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CA Foundation 2022 Suggested Answers · Paper 2 Business Laws and Business Correspondence and Reporting (Old Scheme)

EXAM
CA Foundation

YEAR
2022

TYPE
Suggested Answers

SUBJECT
Paper 2 Business Laws and Business Correspondence and Reporting (Old Scheme)

DATE
May 2022

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) Sheena was a classical dancer. She entered into an agreement with Shital Vidya Mandir for 60 dance performances. As per the contract, she was supposed to perform every weekend and she will be paid ₹ 10,000/- 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 Shital Vidya Mandir has right to terminate the contract?

(ii) If the management of Shital Vidya Mandir informed Sheena about its continuance, can the management still rescind the contract after a month on this ground subsequently?

(iii) Can the Shital Vidya Mandir claim damages that it has suffered because of this breach in any of the above cases? ***(4 Marks)***

(b) The Articles of Association of Aarna Limited empowers its managing agents to borrow loans on behalf of the company. Ms. Anika, the director of the company, borrowed ₹ 18 Lakhs in name of the company from Quick Finance Limited, a non-banking finance company. Later on, Aarna Limited refused to repay the money borrowed on the pretext that no resolution authorizing such loan have been actually passed by the company and therefore the company is not liable to pay such loan.

Decide whether the contention of Aarna Limited is correct in accordance with the provisions of the Companies Act, 2013? ***(4 Marks)***

(c) What are the consequences of destruction of specified goods, before making of contract and after the agreement to sell under the Sale of Goods Act, 1930. ***(4 Marks)***

Answer

(a) Section 39 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 acquiesce in its continuance. Further, in term 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.

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Therefore, in the instant case,

(i) Since, Sheena could not perform as per the terms of contract, Shital Vidya Mandir can terminate the contract.

(ii) In the second situation, the management of Shital Vidya Mandir informed Sheena about the continuance of the contract. Hence, the management cannot now rescind the contract after a month on this ground subsequently.

(iii) As per Section 75, Shital Vidya Mandir can claim damages that it has suffered because of this breach in part (i).

(b) Doctrine of Indoor Management

According to this doctrine, persons dealing with the company need not inquire whether internal proceedings relating to the contract are followed correctly, once they are satisfied that the transaction is in accordance with the memorandum and articles of association.

Stakeholders need not enquire whether the necessary meeting was convened and held properly or whether necessary resolution was passed properly. They are entitled to take it for granted that the company had gone through all these proceedings in a regular manner.

The doctrine helps to protect the external members from the company and states that the people are entitled to presume that internal proceedings are as per documents submitted with the Registrar of Companies.

Thus,

1. What happens internal to a company is not a matter of public knowledge. An outsider can only presume the intentions of a company, but do not know the information he/she is not privy to.
2. If not for the doctrine, the company could escape creditors by denying the authority of officials to act on its behalf.

In the given question, Quick Finance Limited being external to the company, need not enquire whether the necessary resolution was passed properly. Even if Aarna Limited claims that no resolution authorizing the loan was passed, Aarna Limited is bound to repay the loan to Quick Finance Limited.

(c) (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.

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(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.

Question 2

(a) "The general rule is that an agreement made without consideration is void." State the exceptions of this general rule as per the Indian Contract Act, 1872. ***(7 Marks)***

(b) Explain the incorporation by registration of a Limited Liability Partnership and its essential elements under the LLP Act, 2008. ***(5 Marks)***

Answer

(a) An agreement made without consideration is void (Section 25 of the Indian Contract Act, 1872): In every valid contract, consideration is very important. A contract may only be enforceable when consideration is there. However, the Indian Contract Act contains certain exceptions to this rule. In the following cases, the agreement though made without consideration, will be valid and enforceable.

Exceptions:

1. **Natural Love and Affection:** Conditions to be fulfilled under section 25(1)
   (i) It must be made out of natural love and affection between the parties.
   (ii) Parties must stand in near relationship to each other.
   (iii) It must be in writing.
   (iv) It must also be registered under the law.

   A written and registered agreement based on natural love and affection between the parties standing in near relation (e.g., husband and wife) to each other is enforceable even without consideration.

2. **Compensation for past voluntary services:** A promise to compensate, wholly or in part, a person who has already voluntarily done something for the promisor, is enforceable under Section 25(2). In order that a promise to pay for the past voluntary services be binding, the following essential factors must exist:
   (i) The services should have been rendered voluntarily.
   (ii) The services must have been rendered for the promisor.
   (iii) The promisor must be in existence at the time when services were rendered.
   (iv) The promisor must have intended to compensate the promisee.

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3. **Promise to pay time barred debt:** Where a promise in writing signed by the person making it or by his authorised agent, is made to pay a debt barred by limitation it is valid without consideration [Section 25(3)].

4. **Agency:** According to Section 185 of the Indian Contract Act, 1872, no consideration is necessary to create an agency.

5. **Completed gift:** In case of completed gifts, the rule no consideration no contract does not apply. Explanation (1) to Section 25 states "nothing in this section shall affect the validity as between the donor and donee, of any gift actually made." Thus, gifts do not require any consideration.

6. **Bailment:** No consideration is required to affect the contract of bailment. Section 148 of the Indian Contract Act, 1872, defines bailment as the delivery of goods from one person to another for some purpose. This delivery is made upon a contract that post accomplishment of the purpose, the goods will either be returned or disposed of, according to the directions of the person delivering them. No consideration is required to affect a contract of bailment.

7. **Charity:** If a promisee undertakes the liability on the promise of the person to contribute to charity, there the contract shall be valid. ***(Kadarnath v. Gorie Mohammad)***

(b) Incorporation by registration (Section 12 of LLP Act, 2008):

(1) When the requirements imposed by clauses (b) and (c) of sub-section (1) of section 11 have been complied with, the Registrar shall retain the incorporation document and, unless the requirement imposed by clause (a) of that sub-section has not been complied with, he shall, within a period of 14 days—

(a) register the incorporation document; and

(b) give a certificate that the LLP is incorporated by the name specified therein.

(2) The Registrar may accept the statement delivered under clause (c) of sub-section (1) of section 11 as sufficient evidence that the requirement imposed by clause (a) of that sub-section has been complied with.

(3) The certificate issued under clause (b) of sub-section (1) shall be signed by the Registrar and authenticated by his official seal.

(4) The certificate shall be conclusive evidence that the LLP is incorporated by the name specified therein.

Essential elements to incorporate Limited Liability Partnership (LLP)

Under the LLP Act, 2008, the following elements are very essential to form a LLP in India:

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(i) To complete and submit incorporation document in the form prescribed with the Registrar electronically;

(ii) To have at least two partners for incorporation of LLP [Individual or body corporate];

(iii) To have registered office in India to which all communications will be made and received;

(iv) To appoint minimum two individuals as designated partners who will be responsible for number of duties including doing of all acts, matters and things as are required to be done by the LLP. At least one of them should be resident in India.

(v) A person or nominee of body corporate intending to be appointed as designated partner of LLP should hold a Designated Partner Identification Number (DPIN) allotted by Ministry of Corporate Affairs.

(vi) To execute a partnership agreement between the partners, inter se or between the LLP and its partners. In the absence of any agreement the provisions as set out in First Schedule of LLP Act, 2008 will be applied.

(vii) LLP Name.

Question 3

(a) (i) What do you mean by 'Partnership for a fixed period' as per the Indian Partnership Act, 1932? ***(2 Marks)***

(ii) Can a minor become a partner in a partnership firm? Justify your answer and also explain the rights of a minor in a partnership firm. ***(4 Marks)***

(b) Srishti, a minor, falsely representing her age, enters into an agreement with an authorised Laptop dealer Mr. Gupta, owner of SP Laptops, for purchase of Laptop on credit amounting ₹ 60,000/- for purchasing a laptop, on 1st August 2021. She promised to pay back the outstanding amount with interest @ 16% p.a. by 31st July 2022. 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 Srishti 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 adult on 1st January 2024, only after that agreement can be ratified. Explain by which of the following way Mr. Gupta will succeed in recovering the outstanding amount with reference to the Indian Contract Act, 1872.

(i) By filing a case against Srishti, a minor for recovery of outstanding amount with interest?

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(ii) By filing a case against Mr. Ram, father of Srishti for recovery of outstanding amount?

(iii) By filing a case against Srishti, a minor for recovery of outstanding amount after she attains maturity? ***(6 Marks)***

Answer

(a) (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) Minor as a partner: A minor is not competent to contract. Hence, a person who is a minor according to the law to which he is subject may not be a partner in a firm, but with the consent of all the partners for the time being, he may be admitted to the benefits of partnership.

Rights of a minor in a partnership firm:

(i) A minor partner has a right to his agreed share of the profits and of the firm.

(ii) He can have access to, inspect and copy the accounts of the firm.

(iii) He can sue the partners for accounts or for payment of his share but only when severing his connection with the firm, and not otherwise.

(iv) On attaining majority, he may within 6 months elect to become a partner or not to become a partner. If he elects to become a partner, then he is entitled to the share to which he was entitled as a minor. If he does not, then his share is not liable for any acts of the firm after the date of the public notice served to that effect.

(b) A contract made with or by a minor is void ab-initio: Pursuant to Section 11, 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. Gupta will not succeed in recovering the outstanding amount by filing a case against Srishti, 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 necessaries. The parents will be held liable only when the child is acting as an agent for parents.

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

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(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. Gupta will not succeed in recovering the outstanding amount by filing a case against Srishti, after she attains majority.

Question 4

(a) 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? ***(6 Marks)***

(b) M/s ABC Associates is 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. Prateek, a Chartered Accountant. Mr. B and Mr. C were not interested that Mr. Prateek join them as partner in M/s ABC Associates. After some time, Mr. Prateek 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. Prateek, be introduced as a partner if his father wants to get a retirement? As an advisor, help them resolve the issues applying the necessary provisions from the Indian Partnership Act, 1932. ***(6 Marks)***

Answer

(a) (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.

(b) (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. Prateek 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. Prateek, the transferee in M/S ABC Associates cannot inspect the books of the firm and contention of the other partners is right that Mr. Prateek cannot challenge the books of accounts.

Question 5

(a) Sonal went to a Jewellery shop and asked the sales girl to show her diamond bangles with Ruby stones. The Jeweller told her that we have a lot of designs of diamond bangles but with red stones if she chooses for herself any special design of diamond bangle with red stones, they will replace red stones with Ruby stones. But for the Ruby stones they will charge some extra cost. Sonal selected a beautiful set of designer bangles and paid for them. She also paid the extra cost of Ruby stones. The Jeweller requested her to

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come back a week later for delivery of those bangles. When she came after a week to take delivery of bangles, she noticed that due to Ruby stones, the design of bangles has 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.

(i) State with reasons whether Sonal can recover the amount from the Jeweller.

(ii) What would be your answer if Jeweller says that he can change the design, but he will charge extra cost for the same? ***(6 Marks)***

(b) Explain the 'Doctrine of ultra vires under the Companies Act, 2013. What are the consequences of 'ultra vires' acts of the company? ***(6 Marks)***

Answer

(a) 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 Sonal and Jeweller and not a sale. Even though the payment was made by Sonal, the property in goods can be transferred only after the fulfilment of conditions fixed between the buyer and the seller. As due to Ruby Stones, the original design is disturbed, bangles are not in original position. Hence, Sonal has right to avoid the agreement to sell and can recover the price paid.

(ii) If Jeweller offers to bring the bangles in original position by repairing, he cannot charge extra cost from Sonal. Even though he has to bear some expenses for repair; he cannot charge it from Sonal.

(b) 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. To an ordinary citizen, the law permits whatever does the law not expressly forbid. 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 *[Ashbury Railway Company Ltd. vs. Riche].* 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

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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.

Consequences of 'ultra vires' acts of the company:

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 one enters into a transaction which is ultra vires the company, he/she cannot enforce it against the company.

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

However, some ultra vires act can be regularised by ratifying them subsequently. For instance, if the act is ultra vires the power of the directors, the shareholders can ratify it; if it is ultra vires the articles of the company, the company can alter the articles; if the act is within the power of the company but is done irregularly, shareholders can validate such acts.

Question 6

(a) "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 the statement by differentiating between liquidated damages and penalty with reference to provisions of the Indian Contract Act, 1872.

(5 Marks)

(b) Explain the grounds on which court may dissolve a partnership firm in case of any partner files a suit for the same. ***(4 Marks)***

(c) Mr. R is an Indian citizen, and his stay in India during the immediately preceding financial year is for 130 days. He appoints Mr. S, a foreign citizen, as his nominee, who has stayed in India for 125 days during the immediately preceding financial year. Is Mr. R eligible to be incorporated as a One-Person Company (OPC)? If yes, can he give the name of Mr. S in the Memorandum of Association as his nominee? Justify your answers with relevant provisions of the Companies Act, 2013. ***(3 Marks)***

Answer

(a) **Liquidated damages** is a genuine pre-estimate of compensation of damage for certain anticipated breach of contract. This estimate is agreed to between parties to avoid at a later date detailed calculation and the necessity to convince outside parties.

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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.

Distinction between liquidated damages and penalty

Penalty and liquidated damages have one thing in common that both are payable on the occurrence of a breach of contract. It is very difficult to draw a clear line of distinction between the two but certain principles as laid down below may be helpful.

1. If the sum payable is so large as to be far in excess of the probable damage on breach, it is certainly a penalty.
2. Where a sum is expressed to be payable on a certain date and a further sum in the event of default being made, the latter sum is a penalty because mere delay in payment is unlikely to cause damage.
3. The expression used by the parties is not final. The court must find out whether the sum fixed in the contract is in truth a penalty or liquidated damages. If the sum fixed is extravagant or exorbitant, the court will regard it is as a penalty even if, it is termed as liquidated damages in the contract.
4. The essence of a penalty is payment of money stipulated as a terrorem of the offending party. The essence of liquidated damages is a genuine pre-estimate of the damage.
5. English law makes a distinction between liquidated damages and penalty, but no such distinction is followed in India. The courts in India must ascertain the actual loss and award the same which amount must not, however exceed the sum so fixed in the contract. The courts have not to bother about the distinction but to award reasonable compensation not exceeding the sum so fixed.

(b) According to Section 44 of the Indian Partnership Act, 1932, Court may, at the suit of the partner, dissolve a firm on any of the following grounds:

(a) **Insanity/unsound mind:** Where a partner (not a sleeping partner) has become of unsound mind, the court may dissolve the firm on a suit of the other partners or by the next friend of the insane partner. Temporary sickness is no ground for dissolution of firm.

(b) **Permanent incapacity:** When a partner, other than the partner suing, has become in any way permanently incapable of performing his duties as partner, then the court may dissolve the firm. Such permanent incapacity may result from physical disability or illness etc.

(c) **Misconduct:** Where a partner, other than the partner suing, is guilty of conduct which is likely to affect prejudicially the carrying on of business, the court may order for dissolution of the firm, by giving regard to the nature of business.

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(d) **Persistent breach of agreement:** Following comes into category of breach of contract:

- Embezzlement,
- Keeping erroneous accounts
- Holding more cash than allowed
- Refusal to show accounts despite repeated request etc.

(e) **Transfer of interest:** Where a partner other than the partner suing, has transferred the whole of his interest in the firm to a third party or has allowed his share to be charged or sold by the court, in the recovery of arrears of land revenue due by the partner, the court may dissolve the firm at the instance of any other partner.

(f) **Continuous/Perpetual losses:** Where the business of the firm cannot be carried on except at a loss in future also, the court may order for its dissolution.

(g) **Just and equitable grounds:** Where the court considers any other ground to be just and equitable for the dissolution of the firm, it may dissolve a firm. The following are the cases for the just and equitable grounds-

(i) Deadlock in the management.

(ii) Where the partners are not in talking terms between them.

(iii) Loss of substratum.

(iv) Gambling by a partner on a stock exchange.

(c) As per the provisions of the Companies Act, 2013, only a natural person who is an Indian citizen and resident in India (person who stayed in India for a period of not less than 120 days during immediately preceding financial year) –

- Shall be eligible to incorporate an OPC
- Shall be a nominee for the sole member.

In the given case, Mr. R is an Indian citizen and his stay in India during the immediately preceding financial year is 130 days which is above the requirement of 120 days. Hence, Mr. R is eligible to incorporate an OPC.

Also, even though Mr. S's name is mentioned in the Memorandum of Association as nominee and his stay in India during the immediately preceding financial year is more than 120 days, he is a foreign citizen and not an Indian citizen. Hence, S's name cannot be given as nominee in the memorandum.

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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 given below and answer the questions that follows:

Electricity is the life force of modern world. The use of electricity in daily life at all levels is far too elaborate to be measured. The electric power has transformed human life into an amazing experience of convenience, luxury, comfort and ease. A push by a finger to a button brings the light on and the same act sets hundreds of thousands of gadgets in action. This giant dinosaur has become slave of a human finger which now controls the electric power. It simply is a miracle, very real and· more bountiful than any other thing available on the planet. The electricity has revolutionized our houses, drawing rooms and kitchen with useful equipment.

The array of entertainment aids powered by electricity has created a fancy world around us. The coming into the existence of a power like electricity that obeyed the command of the human finger's touch inspired the inventions and innovations of a mind boggling range of electric equipment. In fact, all the manmade machines or gadgets wholly or partly run on electricity.

It created wonders ·of entertainment like cinema, radio, television, other audio-video systems. The electricity has enabled the man go to space, land on moon and harness natural powers and resources. The mining, construction, irrigation, transport, printing and other industrial activities are dependent on electric power. Even the computers won't work any wonders without the electricity. The electricity has penetrated in our lives to such an extent that if it is cut off for some time; the life comes to a standstill. Today, the progress of a society or a nation or economy is so dependent on electric power that all the power generating resources and options are being exploited or explored so that we have unrestrained supply of electric power. Oil, coal, water, air, sun light, tidal waves and atomic phenomena are being used for power generation. The research on hydrogen as fuel and controlled fusion process are going on at feverish pitch.

The oil and coal are non-renewable resources. Hydel power has limitations as no new rivers can be created. Solar energy is yet costly to harness. The wind energy too has limitations. The tidal wave processes are yet at an experimental stage. And so are hydrogen and fusion ideas. Conventional atomic energy clearly is the best pollution free option but it entails the tricky problem of atomic waste disposal.

Questions:

(i) What has created a fancy world around us? ***(1 Mark)***

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(ii) *What part of the human body controls the power of electricity?* ***(1 Mark)***

(iii) *What happens when the electricity is cut off in the modern day city?* ***(1 Mark)***

(iv) *Why hydel power has limitations?* ***(1 Mark)***

(v) *Write one merit and demerit of nuclear power generation.* ***(1 Mark)***

(b) *Read the Passage:*

Cholesterol is a wax like substance that is present in our body. It's an important component of our cell walls and other tissues, but it is considered to be harmful if in excess. It can lead to blockages caused by plaque formation in the heart's arteries causing heart disease and heart attacks. Such blockages can also happen in arteries, in the legs or in the brain. Cholesterol is produced in the liver, and the amount produced is influenced by our genes and many other factors. The food consumed by us has also an effect on cholesterol levels. Fatty foods, especially those high in saturated fats and foods high in simple sugars such as cold drinks increase cholesterol levels. Lack of physical activity and exercise also leads to elevated levels of cholesterol.

Cholesterol levels can be reduced by following a heart-healthy lifestyle, which includes regular physical activity for at least 30 minutes daily and a diet high in fruits and vegetables and low in saturated sugar. Statins are a group of drugs most recommended for those with high cholesterol. Red yeast rice has been shown to be effective in lowering cholesterol. Garlic and flaxseed can be included in the daily diet. Olive oil, Canola oil or other oils rich in monounsaturated fatty acids can be used for cooking in order to reduce cholesterol through food.

The ill-effects of high cholesterol take time to show up, and one may not realise it until it's a bit too late. Cholesterol, by itself is important because it insulates nerve cells and membranes. Being a fatty substance, it does not dissolve in the blood and is packaged into protein. There are 'good' HDL cholesterol and 'bad' LDL cholesterol. Bad cholesterol can stick to the smooth lining of the blood vessels, where it is absorbed, while HDL mops up excess bad cholesterol and removes it from blood vessels. Even moderate physical activity on a regul!1rbasis can help increase HDL cholesterol.

Exercise five days a week, whether you are overweight or underweight. Aerobic exercises like walking, cycling, swimming, slow jogging, dancing etc. for 45 minutes, three times a week and anaerobic exercises like weight training, and sprinting for another three days will help increase good and reduce bad cholesterol. In order to maximize your cardiovascular fitness, aerobic exercises should raise your heart to a certain level. This level is called heart zone. One should keep the heart rate elevated for at least 20 minutes. Always warm-up, stretch, and relax before and after any workout to avoid injuries. All these contribute to a healthier and fitter life.

(i) *Make notes, using headings, sub-headings and abbreviation wherever necessary giving a suitable title.* ***(3 Marks)***

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(ii) Write a summary. ***(2 Marks)***

Answer

(a) (i) The array of entertainment aids powered by electricity has created a fancy world around us.

(ii) A push by a finger to a button brings the light on and the same act sets hundreds of thousands of gadgets in action. Power like electricity obeys the command of the human finger's touch. Hence, the tip of a human finger controls electric power by pressing switches.

(iii) The electricity has penetrated in our lives to such an extent that if the power (electricity) is cut off for some time, the life comes to a standstill.

(iv) Hydel power has limitations as no new rivers can be created by human endeavour.

(v) The merit of the nuclear power generation is that it is totally pollution free. The demerit of the nuclear power is that the nuclear waste disposal is very tricky and hazardous.

(b) (i) Note Making

Title: Good Cholesterol for a healthier life / Cholesterol and health

Notes:

1. Impact

1.1 leads to blockages

1.2 causes heart diseases

1.3 heart attacks

2. Reasons

2.1 plq formation in arteries

2.2 fatty foods

2.2.1 high in sat fats

2.2.2 lack of phys activity

3. Remedies

3.1 heart-healthy lifestyle

3.1.1 reg phys activity

3.1.2 diet high in fruits and veg

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3.2 statins

3.2.1 red yeast rice

3.2.2 garlic & flaxseeds

3.2.3 olive oil, canola oil

4. Types of CL

4.1 HDL- good

4.2 LDL- bad

5. For healthier & fitter life

5.1 Exercise five days a week

5.2 Aerobic exercises 45 mins, three times a week

5.2.1 walking

5.2.2 cycling

5.2.3 swimming

5.2.4 slow jogging

5.2.5 dancing

5.3 Anaerobic exercises three days a week

5.3.1 wt training

5.3.2 sprinting

List of / Key to abbreviations used:

sat. - saturated

phys. - physical

reg. - regular

veg. - vegetables

&-and

mins. - minutes

wt. -weight

plq- plaque

CL-Cholesterol

HCL- Good Cholesterol

LCL- Bad Cholesterol

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(ii) Summary:

Cholesterol, a wax-like substance present in our body, is an important component of our cell walls and other tissues. If present in excess, it can be very harmful. Our cholesterol levels are affected by the food we consume. We can reduce cholesterol levels by leading a heart- healthy life, doing regular physical activity and having a diet rich in fruits and vegetables. There are 'good' HDL cholesterol and 'bad' LDL cholesterol. To ensure an increase in our HDL level and to lead a healthier and fitter life, we must do aerobic and anaerobic exercises at least five times a week for around 45 minutes daily. All these contribute to a healthier and fitter life.

Question 8

(a) "A well dressed and groomed person is presumed to be organised and methodical, whereas a sloppy or shabby person fails to make a favourable impression". Discuss.

(2 Marks)

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

GERMANE

(1) Responsible

(2) Logical

(3) Possible

(4) Relevant. ***(1 Mark)***

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

FIDELITY

(1) Commitment

(2) Inconstancy

(3) Ambitious

(4) Devotion ***(1 Mark)***

(iii) Change the following sentences to indirect speech:

'Why don't you go away for a few days?' Jenifer said to me. ***(1 Mark)***

(c) Write a precis and give an appropriate title to the passage given below:

We are bombarded by noise and sound in all our waking hours. We 'hear' conversations, news, gossips and many other forms of speech all the time. However, most of it is not listened to carefully and therefore, not understood, partially understood or misunderstood. A good listener does not only listen to the spoken words, but observes

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carefully the nonverbal cues to understand the complete message. He/she absorbs the given information's, processes it, understands its context and meaning and to form an accurate, reasoned, intelligent response.

Listening starts with hearing but goes beyond. Hearing, in other words is necessary but is not a sufficient condition for listening. Listening involves hearing with attention. Listening is a process that calls· for concentration. While, listening, one should also be observant. In other words, listening has to do with the ears, as well as with the eyes and the mind. Listening is to be understood as the total process that involves hearing with attention, being observant and making interpretations. Good communication is essentially an interactive process. It calls for participation and involvement. It is quite often a dialogue rather than a monologue. It is necessary to be interested and also show or make it abundantly clear that one is interested in knowing what the other person has to say.

Good listening is an art that can be cultivated. It relates to skills that can be developed. A good listener knows the art of getting much more than what the speaker is trying to convey. He knows how to prompt, persuade but not to cut off or interrupt what the other person has to say. At times the speaker may or may not be coherent, articulate and well organised in his thoughts and expressions. He may have it in his mind and yet he may fail to marshal the right words while communicating is thought.

The listener has to be objective, practical and in control pf his emotions. Often the understanding of a listener is coloured by his own emotions, judgments, opinions, and reactions to what is being said. ***(5 Marks)***

Answer

(a) Appearance is usually the first thing noticed about a person. A well dressed and groomed person is presumed to be organised and methodical, whereas a sloppy or shabby person fails to make a favourable impression. Therefore, dressing appropriately in all formal interactions is emphasised.

The dress code in office is generally formal. It constitutes of formal suits, trousers with plain white- or light-coloured shirts and leather shoes. Bright colours, jeans, T- shirts, especially with slogans and other informal wear are not allowed. For women, formal two-piece trouser or skirt sets or formal ethnic wear like saree is permissible.

(b) **(i)** (4) / Relevant

(ii) (2)/Inconstancy

(iii) Jenifer asked me why I didn't go away for a few days.

(c) **Précis**

Title: The Art of Listening / Hearing v. Listening

There is a vast difference between hearing and listening. Listening goes beyond hearing, it is hearing with attention and calls for concentration. One also needs to be observant,

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using not only one's ears but also one's eyes and mind. A good listener does not only listen to the spoken words but observes carefully the nonverbal cues to understand. Good listening needs participation and involvement and involves dialogue more than a monologue. It is an art that needs to be cultivated. A good listener knows how to prompt and persuade but not to cut off or interrupt what the other person has to say. Understanding of a listener is coloured by his own emotions, judgments, opinions, and reactions.

Question 9

(a) (i) Define chain network in communication. ***(2 Marks)***

OR

(ii) How 'Technology barrier' affects communication?

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

Sluggard

(1) Cheat

(2) Lazy

(3) Old

(4) Talkative ***(1 Mark)***

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

Turbulence

(1) Stillness

(2) Repose

(3) Agitation

(4) Calmness ***(1 Mark)***

(iii) Change the following sentence to indirect speech:

Mother said to her daughter, "May God grant you success in your examination".

(1 Mark)

(c) You are a purchase manager of Global Traders Pvt Ltd. You had ordered 100 units special kind of Bolts from a company SN Nut Bolts Pvt. Ltd in Mumbai. While checking, the consignment was found to be very poor in quality. Write a complaint letter to the Sales Manager to replace the order. ***(5 Marks)***

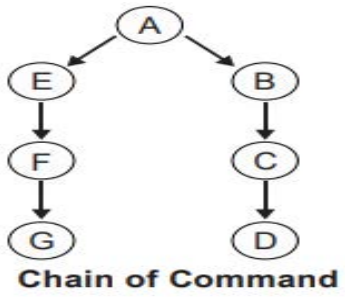
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Answer

(a) (i) Chain Network in Communication

The 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. The chain network often takes up time, and communication may not be clear.

Example- B, C, D and E, F, G are the subordinates to A in the organizational hierarchy and receive commands from 'A'. This may be explained with the help of a diagram as below:



Chain of Command

OR

(ii) Technology Barriers

In the present world, communication modes are primarily technology driven. Communication technology is being constantly upgraded and new formats emerge ever so frequently. Anyone who is not tech friendly struggles to communicate effectively via the medium.

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.

(b) (i) (2) / Lazy

(ii) (3) / Agitation

(iii) Mother prayed that God might grant her daughter success in her examination.

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(c) Complaint Letter

Global Traders Pvt. Ltd.

27, Nai Sarak, Chandni Chowk,

New Delhi - 110006

Date: February 4, 2022

The Sales Manager,

SN Nut Bolts Pvt. Ltd.,

15, Industrial Road, Ramnagar,

Mumbai

Pin Code: xxx xxx

Dear Sir / Madam,

Subject: Complaint for consignment received on 3rd February, 2022.

Reference: Order No. XXXX –Dated 22nd December, 2021

With reference to above, an order for supply of 100 units of specific kind of bolts was placed on 22nd December, 2021 with product ID XXX and order no. XXXX. The consignment against this order was received on 3rd February, 2022. However, during inspection the above supplied consignment has been found to be of substandard / poor quality. As the required quality of above product has been specified to you earlier with order itself, you are requested to replace this consignment within a week positively. If you fail to do this, we shall be constrained to cancel the order and you would be made liable to compensate us for the losses caused to us due to above.

We shall be thankful for your quick response to replace the consignment keeping in view our long business relations.

Yours Faithfully / Sincerely,

Mr. CVB

Purchase Head

Global Traders Pvt. Ltd.

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Question 10

(a) *"Human behaviour is not under the sole control of emotion or deliberation but results from the interaction of these two processes". Explain.* ***(2 Marks)***

(b) (i) *Change the sentence from Active to Passive Voice.*

I ran the obstacle course in record time. ***(1 Mark)***

(ii) *Change the sentence from Passive to Active Voice.*

Money was generously donated to the homeless shelter by Larry. ***(1 Mark)***

(iii) *Change the following sentence into indirect speech.*

The students said to their teacher, 'please allow us to watch the cricket match.'

(1 Mark)

(b) *Corruption has become the order of the day. It has entered all walks of life.*

Write an article for your school magazine in 250 words on 'The Role of Youth in combating corruption'. ***(5 Marks)***

Answer

(a) Emotional Awareness and Control: "Human behaviour is not under the sole control of emotion or deliberation but results from the interaction of these two processes," Loewenstein said.

Emotions are a powerful force that affect our perception of reality regardless of how hard we try to remain 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.

Consequently, 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 emotions and at the same time respecting the emotional state of others helps in smooth interaction.

(b) (i) The obstacle course was run by me in record time.

(ii) Larry generously donated money to the homeless shelter.

(iii) The students requested / urged / begged their teacher to allow / kindly allow them to watch the cricket match.

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(c) Article

'The Role of Youth in combating corruption'

By …....(Writer's name)

Corruption has become the order of the day. It has spread its tentacles in all walks of life. It seems that corruption has spared no one; everyone is in the grip of corruption. It is ruining power, society and the country as well. There is an urgent need to check this rampant corruption otherwise we will land ourselves nowhere.

A beginning can be made in this direction by holding anti-corruption drives. The ill-effects of corruption in public life should be publicised through the internet and blogs. The uprising young citizens need to join hands as one and battle against corruption. They need to spread awareness, more so in rural areas and equip them with knowledge about this burning issue. Recently the name of Anna Hazare has become synonymous with combating corruption so the youth of India have an idol among them whom they can follow. The dedicated efforts of the honest youth are bound to succeed in the long run-in demolishing and vanquishing this social evil which has earned us a bad name.

Youth can play an important role in combating corruption. They can arrange awareness campaigns about corruption and make an anti-corruption youth brigade, to keep a vigil over the offices.

Youth can make people understand that they should not resort to corrupt practices to get their work done. Youngsters must discourage people to offer or receive bribes. If no one gives any money, work will be done automatically.

The youth must make the general public aware of various anti-corruption laws and the right to information so that they come in handy at the most opportune time. Youth are the future of the country. A lot rests on their strong shoulders.

Question 11

(a) "Understanding cultural aspects of communication is absolutely necessary otherwise it will become a barrier to communication". Discuss. ***(2 Marks)***

(b) Select the correct meaning of Idioms/ Phrases given below:

(i) In the pink of health

(1) Prolonged suffering

(2) Emergency situation

(3) Challenging situation

(4) Best of health ***(1 Mark)***

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(ii) Out of the blue

(1) Quietly

(2) Unexpectedly

(3) Angrily

(4) Revengefully ***(1 Mark)***

(iii) Change the sentence into passive voice,

The builder is building the flat. ***(1 Mark)***

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

Precedence

(1) Priority

(2) Uprise

(3) Present

(4) Insignificance ***(1 Mark)***

(c) There is an urgent job opportunity in an established chartered accountancy firm for the jab of qualified/competent Chattered Accountant. Prepare a detailed resume for a candidate applying for the post. ***(4 Marks)***

Answer

(a) Understanding cultural aspects of communication refer to having knowledge of different cultures in order to communicate effectively with cross culture people. Understanding various cultures in this era of globalization is an absolute necessity as the existence of cultural differences amongst people from various countries, regions tribes and religions, where words and symbols may be interpreted differently can result in communication barriers and miscommunications.

(b) **(i)** (4) / Best of health

(ii) (2) / Unexpectedly

(iii) The flat is being built by the builder.

(iv) (1) / Priority

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(c) Resume / Bio-Data / CV

Varun Gupta

A-29, Kirti Nagar New Delhi, 1100xx

Email Id:xxx@gmail.com

Mobil No. +91xxxxxxxxxx

CAREER OBJECTIVE:

Seeking a challenging professional career as a Chartered Accountant with an established firm of Chartered Accountants that provides an opportunity to utilize my professional skills & abilities in the relevant field.

WORK EXPERIENCE

- As an Articled Assistant in SN & Associates, a firm of Chartered Accountants.
- As a Chartered Accountant with AS & Associates, a firm of Chartered Accountants for about three years with the following job responsibilities:

JOB RESPONSIBILITIES

- Performed statutory audit of companies, audit of firms and other type of organization viz. proprietary concerns, charitable institutions etc.
- Handled Tax Audits, GST Audits.
- Rendered other financial services, consultancy etc.

PROFESSIONAL QUALIFICATION:

- Chartered Accountant

ACADEMIC QUALIFICATION:

- Bachelor of Commerce from Delhi University. Year of Passing: XXXX
- LL.B. from Delhi University. Year of Passing: XXXX

COMPETANCY AREAS

- Statutory Audit / Tax & GST Audit
- Taxation
- Project Financing
- Other professional services

ACHIEVEMENTS:

- Represented school as a part of the student delegation from the NCR region for the Event:
  - "CONFLUENCE-2000", held at HYDERABAD.

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- Captain of the school cricket team.
- State-level cricket player.

HONOURS AND AWARDS:

- Won First prize in Inter-school Quiz Competition
- A consistent scholarship holder school.
- Won 2nd Prize in the Inter-school Debate Competition.

COMPUTER PROFICIENCY

- SAP, Advance Excel, MIS, Payroll, MS- Office, Tally
- Internet Applications

LANGUAGES KNOWN

- English, Hindi

REFERENCES

Available upon request

PERSONAL DETAILS

- Name: Varun Gupta
- Father's Name: Mr. S.D Gupta
- Date of birth: xxx, 19xx
- Gender: Male
- Marital Status: Bachelor
- Holding valid passport

DECLARATION

I solemnly declare that all the above information is correct to the best of my knowledge and belief.

Date: Signature

Place: (Varun Gupta)

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