



J.K. SHAH[®]
TEST SERIES

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SUGGESTED ANSWERS

CA FOUNDATION

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Answers

Section A

Q.1

(a)

As per Section 2(a) of Indian Contract Act, 1872, offer is defined as:

When one person signifies to another his willingness to do or to abstain from doing anything, with a view to obtaining the assent of that another to such act or abstinence, he is said to make a proposal. Also, when the offeree, offers to qualified acceptance to the offer, subject to modification and variation in terms of original offer he is said to have made a counter offer. A counter offer does not amount to acceptance of original offer. If the offer is not accepted within reasonable time, it lapses.

(2 Marks)

In the given question, Natwarlal, offered to sell his farm to the Chotulal for ₹500,000 but Chotulal declined the offer. Natwarlal again reinstated his offer for selling the farm at ₹500,000 to Chotulal's agent stating that it is the final offer from their side. Chotulal through a letter, offered to buy the farm for ₹400,000. Natwarlal refused to sell the farm at that price. Here, no contract came to arise between the parties as the price was not agreed upon. Rather, offers and counter-offers were exchanged. The original offer of ₹500,000 had already lapsed.

Hence, Chotulal will not succeed as there was no contract concluded.

(2 Marks)

(b)

As per provisions of The Companies Act, 2013, the certificate of incorporation is conclusive with regard to the following matters:

- (a) That the association has been duly registered under the Act.
- (b) That the date borne by the certificate of incorporation is the date of the birth of the company. The company shall be deemed to have come into existence on that very date.
- (d) That all the requirements of the Act in respect of the registration and of matters precedent and incidental thereto have been complied with.

(2 Marks)

In the given question, the company was in the process of being incorporated. On 12th July, 2019 the necessary documents were delivered to the Registrar for registration. Two days later he issued the certificate of incorporation but dated it 12th July, 2019 instead of 14th July, 2019. But applying the above provisions, the company has already

come into existence on 12th July, 2019 as that is mentioned on the certificate and the certificate is the conclusive evidence of incorporation.

Therefore, in law the company was formed on 12th July and allotment of shares to Sushant was valid.

(2 Marks)

(c)

Following are the implied warranties which are contained in the Sale of Goods Act:

1. Warranty as to undisturbed possession [Section 14(b)]:

- Where the buyer has obtained the possession of the goods, he has a right to enjoy them in a way he likes, i.e., no one should interfere with the quiet enjoyment of the buyer.
- If buyer's right of possession and enjoyment is disturbed by anyone, then the buyer can recover damages from the seller.

2. Warranty as to free from encumbrance [Section 14(c)]:

- In every contract of sale there is an implied warranty that the goods sold shall be free from any charge.
- If the possession of the buyer is disturbed due to such charge in favour of third party, he can claim damages from the seller.

3. Disclosure of dangerous nature of goods:

- If 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 breach of this warranty, the seller will be liable in damages.

4. Warranties quality or fitness by usage of trade [Section 16(3)]:

Like implied conditions, implied warranties are also attached by custom or usage of trade. This is so because the parties enter into an agreement subject to the known customs or usages of trade.

(1 Mark for each 4 points)

Q.2

(a)

Kinds of Damages

Following are the different kinds of damages:

1. Actual/Ordinary/ Usual damages:

These are the damages which are payable for the loss arising naturally and directly, in the usual course, from the breach of contract.

2. Liquidated/ Pre-fixed damages:

When the amount of compensation fixed for the breach of the contract is fair and genuine pre-estimate of the probable damages, such an amount is known as liquidated damages.

3. Special damages:

These are the damages which are payable for the loss arising due to some special or unusual circumstances. The special damages are recoverable only if the parties knew about them and agree at the time of contract.

4. Exemplary/ vindictive/ punitive damages:

The exemplary damages are claim with the intention of punishing the party in default. As a general rule, the exemplary damages are not awarded for the breach of contract as they are punitive in nature. In following two cases, the court may award exemplary damages:

- (i) Where there is a breach of a promise to marry: In such cases, the damages will include compensation for loss to the feelings and reputation of the aggrieved party.
- (ii) Where a banker wrongfully dishonors customer's cheque, e.g., dishonor of customer's cheque when the banker has sufficient funds to the credit of the customer. In such cases, the damages are awarded taking into consideration the loss to the prestige and goodwill of the customer.

5. Nominal damages:

These are the damages which are very small in amount. Such damages are awarded simply to establish the right of the party to claim damages for the breach of contract even though the party has suffered no loss. Such damages are for nominal amounts like ten rupees or even ten paise.

6. Damages for deterioration caused by delay:

Compensation can be recovered even without notice for damages or 'deterioration' caused to goods on account of delay by carriers amounting to breach of contract.

7. Remote or indirect damages:

These are the damages which are payable for the loss arising due to some remote or indirect causes. Generally, the remote damages are not recoverable.

(1 Mark for each 7 points)

(b)

Cessation of partnership interest

1. A person may cease to be a partner of a LLP in accordance with an agreement with the other partners or, in the absence of agreement with the other partners as to cessation of being a partner, by **giving a notice in writing of not less than 30 days to the other partners** of his intention to resign as partner.
2. A person shall cease to be a partner of a LLP—
 - a) on his death or dissolution of the LLP; or
 - b) if he is declared to be of unsound mind by a competent court; or
 - c) if he has applied to be adjudged as an insolvent or declared as an insolvent.
3. Where a person has ceased to be a partner of a LLP, then such partner is to be regarded (in relation to any person dealing with the LLP) as still being a partner of the LLP unless
 - a) the person has notice that the former partner has ceased to be a partner of the LLP; or
 - b) Notice that the former partner has ceased to be a partner of the LLP has been delivered to the Registrar.
4. The cessation of a partner from the LLP does not by itself discharge the partner from any obligation to the LLP or to the other partners or to any other person which he incurred while being a partner.
5. Where a partner of a LLP ceases to be a partner, unless otherwise provided in the LLP agreement, such partner or a person entitled to his share in consequence of the death or insolvency of the former partner, shall be entitled to receive from the LLP—
 - a) an amount equal to the capital contribution of the former partner actually made to the LLP; and
 - b) his right to share in the accumulated profits of the LLP, after the deduction of accumulated losses of the LLP, determined as at the date the former partner ceased to be a partner.

A former partner or a person entitled to his share in consequence of the death or insolvency of the former partner shall not have any right to interfere in the management of the LLP.

(1 Mark for each point)

Q.3**(a)****Property of the Firm [Section 14]:**

The property of the firm, in the absence of any agreement between the partners showing contrary intention, is comprised of the following items:

- i.** All property, rights and interests which **partners may have brought into the firm** as their contribution to the common business;
- ii.** All the property, rights and interest **purchased by or for the firm**, or for the purposes and in the course of the business of the firm;
- iii.** All the property, rights and interest **acquired by the firm in other way** and
- iv. Goodwill of the business:**

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.

Goodwill is a part of the property of the firm. It can be sold separately or along with the other properties of the firm.

(Half Mark for each point)

OR

(a)**Transfer of Partner's Interest (Section 29):**

A share in a partnership is transferable like any other property, but as the partnership relationship is based on mutual confidence, the transferee of a partner's interest by sale, or otherwise cannot enjoy the same rights and privileges as the original partner.

The rights of such a transferee are as follows:

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

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

- 2) On the dissolution of the firm or on the retirement of the transferring partner, the transferee will be entitled, against the remaining partners:**

- a)** to receive the share of the assets of the firm to which the transferring partner was entitled, and
- b)** for the purpose of ascertaining the share, he is entitled to an account as from the date of the dissolution.

(1 Mark for each point)

(b)

Classes or Types of Partners:

Partners can be classified as shown below:

1. Active/Actual/Ostensible Partner:

- A partner who is actively engaged in the conduct of the business of the partnership is known as 'active partner'.
- He is liable for acts of firm

2. Sleeping or Dormant Partner :

- A 'Sleeping partner' is one who does not take any active part in the business.
- Such partner joins the firm by agreement and invests capital and shares in the profit of the business like the other partners.
- He is liable for acts of firm

3. Nominal Partner :

- A partner, who simply lends his name to the firm, without having any real interest in it, is called a nominal partner.
- He neither invests nor shares in the profits or takes part in the management of the business.
- He, along with other partners, is liable to outsiders for all the debts of the firm.

4. Partner for profits only :

- Partners may agree that a particular partner shall get a share of the profits only but he will not be called upon to contribute towards the losses. Such a partner is known as 'partner for profits only'.
- This is simply an, inter-se agreement binding the partners only. Hence, he continues to be liable to third parties for all acts of the firm.

5. Sub-Partner :

- When a partner agrees to share his profits divided from the firm with a third person, that third person is known as 'sub-partner'. Such a sub-partner is in no way connected with the firm.
- He cannot represent the firm and bind the firm by his acts. He has no right against the firm nor is he liable for the acts of the firm.

6. Partner by Holding Out or by Estoppel (Section 28):

- To hold a person liable as a partner by holding out, it is necessary to establish the following :

1. He represented himself or knowingly permitted himself to be represented as a partner.
2. Such representation occurred by words spoken or written or by conduct.
3. The other party on the faith of that representation gave credit to the firm.

- Once he poses himself as a partner, though he is not a partner, he is estopped from saying that he is not a partner in a firm.

7. Incoming Partner:

A person who is admitted as a partner into an already existing firm with the consent of all the existing partners is called as “incoming partner”.

8. Outgoing Partner:

A partner who leaves a firm in which the rest of the partners continue to carry on business is called an outgoing partner.

(Half Mark for each 8 points = 4 Marks)

(c)

As per Section 10 of Indian Contract Act, 1872, in order to be a valid contract, certain essential elements are to be satisfied. Accordingly, one of the essential elements of a valid contract is that the agreement must not be one which the law declares to be either illegal or void. A void agreement is one without any legal effect. Thus, agreements in restraint of trade, marriage, legal proceedings etc. are void agreements.

(3 Marks)

In the given question, Mr. Ramesh an industrialist has been fighting a long drawn litigation with Mr. Mohan another industrialist. To support his legal campaign Mr. Ramesh enlists the services of Mr. Hiten, a legal expert stating that an amount of Rs.10 lakhs would be paid, if Mr. Hiten does not take up the case of Mr. Mohan. Here, Ramesh is stopping Hiten from doing business. Hence, the agreement between Ramesh and Hiten is agreement in restraint of trade and hence it is void.

(2 Marks)

Therefore, Mr. Hiten cannot recover the amount promised by Mr. Ramesh

(1 Mark)

Q.4**(a)**

“Nemo dat quod non-habet”: This means that ‘no one can transfer a better title than he himself has’. Thus, the buyer cannot get a better title than that of the seller. If the seller’s own title is defective, the buyer’s title will also be defective. To protect the innocent buyers, a number of exceptions have been provided to this rule.

(1.5 Marks)**Exceptions:**

In the following exceptional circumstances a non-owner can transfer a valid title to a bonafide buyer:

1. **Sale by a mercantile agent (Section 27)**: Sale made by a mercantile agent of the goods for document of title to goods would pass a good title to the buyer in the following circumstances; namely;
 - (a) If he was in possession of the goods or documents with the consent of the owner;
 - (b) If the sale was made by him when acting in the ordinary course of business as a mercantile agent; and
 - (c) If the buyer had acted in good faith and has at the time of the contract of sale, no notice of the fact that the seller had no authority to sell.
2. **Sale by a joint owner (Section 28)**: When the joint owner is in the sole possession of the goods, and he sells them to a person who buys in a good faith, the buyer gets a valid title to the goods.
3. **Sale by estoppel**: When the owner of goods, by his conduct or by statement, willfully leads the buyer to believe that the seller has the authority to sell, then he is estopped (i.e., prevented) from denying the seller’s authority to sell
4. **Sale by unpaid seller**: Where on unpaid seller who had exercised his right of lien or stoppage in transit resells the goods, the buyer acquires a good title to the goods as against the original buyer.
5. **Sale by a seller in possession of goods after their sale [Section 30(1)]** If the seller continues to have the possession of the goods even after their sale and if he resells the same goods to a new buyer then in such cases, the second buyer gets a valid title to the goods if he buys them in a good faith.
6. **Sale by a buyer in possession of goods after their sale [Section 30(2)]**: If the buyer obtains the possession of the goods which he has bought or agreed to buy from the seller and the seller still has some lien or other rights over the goods. If the buyer resells the same goods to a new person. In such cases, the second buyer gets a valid title free.

7. **Sale by a finder of goods:** The finder of the goods can directly sell the goods if the goods are perishable or if the goods are non-perishable, the expenses on the goods $\geq 2/3$ rd of Market Value.
8. **Sale by a person in possession under a voidable contract (Section 29):**The buyer gets a valid title only if the following conditions are satisfied:-
- A person must obtain the possession of the goods by coercion, undue influence, fraud or misrepresentation.
 - The seller must have obtained the possession of the goods under a voidable contract and not under a void contract.
 - The contract must not have been rescinded (i.e., put to an end) at the time of sale
 - The buyer must act in a good faith.
9. **Sale Under the Provision of Other Acts :**
- Sale by an Official Receiver or Liquidator of the Company will give a valid title to the purchaser.
 - Sale by a pawnee/pledgee under default of pawnor in repayment of debt will give valid title to the purchaser.

(Half Mark for each 9 Points= 4.5 Marks)

(b)

As per Section 6 of Indian Partnership Act, 1932, in determining whether a group of persons is a partnership firm or not or whether a person is or not a partner in a firm, all relevant facts should be taken together.

For determining the existence of partnership, it must be proved.

- There was an agreement between all the persons concerned. The agreement can be express or implied.
- The agreement was to share the profits of a business and
- The business was carried on by all or any of them acting for all.

Even an "isolated adventure" could constitute a partnership. However, it should satisfy the above conditions. There is difference between cases of purchase of property for joint user from those in which it is purchased for a joint endeavour. **(3 Marks)**

In the given question, there could be neither profit nor loss until the cotton was resold the transaction was not merely to purchase cotton for the purpose of sharing it between them but to resell it. The transaction was on their joint account. Both the parties were to share the profit or bear the loss half and half. That meant that neither could sell his half of the cotton as an independent transaction in which he alone was interested without the consent of the other. Whatever was done had to be done on the joint account. Therefore it is a clear case of partnership. **(2 Marks)**

Hence, an isolated adventure for the purchase and sale of cotton entered into by two persons who agree to share the profits or the losses makes them partners within the meaning of the Indian Partnership Act, 1932 and the suit filed by Chetan is maintainable.

(1 Mark)

Q.5

(a)

As per Section 17 of Sale of Goods Act, 1930, in case of sale of goods by showing the sample to the buyer, there are following three implied conditions,

- (i) That the goods delivered shall correspond with the quality of the sample
- (ii) That the buyer shall have a reasonable opportunity of comparing the bulk with the sample.
- (iii) That the goods shall be free from latent defects (i.e., the defects which are not discoverable on reasonable examination of sample)

(3 Marks)

In the given question, Goldie used the catapult properly, but it broke in his hands as it was made in an indifferent manner and part of it ruptured Goldie's eye. John had bought a quantity of these catapults from Anthony, a wholesaler, by sample and John's wife had tested the sample, before placing the order, by pulling back its elastic. Here the catapult was not fit for its purpose and not of merchantable quality. Even though John's wife had tested the sample, this defect was latent. Hence, it is breach of condition.

(2 Marks)

Therefore, Goldie could recover the price and damages from John and John could recover the price and damages from Anthony.

(1 Mark)

(b)

Definition: As per Section 2(62), one person company is a company which-
One Person Company' means a company which has only one person as a member.

(1 Mark)

Important points:

- ◆ Only one person as member.
- ◆ The memorandum of OPC shall indicate the name of the other person, who shall, in the event of the subscriber's death or his incapacity to contract, become the member of the company.
- ◆ Such other person may be given the right to withdraw his consent.
- ◆ The member of OPC may at any time change the name of such other person by giving notice to the company and the company shall intimate the same to the Registrar.
- ◆ Only a natural person who is an Indian citizen and resident in India (person who has stayed in India for a period of not less than 182 days during the immediately preceding one financial year)-
 - shall be eligible to incorporate a OPC;
 - shall be a nominee for the sole member of a OPC.
- ◆ A natural person shall not be a member of more than a OPC at any point of time and the said person shall not be a nominee of more than a OPC.
- ◆ No minor shall become member or nominee of the OPC or can hold share with beneficial interest.
- ◆ Such Company cannot be incorporated or converted into a company under section 8 of the Act. Though, it may be converted to private or public companies in certain cases.
- ◆ Such Company cannot carry out Non-Banking Financial Investment activities including investment in securities of anybody corporate.
- ◆ OPC can voluntarily convert into any kind of company after two years have expired from the date of incorporation.
- ◆ But if, the paid up share capital is increased beyond 50 lakh rupees or average annual turnover during immediately preceding 3 consecutive financial years exceeds 2 crores rupee, then it ceases to be OPC and it has to compulsorily convert itself into a private or public company.

(5 Marks)

Q.6**(a)**

1. Where the day for performance is not specified in the contract, and the promisor himself has to perform the promise without being asked (i.e., without any demand) by the promisee the promise must be performed within a reasonable time [Section 46].
2. Where the time for performance is not specified in the contract, and the promisor himself has to perform the promise without being asked (i.e., without any demand) by the promisee, promise may be performed at any time during the usual hours of business on the specified day. But the promise should be performed at the place where it was required to be performed [Section 47].
3. Where the day for the performance is specified in the contract and the promisor has to perform it only on being asked (i.e., on demand) by the promisee, then the promisee must first apply to the promisor (i.e., make a demand on the promisor) for the performance of the promise Promisee's duty to specify day, time, place for performance [Section 48].
4. Where the place for performance is not specified in the contract, and the promisor himself has to perform the promise without being asked by the promisee, then the promisor, must first apply to the promisee to appoint a reasonable place for the performance of the promise. And thereafter, he should perform the promise at the place appointed by the promisee [Section 49].
5. Where the manner and time for performance is prescribed by the promisee himself, the promise should be performed in the manner and at the time prescribed by the promisee [Section 50].

(1 Mark for each 5 points)

(b)

A minor cannot become a partner in a firm because partnership is founded on a contract and contract with a minor is void-ab-initio. Though a minor cannot be a partner in a firm, he can be admitted to the benefits of partnership with the consent of all the partners.

(2 Marks)

Rights of the minor in the firm:

- 1) Minor has a right to his agreed share of the profits and of the firm.
- 2) He can have access to, inspect and copy the accounts of the firm.
- 3) He can sue the partners for accounts or for payments of his share but only, when severing his connection with the firm, and not otherwise.

- 4) 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.

(2 Marks)

(c)

According to the Doctrine of Indoor Management in Companies Act, 2013, if an act is authorised by the articles or memorandum, an outsider is entitled to assume that all the detailed formalities for doing that act have been observed. As per the case of the Royal British Bank vs. Turquand, the directors of R.B.B. Ltd. gave a bond to T. The articles empowered the directors to issue such bonds under the authority of a proper resolution. In fact, no such resolution was passed. It was held that T could sue on the bonds on the ground that he was entitled to assume that the resolution had been duly passed. This is the doctrine of indoor management, popularly known as Turquand Rule.

(2 Marks)

The given question is similar to the facts of the above case law. Accordingly here in this case Mr. Atul can recover the money from the company considering that all required formalities for the passing of the resolution have been duly complied.

(1 Mark)

SECTION – B: BUSINESS CORRESPONDENCE AND REPORTING**Q.7****(a)**

(1) The theme is – Emergence of sectional interests in organizations.

(1 Mark)

(2) It implies growth with input from science and technology.

(1 Mark)

(3) Policy decision in organization would involve attracting highly qualified professionals.

(1 Mark)

(4) Summary:

Competition for status, power and resources exists in organizations. E.g. financial resources are needed for expanding departments and control; resulting in groupism and sectional interests that give more importance to individual career and ambitions rather than the concern. The established order is threatened by highly paid professionals as it feels exposed and redundant.

(2 Marks)

(b)**(1) Evils of Self- medication**

1. Self- Medication v/s Prescribed Medication :

1.a. SM – part of life

1.b. drgs.mfg.& selling

1.b.1. long history

1.b.2. belief in magic

2. last 100 years –

2.a. devt. of sc.enabled diag.and trtmnt.

2.b. except for symp.trtmnt.for unknown cause

3. diff. bet. SM & PM:

3.a. PM knows timing of symp.trtmnt.& attacking cause

4. Tech.Prog. – one hand

4.a. impd.drug therapy

4.b. impd. Pub.hlth.org.

4.c. impd.nutnl.stnds.

5. Advg. – other hand
 - 5.a. by pharma ind./ overdose of drgs.
 - 5.b.1. eating/ sleeping disorders
 - 5.b.2. smkg./drnkg.

6. Causes of SM
 - 6.1. faulty habits
 - 6.2. unhappy relnshp.
 - 6.3. encashmt. by advrs. Of
 - 6.3.a. those not cured by doctors
 - 6.3.b. self- curing mild complnts.med. such as indgn., painkillers,vitmn.,etc.

7. Result of such medicine crwd.
 - 7.a. worsen hlth. due to :
 - 7.a.1. improper ing.
 - 7.a.2. dependence
 - 7.a.3. causes poisoning
 - 7.a.4. lbntl . - underlying serious diseases may not surface.

Key: SM - Self Medication

Drgs. – Drugs

Mfg. – Manufacturing

Devt. -Development

Sc. – science

diag. - diagnosis

trtmnt. - treatment

tech. - technological

prog. - program

impd. - improved

pub. - public

hlth. - health

org. - organization

symp.trtmnt. - symptomatic treatment

impd.nutnl.stnds. – improved nutritional standards

adv. - advertising

smkg. - smoking

drnkng. - drinking
relnshp. - relationship
encashmt. - encashment
advrs. - advertisers
complnts. - complaint
indgn. - indigestion
vitmn. - vitamin
ing. - ingredients
lbntl. - last but not the least

(3 Marks)

(2)

Self-diagnosis -- worse than Self- medication

Self- medication and manufacturing of drugs has been long linked with magic.

Only in the last century, development of science has enabled diagnosis and prognosis, however, still symptomatic.

But a doctor knows the timing of treating symptoms and cause as against self-medication.

Development of technology and public health organizations have improved nutritional standards but advertising by pharma industry towards petty ailments and their demand still persists.

This worsens the situation as self- diagnosis is worse than self- medication.

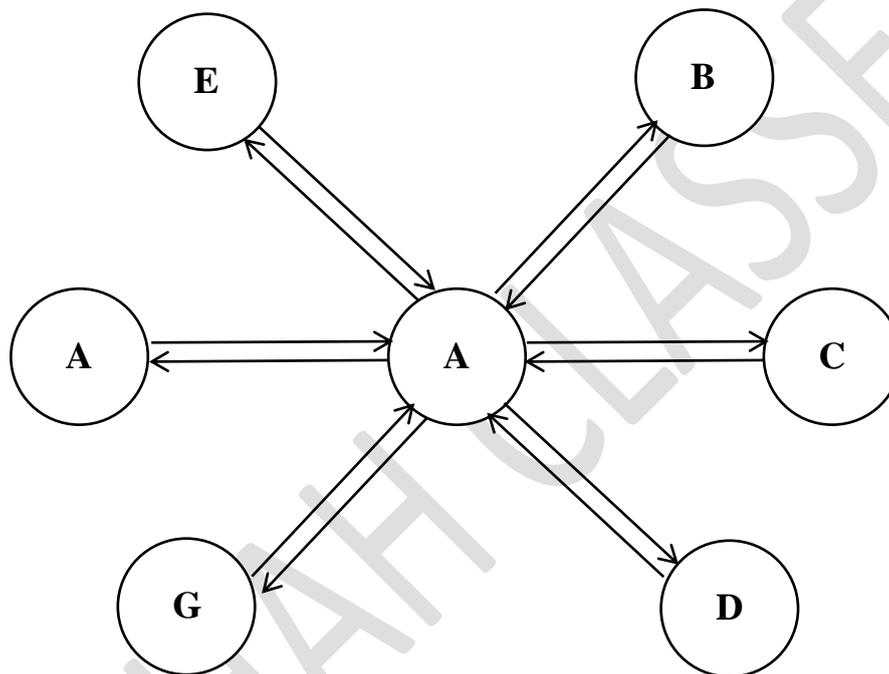
(2 Marks)

Q.8

(a)

In Wheel and Spoke network, there is a single controlling authority that gives orders and instructions to all employees under him and others report back to him. It is efficient only for a small company and does not prove fruitful in a large organization. More decision makers are needed for managing a larger organization. Moreover, the entire business may suffer if the central authority is not competent.

The following diagram explains this kind of communication network:



Whole and Spoke Network

(2 Marks)

(b)

(1) III. Expanding

(1 mark)

(2) Prelude

(1 mark)

(3) He said loudly that as he was their king, he needed to know if all of them were contented. He further asked the people of his kingdom if they had enough for their meals.

(1 mark)

(c)

Precis:

Despite advocating global disarmament by Nehru, events in the sixties like Indo-China war 1962, China's nuclear test in 1964 and Indo – Pak war in 1965 supported by china; made it likely for India to go for nuclear weapons. US documents and foreign policy analysts sensed this and tried to prevent it. In 1960, embassies began collecting information about India's inclination to civil and putative nuclear programmes. Washington cabled that India can test in one year despite no evidence. After China's test, several options such as cooperation in peace, sharing intelligence and flirtations with security guarantees were followed to dissuade India.

In sixties, US knew about India's capability and motivation to do so but its opposition did not seem logical. India's discord with China, made US improve relation with India and collaborate to contain China. Pakistan allied with US through SENTO and SEATO. New Delhi perceived and many Indians believed Pakistan was near acquiring nuclear weapon, in the seventies.

Despite expectation of testing by India, the Pokhran test in 1974, took US by surprise.

(5marks)

Q.9

(a)

Clear communication means stating the purpose of message clearly, in both spoken or written communication. The sentence should be short to preserve the core message and prevent convolution.

Each idea should be expressed in separate points or paras to make it easy for the reader to grasp the intent of the communique.

As regards Conciseness, we should take care to avoid elaborate details. Irrelevant words or adjectives and repetitions should be avoided to make our communication concise.

It is obvious that both the above features i.e. clarity and conciseness; are absolutely imperative for effective communication.

OR

(2 Marks)

Physical barriers and Psychological barriers are distinctly different from each other.

Physical barriers result from surroundings. Barriers such as noise, technical disturbance, large office space, outdated technology and distant locations are some of the common examples of problems caused in communication due to these kinds of

barriers.

On the other hand, Physiological barriers are related to human beings. A human being may suffer from poor eyesight, hearing problems or any other kind of deficiency in human physique. These deficiencies may hinder communication in myriad ways and thus, act as barriers in communication.

In conclusion, Physical and Physiological barriers are very much different from each other though both of them are barriers in communication.

(b)

(1) Indecency

(1 Mark)

(2) Drunken

(1 Mark)

(3) He told the shopkeeper that he did not have the money then and further asked him with respect if he could hold it for him.

(1 Mark)

(c)

A Memo is more exclusive in nature as compared to a Circular. It is intended for a few. It is more of a reminder towards something that warrants action. One can simply pass on an idea or a proposal by simply issuing a memo. It is the short form for memorandum.

A Circular, on the other hand, contains several topics and is more for mass distribution. It is cost effective as it is distributed to a large number, simultaneously. It, therefore, reduces the effort of a management considerably.

Circular No.0172

August 16,2020

Post covid precautions

For all employees

This is an official communication about the new normal and the precautions that should be strictly adhered to, in the post covid scenario. It is a sincere request to all the employees to follow the following guidelines:

1. Use the sanitizer, kept at the entrance and throw the tissue paper in the dustbin provided for the purpose.
2. DO NOT enter the office without a proper mask.
3. Maintain minimum 2 metres distance from your colleagues.

4. Conduct all important meetings in the conference room leaving two chairs empty between every two employees.

Any failure in the compliance of the above will be liable to strict action.

Malini Sengupta
Manager

(5 Marks)

Q.10

(a)

The cultural aspects of communication involve knowledge of different cultures to communicate effectively. In this era of globalization, we are likely to come across people from different countries, different cultures and different religions. As we know, words and symbols are interpreted differently in different countries and different religions and this causes barrier in communication.

Moreover, in the era of globalization, the mobility of employees increases leaps and bounds. This calls for a multifaceted knowledge of different cultures and makes overall communication, more effective.

Thus, understanding different cultures becomes absolutely necessary in this era of globalization.

(2 Marks)

(b)

- (1) They could say this much for the arrangement.

(1Mark)

- (2) The taxpayer will ultimately bear the burden of loan waivers.

(1 Mark)

- (3) Simple

(1 Mark)

(c)

CA/CMA – A golden career awaits you

August 14; Mumbai:

The seminar organized by our esteemed institute on CA/CMA career was a grand success as 1200 aspiring students were benefitted as regards selection of a right career at this important juncture of their lives, i.e. passing their board exams with flying colours.

What else can be expected when a galaxy of experienced professionals shares their opinions and experience about the right career move at the right time!

The most eminent personalities from the accounting world shared the forum and highlighted the immense opportunities in both CA and CMA.

“In CMA, one has to focus more on cost accounting and statistics while in CA, one has to study more of accounts and taxation. Both the courses have a place of their own in the real life and the corporate world. CA is much more in the direction of interpreting the statutes to conclude their practical implications whereas CMA is based more on analytical skills and understanding cost related issues and facilitate better management results.” said Mr.Nishit Desai, the Chairman of NDFC Bank.

A series of objective as well as subjective requisites of both the courses were discussed at length and the significance of patience, persistence and perseverance was emphasized along with knowledge, intelligence and hard work.

The demand for more seminars on similar lines was writ large on the faces of the student fraternity and the concern of our institute for students, in general; was appreciated.

(5 Marks)

Q.11**(a)**

Visual aids such as signs, drawing, graphics, illustrations etc. is of paramount importance in official presentations, these days. It sometimes, has the capability of dispensing away with written communication. It is a very powerful medium of conveying message and is gaining more and more significance over time.

Visuals like pie charts, bar diagrams and other types of diagrammatic presentations convey information clearly and concisely.

Thus, Visual Communication is an essential part of official presentations as they reinforce written communication and appeal.

(2 marks)**(b)**

(1) All that can and need be said

(1 Mark)

(2) To censure a person

(1 Mark)

(3) Let him be given an anecdote by me.

(1 Mark)

(4) All of these

(1 Mark)**(c)**

To: Bharat Patel

CC/BCC:

Subject : Reminder towards quotation

Dear Mr.Patel,

This refers to our earlier mail and written quotation, along with our product specification catalogue, sent to you on April 17,2020; regarding supply of 1,50,000 rft of our PVC Pipes as per your required dimensions.

As you are aware, this was in response to a specific query from your group company, Descon Infrastructures.

We are afraid, we have not received any reply from you towards that, till date. We had sent our Marketing Executive, Mr. Raman, to follow it up but your assurance of reverting soon has not yielded so far.

We will be pleased to meet you and strike an equilibrium in case you need any further clarification towards our offer and/or other terms.

In the meanwhile, looking forward to hearing from you.

Thanks and Regards,

Ashmit Desai

Marketing Head

Module Pipes and Fittings.

(4 Marks)

J.K.SHAH CLASSES