

SCW



AIRCA FOUNDATION

Roll No.

Total No. of Questions : 6

Total No. of Printed Pages : 12

Time allowed : 3 Hours

Maximum Marks : 100

SCW

SCW

Answer to questions are to be given only in English except in the case of candidates who have opted for Hindi Medium. If a candidate who has not opted for Hindi Medium, his/her answers in Hindi will not be evaluated.

Question No. 1 is compulsory.

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

Working notes should form part of the answers.

Candidate found copying or receiving or giving any help or defying instructions of the invigilators or having/using mobile phone or smart watch or any other electronic gadget will be expelled from the examination and will also be liable for further punitive action.

Marks

1. (a) Bright Scholars is a prestigious school in Delhi. The school invited online applications from eligible students for 100 seats of preschool classes. The school indicated in the application form that the list of provisionally selected students would be displayed on the school notice board and website on 15th April, 2025. Those students, who will pay the admission fees online and physically, submit all the documents prescribed in the application by 18th April, 2025 will be confirmed. Vishal's son Aakash was provisionally selected Vishal paid the fees online on

7

SCW

P.T.O.

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(2)

Marks

SCW

16th April, 2025 but, failed to submit the prescribed documents by 18th April, 2025. On 19th April, 2025 Aakash's admission was cancelled on account of non-submission of documents without informing Vishal and all the fees paid by him was refunded to his account by Management of school.

Vishal contended that he was not informed about cancellation of admission. As he already paid the fees before time, Aakash admission could not be cancelled by school management. On the other hand, he could not submit the documents as he was out of town from 16th April 2025 to 20th April, 2025.

Analyse with reference to the provisions of the Indian Contract Act, 1872, whether the school's action to cancel the admission of Aakash without communication was valid?

(b) Prasad incorporated an OPC to run his new start-up in May, 2021. OPC borrowed ₹ 50 Lakhs to meet its long term fund requirements and ₹ 25 lakh to meet its working capital requirements on the basis of his project from a non-banking finance company (NBFC) in Oct, 2021. But due to some running hardships and new govt. policies OPC was failed to pay its debts to NBFC. Assets of the company were insufficient to pay the outstanding debts. According to the provisions of The Companies Act, 2013, Decide whether Prasad would be liable to pay the outstanding debts of NBFC in the following circumstances:-

(i) If the NBFC proceeded against the personal assets of Prasad only on the ground that he is the only shareholder and hence liable for its debts.

(ii) If the NBFC proves that the One Person Company was formed for fraud and cheating.

SCW

7

(3)

SCW

Marks

(c) Explain with reference to provisions of the Indian Partnership Act, 1932.

(i) Whether a partner can be introduced without consent of other partners? If yes describe the procedure. If no in what manner a partner can transfer his share in partnership?

2

(ii) Describe the rights of transferee:-

(1) During the continuance of partnership.

(2) On the dissolution of the firm.

4

2. (a) With reference to the provisions of the Sale of Goods Act, 1930 what is the major difference between condition and warranty? Examine the following cases and comment whether it is a Breach of 'Condition' or 'Breach of Warranty' by quoting the relevant provisions of the Sale of Goods Act, 1930:

(i) Ashutosh purchased a second hand laptop from Sudhir for ₹ 10,000/-. After a month, Ashutosh came to know that Sudhir was not the true owner of the laptop. Actually Mahindra (a friend of Sudhir) was the true owner of the laptop, who unknowingly left his laptop at the Sudhir's residence. As a result Ashutosh's position became awkward. What would be course of action available to Ashutosh in this regard?

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(ii) Anita ordered to purchase an Italian couch from a prominent e-commerce platform. When the order was delivered, it was found that the couch was not Italian as narrated on the e-commerce platform. What would be course of action available to Anita in this regard?

2

SCW

P.T.O.



SCW

(iii) Rishabh purchased a car costing ₹ 7 lakh by availing bank loan which is hypothecated in favour of the bank. Due to some medical emergency, Rishabh took another loan of ₹ 5 Lakhs from his friend Sandeep on the basis of security of his car. When the fact of bank loan came to knowledge of Sandeep, Rishabh denied paying the loan amount to Sandeep. What would be course of action available to Sandeep in this regard?

3

(b) (i) What do you mean by 'Common Seal'? Is it necessary for a company to have Common Seal? Discuss as per provisions of the Companies Act, 2013.

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(ii) Whether the phrases "Company Limited by Shares" and "Company Limited by Guarantee" are same? If not, explain any four differences between these two according to provisions of the Companies Act, 2013.

4

(c) (i) According to provisions of the Limited Liability Partnership Act, 2008, State the provisions with respect to registered office of LLP and changes therein. What would be consequences if these provisions are contravened?

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(ii) Discuss the provisions of the Limited Liability Partnership Act, 2008 relating to the minimum number of partners required and the eligibility criteria for becoming a partner in a Limited Liability Partnership.

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3. (a) (i) Ramesh is a supplier of fruits and vegetables in Azadpur Mandi, Delhi. To expand its business, he invited Suresh and Mahesh (his college friends) to invest in his business. Suresh and Mahesh were agreed but they put a condition that they will share profit in the ratio of 33.33% each or Interest @ 12% p.a. on the capital (which they will bring) whichever is higher but they will not share losses if occurred in any year. Ramesh agreed for this association and made an agreement for partnership. Advise, whether this association will be treated as partnership according to the provisions of the Indian Partnership Act, 1932?

3

SCW

SCW

Marks

- (ii) Manak was working as a construction contractor from several years. He engaged Roop Sing a labour and material contractor for procurement of raw material and labour for construction site. All the expenses pertaining to raw material, Labour wages will be borne by Manak. Manak agreed to give Roop Singh 5% of the contract amount for procurement. Whether this arrangement will be termed as partnership? Explain according to provisions of the Indian Partnership Act, 1932?
- (iii) Shantanu was running business of ABC Travel Agency from several years. He purchased 10 cars amounting to ₹ 100 lakh for the purpose of running them on hire. He borrowed ₹ 50 lakhs for this purpose from Shankar. Shankar proposed that he will take 25% of profit share. He has nothing to do with business. Shantanu agreed for this proposal. After some time, Shankar told his friends that he is partner in ABC Travel Agency. Shantanu denied the fact. He contended that he is sharing in profit only, not a partner in his travel agency. Advice with reference to the provisions of the Indian Partnership Act, 1932 whether this arrangement between the Shantanu and Shankar will be treated as partnership?
- (b) (i) Stuti Textiles Private Ltd is a wholly owned subsidiary of SS Textiles Limited. It has only 5 members and restricts the right to transfer their shares to any person other than person who is in employment of the company. Some Members opposed the decision of the company as they want to invite a group of people to subscribe shares in Stuti Textile private Ltd. Decide with reference to provisions of Companies Act, 2013, whether restriction of company to transfer share is correct?

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3

SCW

P.T.O.

(6)

SCW

Marks

- (ii) The paid-up capital and turnover of Aaradhya Cosmetics Private Ltd. (ACPL) for FY 2024-25 is ₹ 4 crores and ₹ 45 crores respectively. Directors of ACPL decided not to follow some provisions as it is a small company according to section 2(85) of the Companies Act, 2013. Company secretary of Pooja Fashions Private Limited (PFPL) contended that ACPL is not a small company as ACPL is a holding company of (PFPL). Decide whether ACPL Cosmetics Ltd. can avail status of small company according to provisions of the Companies Act, 2013.
- (iii) The paid-up share capital of Abhinav Natural Gases Ltd. (ANGL) is ₹ 140 crores. The holdings of Central Government and Maharashtra Government are ₹ 40.10 crores and ₹ 30.20 crores respectively. In one tender relating to natural gas, directors of ANGL quoted it as Government Company. Decide According to provisions of the Companies Act, 2013 whether ANGL can be tagged as Government Company? 2/4/57
- (c) The Passing or transfer of property constitutes most important element and factor to decide legal rights and liabilities of seller and buyer. The primary rule determining the passing of property from seller to buyer depends on following. Explain after quoting relevant provisions of the Sale of Goods Act, 1930.
- (i) Where the goods are ascertained 6
- (ii) Where the goods are unascertained 6

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6

SCW



4. (a) (i) Bhuvika borrowed ₹ 4,75,000/- from her relative Madan on 5th April 2020 on interest @ 1% per month for 5 year for running her Cosmetics store. She was paying continuously instalment and interest every month. But due to sudden introduction of nature care products her products became obsolete. As a result, she was unable to pay monthly instalment and interest from May 2021 onwards. The debt got time barred by limitation Act. However, on account of continuous persuasions of her relatives, Bhuvika promised in writing to pay the outstanding amount shortly within a few months. Whether Madan can legally recover the debts from Bhuvika when the loan has already been time barred? Explain with reference to provisions of The Indian Contract Act, 1872.

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- (ii) Chhaya and Abeer are very good friends. On Chhaya's birthday Abeer gifted an I-Phone worth ₹ 1.35 lakh. Whether this gift is valid as per provisions of the Indian Contract Act, 1872?

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- (iii) Amol promised to give a gold ring worth ₹ 1 lakh to her friend Chakori on her birthday. Whether the promise made by Amol is enforceable in law as per the provisions of the Indian Contract Act, 1872?

What would be your answer if the relation between Amol and Chakori is of Husband & Wife?

3

SCW

Marks

(b) What is promissory note? "What are the essential elements that must be present for a document to be considered a valid promissory note?" Define according to provisions of the Negotiable Instrument Act, 1881.

7

(c) Describe in brief about the following Regulatory bodies of the Government of India:-

(i) Reserve Bank of India

(ii) Insolvency and Bankruptcy Board of India

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5. (a) Raj is a manufacturer of talcum powder. Vikas purchased a talcum powder from Raj and after using it, he suffered from skin irritation due to a chemical residue available in talcum powder. Vikas plead that Raj is responsible for his suffering. Raj denied his liability on the basis that he was in no way responsible for the bad selection of the buyer (caveat emptor). Examine under the provisions of the Sale of Goods Act, 1930.

(i) Whether Raj would be held responsible?

(ii) Whether your answer would be different if Raj is only a trader of the talcum powder of a popular brand sold in a sealed container if it is a sale by description? 15

7

(b) (i) Describe any four mutual rights and liabilities of partners in a partnership firm with reference to the provisions of the Indian Partnership Act, 1932.

(ii) Describe any three grounds on which the Court may dissolve a partnership firm with reference to the provisions of the Indian Partnership Act, 1932.

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3

SCW

(c) A surety is said to be discharged when his liability comes to an end. Define various modes of Discharge of surety according to provisions of The Indian Contract Act, 1872.

- (i) By revocation of the contract of guarantee (any two situations)
- (ii) By the conduct of creditor (any two situation)
- (iii) By the invalidation of the contract of guarantee (any two situations)

6

6. (a) Alok bought some goods from Manish on credit. Later, he issued a cheque for the dues from his bank account and asked Manish to encash the cheque within two days. On the day Alok issued the cheque, there was a sufficient balance to pay Manish's dues. Manish presented the cheque after one month, which was returned due to insufficient funds. Manish made a demand for the payment, but Alok failed to pay. Manish send him notice to pay the outstanding debts. Alok ignored the notice. Manish filed a case for dishonour of the cheque. Alok defended himself on the grounds that Manish failed to encash the cheque within two days as specified by him and that he had no reason to believe at the time of issuance of the cheque that it might be dishonoured. Analyse –

- (i) Whether Alok's defences are valid under the provisions of the Negotiable Instruments Act, 1881.
- (ii) Whether Manish can file a suit against Alok for dishonour of cheque and within how many days he can file the complaint after dishonour under the provisions of the Negotiable Instruments Act, 1881?

7

SCW

Marks

- ✓ (b) Some agreements are held to be opposed to public policy. Define any six agreements with reference to provisions of the Indian Contract Act, 1872.

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OR

- ✓ (b) Some objects and consideration are unlawful. Define any six with reference to provisions of the Indian Contract Act, 1872.

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- ✓ (c) (i) What do you mean by suit for specific performance? State any two conditions when court allows this remedy according to provisions of the Sale of Goods Act, 1930?

3

- (ii) What do you mean by right of resale? State any three conditions when the right of resale goods given to an unpaid sellers under the Sale of Goods Act, 1930.

4

SCW