs. 20,000/- from Mr. SUCH. Referring to the provisions of the Indian Contract Act, 1872, state whether Mr. SUCH is required to refund the security amount to Mr. JHUTH.

Also examine the validity of the claim made by Mr. JHUTH, if the motor car would have destroyed by an accident within the three month's agreement period. **(4 Marks)**
- (ii) The Object Clause of Memorandum of Association of ABC Pvt. Ltd. authorised the company to carry on the business of trading in Fruits and Vegetables. The Directors of the company in recently concluded Board Meeting decided and accordingly, the company ordered for fish for the purpose of trading. FSH Limited supplied fish to ABC Pvt. Ltd. worth Rs. 36 Lakhs. The members of the company convened an extraordinary general meeting and negated the proposal of the Board of Directors on the ground of ultra vires acts. FSH Limited being aggrieved of the said decision of ABC Pvt Ltd. seeks your advice. Advice them. **(4 Marks)**
- (iii) State briefly the essential element of a contract of sale under the Sale of Goods Act, 1930. Examine whether there should be an agreement between the parties in order to constitute a sale under the said Act. **(4 Marks)**
2. (i) State the various modes of revocation of offer under the Indian Contract Act, 1872. **(7 Marks)**
- (ii) Differentiate between a Limited Liability Partnership and Limited Liability Company **(5 Marks)**
3. (i) In the absence of any usage or custom of trade to the contrary, the implied authority of a partner does not empower him to do certain acts. State the acts which are beyond the implied authority of a partner under the provisions of the Indian Partnership Act, 1932? **(6 Marks)**
- (ii) Mr. SAMANT owned a motor car. He approached Mr. CHHOTU and offered to sale his motor car for Rs. 3,00,000. Mr. SAMANT told Mr. CHHOTU that the motor car is running at the rate of 30 KMs per litre of petrol. Both the fuel meter and the speed meter of the car were working perfectly. Mr. CHHOTU agreed with the proposal of Mr. SAMANT and took delivery of the car by paying Rs. 3,00,000/- to Mr. SAMANT. After 10 days, Mr. CHHOTU came back with the car and stated that the claim made by Mr. SAMANT regarding fuel efficiency was not correct and therefore there was a case of misrepresentation. Referring to the provisions of the Indian Contract Act, 1872, decide and write whether Mr. CHHOTU can rescind the contract in the above ground. **(6 Marks)**
4. (i) What do you understand by "Caveat-Emptor" under the Sale of Goods Act, 1930? What are the exceptions to this rule? **(6 Marks)**

- (ii) A, B, and C are partners of a partnership firm ABC & Co. The firm is a dealer in office furniture. A was in charge of purchase and sale, B was in charge of maintenance of accounts of the firm and C was in charge of handling all legal matters. Recently through an agreement among them, it was decided that A will be in charge of maintenance of accounts and B will be in charge of purchase and sale. Being ignorant about such agreement, M, a supplier supplied some furniture to A, who ultimately sold them to a third party. Referring to the provisions of the Partnership Act, 1932, advise whether M can recover money from the firm.

What will be your advice in case M was having knowledge about the agreement? **(6 Marks)**

5. (i) Referring to the provisions of the Sale of Goods Act, 1930, state the circumstances under which when goods are delivered to the buyer "on approval" or "on sale or return" or other similar terms, the property therein passes to the buyer.

M/s PREETI owned a motor car which she handed over to Mr. JOSHI on sale or return basis. After a week, Mr. JOSHI pledged the motor car to Mr. GAJESH. Ms. PREETI now claims back the motor car from Mr. GAJESH. Will she succeed? Referring to the provisions of the Sale of Goods Act, 1930, decide and examine what recourse is available to Ms. PREETI. **(6 Marks)**

- (ii) What is the meaning of "Certificate of Incorporation" under the provisions of the Companies Act, 2013? What are the effects of registration of a company? **(6 Marks)**

6. (i) "To form a valid contract, consideration must be adequate". Comment.

Or

When a contract has been broken, the party who suffers by such a breach is entitled to receive compensation for any loss or damage caused to him". Discuss. **(5 Marks)**

- (ii) Subject to agreement by partners, state the rules that should be observed by the partners in settling the accounts of the firm after dissolution under the provisions of the Indian Partnership Act, 1932. **(4 Marks)**

- (iii) FAREB Limited was incorporated by acquisition of FAREB & Co., a partnership firm, which was earlier involved in many illegal activities. The promoters furnished some false information and also suppressed some material facts at the time of incorporation of the company. Some members of the public (not being directors or promoters of the company) approached the National Company Law Tribunal (NCLT) against the incorporation status of FAREB Limited. NCLT is about to pass the order by directing that the liability of the members of the company shall be unlimited.

Given the above, advice on whether the above order will be legal and mention the precaution to be taken by NCLT before passing order in respect of the above as per the provisions of the Companies Act, 2013. **(3 Marks)**

FOUNDATION COURSE

MOCK TEST PAPER - 1

PAPER 2: SECTION-B: BUSINESS CORRESPONDENCE AND REPORTING

*The Question Paper comprises of 5 questions of 10 marks each.
Question No. 1 is compulsory. Out of questions 2 to 5, attempt any **three***

Max Marks: 40

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

Have you ever thought of how many ways there are to make musical sounds? You can make music with your own body. You can sing, clap and snap your fingers or whistle. Musical instruments allow us to make music beyond what our bodies are capable of. They allow us to make rhythmic precise sounds, pleasing to the ears. Bands or orchestras are made up of groups or families of musical instruments. Each family of instruments adds something unique to the music. Strings are one family of musical instruments like the guitar. It is played by the strings being struck with fingers. A violin has strings too, but a violin player uses a bow to make music. A bow is a smooth tool that slides over the strings and makes different sounds.

Wind instruments make up another family. Wind instruments produce music by moving currents of air. The flute, saxophone are such instruments. They are tube shaped and a flute player will blow air into it through a hole while playing it.

Have you ever seen or heard the clarinet? It is a wind instrument too. Clarinet players blow on a reed in the mouthpiece. The reed vibrates and sets the air inside the clarinet tube in motion.

Another family of musical gadgets is percussion instruments. Drums, tablas, dholkas etc. fall under the category. Skins of animals are stretched over an empty container and struck to make rhythmic sounds.

- (1) Find a word from the passage that means 'exclusive or special'

- (a) Percussion
- (b) Unique
- (c) Rhythmic
- (d) Snap

(1 Mark)

- (2) A band is a

- (a) An empty container used to play music
- (b) A tube shaped instrument
- (c) A musical gadget
- (d) A group of musical instruments

(1 Mark)

- (3) Which of the following is not true as per the passage?

- (a) We cannot make music beyond what our bodies are capable of.
- (b) A reed is required for clarinet players
- (c) Saxophone is an example of a wind instrument
- (d) String instruments can be played using a bow.

(1 Mark)

- (4) What are percussion instruments?

- (a) Clarinets, dholaks and drums

- (b) Tablas, flutes and clarinets
 (c) Drums, tablas and dholaks
 (d) Saxophone, guitar, dholaks. **(1 Mark)**
- (5) Give the passage a suitable title
 (a) Different types of musical instruments
 (b) Bands and Orchestras
 (c) Families of musical instruments
 (d) Body can make music **(1 Mark)**
- (b) Read the passage given below.
- (i) Make notes, using headings, sub-headings, and abbreviations wherever necessary. **(3 Marks)**
- (ii) Write summary. **(2 Marks)**
- Warming caused by greenhouse gas emissions is not linear: it appears to have lapsed in the early 21st century, a phenomenon known as a global warming hiatus. A new method for predicting mean temperatures, however, suggests that the next few years will likely be hotter than expected.
- The system, developed by researchers at CNRS, the University of Southampton and the Royal Netherlands Meteorological Institute, does not use traditional simulation techniques. Instead, it applies a statistical method to search 20th and 21st century climate simulations made using several reference models to find 'analogues' of current climate conditions and deduce future possibilities. The precision and reliability of this probabilistic system proved to be at least equivalent to current methods, particularly for the purpose of simulating the global warming hiatus of the beginning of this century.
- The new method predicts that mean air temperature may be abnormally high in 2018-2022 -- higher than figures inferred from anthropogenic global warming alone. In particular, this is due to a low probability of intense cold events. The phenomenon is even more salient with respect to sea surface temperatures, due to a high probability of heat events, which, in the presence of certain conditions, can cause an increase in tropical storm activity. Once the algorithm is 'learned' (a process which takes a few minutes), predictions are obtained in a few hundredths of a second on a laptop. In comparison, supercomputers require a week using traditional simulation methods.
2. (a) Define the term 'communication'. How is it relevant in daily life? **(1 Mark)**
- (b) (i) Choose the word which best expresses the meaning of the given word.
 Fraught
 (a) Scam (b) Smelly (c) Rare (d) Full of **(1 Mark)**
- (ii) Select a suitable antonym for the word given in question.
 Adamant
 (a) Resolute (b) Steadfast (c) Flexible (d) Extinct **(1 Mark)**
- (iii) Change the following sentences into passive voice.
 Give first priority to studies. **(1 Mark)**

(iv) Change the following sentences to indirect speech.

The doctor said to the patient, 'Please wait'

(1 Mark)

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

In a landmark reform, India today switches to a new indirect tax system, the Goods and Services Tax. The GST subsumes the multiple Central, State and local taxes and cesses levied on goods and services, unifying the country into a single market, thereby making it easier to do business and ensure tax compliance. This will attract investors and more efficiently mop up revenues for the exchequer. The reform has been years in the making, and having shown the political will to finally pull it off, the Central government must work with the States to chart a road map to simplify the tax regime. Currently there are multiple tax rates ranging from 0% to 28%, plus a cess on some products, creating incentives for lobbying and rent-seeking. The level of preparedness for the new tax system too is not optimal, with sections of industry, trade as well as the bureaucracy visibly anxious about several aspects of the GST's operational and legal framework. In response, the date for businesses to file the first GST returns has been deferred. The generation of e-way bills for moving goods worth over Rs. 50,000 too has been put on hold, along with the requirement for e-commerce portals to deduct tax at source from small sellers.

(5 Marks)

3. (a) What is the 'chain of command' in communication?

(1 Mark)

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

Peroration

(a) Conclusion (b) Audience (c) Cheating (d) Priority

(1 Mark)

(ii) Choose the appropriate word to fill the blank:

With the economy going down, people who are rich might become _____

(a) Endemic (b) Healthy (c) Destitute (d) Considerable

(1 Mark)

(iii) Change the following sentences into passive voice

We can make a cake on a stove.

(1 Mark)

(iv) Change the following sentence to indirect speech.

They told me, 'We were living in Assam'

(1 Mark)

(c) You are a manager in a firm called Your Own Office Supplies Ltd. dealing with office supplies. Draft a formal letter to your client apologizing for the delay in shipping its order due to unforeseen reasons.

(5 Marks)

4. (a) List at least 5 barriers of communication. Explain any two of them in your own words. (2 Marks)

(b) (i) Select the suitable antonym for the given word:

Acquisition

(a) Forfeit (b) Revival (c) permission (d) Fulfilment

(1 Mark)

(ii) Rewrite the following sentences in active voice

Results had to be declared by the school authorities.

(1 Mark)

(iii) Change the following sentence into Indirect speech.

The teacher praised the girl, 'You have been working hard'

(1 Mark)

(c) Write an Article of about 250-300 words on the topic "Social media interferes with personal life".

OR

An NGO working for the cause of the underprivileged had set up a one day workshop in your college. As member of the Organizing committee, write a report for your college magazine giving details of the workshop. **(5 Marks)**

5. (a) Based on communication channels, what are the different kinds of communication methods? Explain. **(2 Marks)**
- (b) (i) Select the correct meaning of the idioms/phrases given below.
- (1) A man of action
- (a) Full of aggression
- (b) One who performs
- (c) Insubstantial person
- (a) More talks than action **(1 Mark)**
- (2) Face the music
- (a) Escape from the situation
- (b) Act violently
- (c) Enjoy the music
- (d) Face the challenges/ consequences **(1 Mark)**
- (ii) Change the following sentence into Indirect speech. **(1 Mark)**
- Children said, 'No homework today please'
- (c) Your company, primarily into FMCG has witnessed a gradual decline in a consumer product over the last six months. Prepare the minutes of the meeting for the same. Members in the meeting: Head of the Sales and Marketing, Product Head, Product lead and few team members. **(5 Marks)**

OR

Prepare a detailed resume in the functional format for a candidate applying for the post of a sales manager in an FMCG company. Include past experiences, with emphasis on the sales background.

Other inputs: Name: Manish Reddy

Experience: over 10 years, (divide it into two jobs)

Current designation: Senior Sales Executive

(5 Marks)