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## IPCC – Law, Ethics and Communication Model Test Paper – 1

Time Allowed: 30 minutes Maximum Marks: 50

Note: Question 1 carries 15 marks. Questions 2 to 8 all carry 5 marks each.

- 1. State with reason whether the following statements are correct or incorrect:-
- (i) All kinds of obligations created between the parties form part of the contract.
- (ii) Communication of an offer is complete when the letter is posted though it has not reached the person to whom the offer is made.
- (iii) Communication of acceptance to an offer is complete as against the acceptor the moment it comes to the knowledge of the offeror.
- (iv) A proposal when accepted becomes a contract.
- (v) A tender does not amount to an offer.
- 2. Father promised to pay his son a sum of Rs. 1,00,000/- if the son passed C.A. examination in the first attempt. The son passed the examination in the first attempt, but father failed to pay the amount as promised. Son files a suit for recovery of the amount. State along with reasons whether son can recover the amount under the Indian Contract Act, 1872.
- 3. Ram invites Madhuri, a well-known film actress, to his daughter's engagement and dinner party and agrees to pay Rs. 5 lakh as professional fee for the same. Madhuri accepts the invitation and promised to attend. Ram made special arrangements for Madhuri at the party but she did not turn up. Ram enraged with Madhuri's behaviour, wanted to sue for the loss incurred in making special arrangements. Ram is seeking your advice.
- 4. Meera proposed to sell her house to Raveena. Raveena sent her acceptance by post. Next day, Raveena sends a telegram withdrawing her acceptance. Examine the validity of the acceptance in the light of the following:
  - (i) The telegram of revocation of acceptance was received by Meera before the letter of acceptance.
  - (ii) The telegram of revocation and letter of acceptance both reached together.
- 5. A sends an offer to B to sell his car with the condition that if B does not replies within a week, he shall treat the offer as accepted. Is A correct in his proposition? What is the position of B communicates his acceptance after one week?
- 6. Shambhu Dayal started "self service" system in his shop. Smt. Prakash entered the shop, took a basket and after taking articles of her choice into the basket reached the cashier for payments. The cashier refuses to accept the price mentioned on the display sections. Can Shambhu Dayal be compelled to sell the said articles to Smt. Prakash? Decide.
- 7. An actress was engaged for a tour. The agreement provided that if the party went to London in next season, she would be engaged at a salary to be mutually agreed. Comment on the validity of the agreement.
- 8. Amrita purchased an airline ticket for travelling from New Delhi to London. On the back of the ticket certain conditions were printed in very small font, one of which excluded the liability of the airline company for any loss, injury or delay to the passenger or his luggage. However there was nothing on the ticket to draw attention to these terms and conditions and Amrita never looked at the back of the ticket. Her luggage got lost in the transit. Will she be entitled to claim compensation for the loss of her luggage?

## Business Laws, Ethics and Communication By CA B S JOLLY