MOCK TEST PAPER
FOUNDATION COURSE
PAPER 2: BUSINESS LAWS AND BUSINESS CORRESPONDENCE AND REPORTING
MARKS-100

Question No. 1 is compulsory. Answer any four questions from the remaining five questions. Wherever necessary, suitable assumptions should be made and disclosed by way of note forming part of the answer. Working Notes should form part of the answer.

PAPER A: BUSINESS LAWS
MARKS-60

1. (a) “When a party to a contract has refused to perform, or disabled himself from performing his promise in its entirety, the promise may put an end to the contract”. Explain. (4 Marks)

(b) 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? (4 Marks)

(c) Distinction between Void and Illegal Agreements. (4 Marks)

2. (a) “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 Marks)

(b) 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)

3. (a) “Nemo Dat Quod Non Habet” – “None can give or transfer goods what he does not himself own.” Explain the rule and state the cases in which the rule does not apply under the provisions of the Sale of Goods Act, 1930. (7 Marks)
(b) State the meaning of Limited Liability Partnership (LLP). What are the relevant steps to incorporate LLP? (5 Marks)

4. (a) A, B and C are partners in a firm called ABC Firm. A, with the intention of deceiving D, a supplier of office stationery, buys certain stationery on behalf of the ABC Firm. The stationery is of use in the ordinary course of the firm’s business. A does not give the stationery to the firm, instead brings it to his own use. The supplier D, who is unaware of the private use of stationery by A, claims the price from the firm. The firm refuses to pay for the price, on the ground that the stationery was never received by it (firm). Referring to the provisions of the Indian Partnership Act, 1932 decide:

(I) Whether the Firm’s contention shall be tenable?
(II) What would be your answer if a part of the stationery so purchased by A was delivered to the firm by him, and the rest of the stationery was used by him for private use, about which neither the firm nor the supplier D was aware? (6 Marks)

(b) Explain the meaning of ‘Contingent Contracts’ and state the rules relating to such contracts. Explain the term ‘Quasi Contracts’ and state their characteristics. (6 Marks)

5.(a) “There is no implied warranty or condition as to quality or fitness for any particular purpose of goods supplied under a contract of sale.” Discuss the significance and State exceptions, if any. (6 Marks)

(b) “Liquidated damage is a genuine pre-estimate of compensation of damages for certain anticipated breach of contract whereas Penalty on the other hand is an extravagant amount stipulated and is clearly unconscionable and has no comparison to the loss suffered by the parties”. Explain. (6 Marks)

6. (a) “No consideration, no contract” Comment. (4 Marks)

(b) Briefly explain the doctrine of “ultravires” under the Companies Act, 2013. What are the consequences of ultravires acts of the company?

Or

What is the true test of partnership? (4 Marks)

(c) Mr. Samuel agreed to purchase 100 bales of cotton from Mr. Varun, out of his large stock and sent his men to take delivery of the goods. They could pack only 60 bales. Later on, there was an accidental fire and the entire stock was destroyed including 60 bales that were already packed. Referring to the provisions of the Sale of Goods Act, 1930 explain as to who will bear the loss and to what extent? (4 Marks)
PART-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.

Marks: 40

1. (a) Write an Article of about 250-300 words on the topic “Treat Failure Like a Scientist.” (5 Marks)

(b) Write a précis and give appropriate title to the passage given below. (5 Marks)

There is an enemy beneath our feet - an enemy more deadly for his complete impartiality. He recognizes no national boundaries, no political parties. Everyone in the world is threatened by him. The enemy is the earth itself. When an earthquake strikes, the world trembles. The power of a quake is greater than anything man himself can produce. But today scientists are directing a great deal of their effort into finding some way of combating earthquakes, and it is possible that at some time in the near future mankind will have discovered a means of protecting itself from earth quakes. An earthquake strikes without warning. When it does, its power is immense. If it strikes a modern city, the damage it causes is as great as if it has struck a primitive village. Gas mains burst, explosions are caused and fires are started. Underground railways are wrecked. Buildings collapse, bridges fall, damns burst, gaping crevices appear in busy streets. If the quake strikes at sea, huge tidal waves sweep inland. If it strikes in mountain regions, avalanches roar down into the valley. Consider the terrifying statistics from the past 1755: Lisbon, capital of Portugal - the city destroyed entirely and 450 killed. 1970: Peru: 50,000 killed. In 1968 an earthquake struck Alaska. As this is a relatively unpopulated part, only a few people were killed. But it is likely that this was one of the most powerful quakes ever to have hit the world. Geologists estimate that during the tremors, the whole of the state moved over 80 feet farther west into the Pacific Ocean. Imagine the power of something that can move an entire subcontinent! This is the problem that the scientists face. They are dealing with forces so immense that man cannot hope to resist them. All that can be done is to try to pinpoint just where the earthquake will strike and work from there. At least some precautionary measures can then be taken to save lives and some of the property.

2. (a) Mention the networks used in communication. Which is the most effective for team work and why? (1 Marks)

(2) Select the correct meaning of the idioms/phrases given below. Hobson’s choice.

a) No choice at all

b) Lot of choices

c) Unanimous decision

d) To make eye contact (1 Marks)
(3) Select the suitable substitute for the word in italics in the sentences given below. Ensure that the meaning of the sentence does not change

The match was a complete fiasco for the foreign team.

a) Shock  b) Learning  c) Win  d) Failure (1 Marks)

(4) Select a suitable antonym for the word given in question. Proximity

(a) Approximation  (b) Assumingly  (c) Remoteness  (d) Cure (1 Mark)

(5) Choose the word which best expresses the meaning of the given word. Divulge

(a) Dig into  (b) Varied  (c) Reveal  (d) Deep (1 Mark)

(b) You are Mitali / Mitanshu Joshi, a resident of Green Park, New Delhi. You have recently come across an advertisement from NDTV in The Hindustan Times for the post of a senior journalist. Draft a resume along with a cover letter in response to the advertisement. (5 Marks)

3. (a) Read the passage given below.

(i) Make notes, using headings, sub-headings, and abbreviations wherever necessary. (3 Marks)

(ii) Write summary. (2 Marks)

The small village of Somnathpur contains an extraordinary temple, built around 1268 A.D. by the Hoyasalas of Karnataka—one of the most prolific temple builders. Belur and Helebid are among their better-known works. While these suffered during the invasion of the 14th century, the Somnathpur temple stands more or less intact in near-original condition. The small temple captivates with the beauty and vitality of its detailed sculpture, covering almost every inch of the walls, pillars and even ceilings. It has three shikaras and stands on a star-shaped raised platform with 24 edges. The outer walls have a profusion of detailed carvings: the entire surface run over by carved plaques of stone. There were vertical panels covered by exquisite figures of God and Goddesses, with many incarnations being depicted. There were nymphs too, some carrying an ear of maize, a symbol of plenty and prosperity. The elaborate ornamentation, very characteristic of Hoyasala sculptures was a remarkable feature. On closer look—and it is worth it—the series of friezes on the outer walls revealed intricately carved caparisoned elephants, charging horsemen, stylized flowers, warriors, musicians, crocodiles and swans. The temple was actually commissioned by Soma Dandanayaka or Somnath (he named
the village after himself), the minister of the Hoyasala king, Narasimha the Third. The temple was built to house three versions of Krishna – Venugopala, Janardana and Prasanna Keshava, though only two remain in their original form. In the darkness of the sanctum sanctorum, it's interesting to discern the different images. The temple’s sculptural perfection is amazing and includes the doors of the temple and the three elegantly carved towers.

(b) Draft a Circular informing the staff about the dismissal of the Sales Head on being proved guilty of charges of misappropriation of funds/accounts. (5 Marks)

4. (a) Read the passage carefully and answer the questions that follow:
‘Chanakya Neeti’ is synonymous with efficient statecraft around the world, and Chanakya is India’s face of political statecraft and the rich political understanding of its ancient heritage. No political efficiency is devoid of understanding Chanakya and his ways of statecraft. In fact, he showed the world what political theory is in practice. Ancient Indian history is incomplete without a reference to his ways of statecraft and politics. Chanakya amazes any scholar with his multifaceted character, but it had a distinct focused aim. He was more about philosophy and thoughts put into action. He does not bore you with his philosophical theory but engages you to think, act and achieve what you dream of. He overthrew a mighty empire and put in the throne a humble man like Chandragupta Maurya. He identified the potential ruler from a group of children, thus gave the world a great sovereign who united the Indian subcontinent into a political and administrative unit. For sure, Chanakya’s mental capabilities were superb. The modern global diplomacy revolves around his principal of ‘saam, daam, dand, bhed’ (persuade, purchase/set a price upon, punish, exploit the weakness). His ‘Arthashastra’ elevates the state to a position where service to it entails imperatives unknown to morality. Chanakya would be identified as a professor of political science and economics at Taxila. He was an economic, political and royal adviser and a think tank, and can be credited to have given India its first complex united empire.

Q.1. ‘Chanakya Neeti’ is
a) An individual  b) A political treatise  c) A philosophy  d) A complex way of thinking  (1 Marks)

Q2. Chanakya amazes scholars because of
a) His character b) His focused aim c) Boring political philosophy d) Ability to get people to think, act and achieve their dreams.  (1 Marks)

Q3. In ‘Arthashastra’ Chanakya places the interests of the state
a) Below moral responsibility  
b) At par with moral responsibility  
c) Above any moral responsibility  
d) The state has nothing to do with moral responsibility  

Q4. The modern day global diplomacy follows the principle of 

a) Reward, request, entreaty and punishment  
b) Request, cajole, threaten and persuade  
c) Purchase, punish, request and accept  
d) Persuasion, exploitation, punishment and purchase  

Q5. Pick out words from the passage which means 

a) involves  
b) Raises  

(b) As the Manager, HR of Net Solutions Ltd, Mumbai, draft a complaint letter to the Administration Head of Food for you Solutions, Mumbai, stating your concern about the bad quality of food being supplied to your company’s cafeteria. (5Marks)  

5 .(a) Write a E-mail to your co-worker Amit Suri for congratulating him on his promotion. (5 Marks)  

(b) (a) What do you mean by completeness in effective communication? (1Mark)  

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

(a)Shine  
(b) Steal  
(c) Busy  
(d) Shocked  

(ii) Select a suitable antonym for the word given in question. Applaud  

(a)Organize  
(b) Compose  
(c) About  
(d) Condemn  

(iii) Change the following sentences into passive voice  

You should write an apology letter.  

(iv) Change the following sentences to indirect speech.  

Uncle said, ‘I am unwell’