

ESSENTIALS OF COMMUNICATION**Question 1**

You have been assigned the job of composing business messages. What check-list would you prepare for organising the message?
(November-2007)

Answer**Check-list for organising the message:****A. Organisation:**

1. *Recognise good organisation*
 - (a) Subject and purpose are clear
 - (b) Information is directly related to subject and purpose.
 - (c) Ideas are grouped and presented logically
 - (d) All necessary information is included
2. *Achieve good organization through outlining-*
 - (a) Decide what to say
 - (i) Main idea
 - (ii) Major points
 - (iii) Evidence
 - (b) *Organise the message to respond the audience is probable reaction-*
 - (i) use the direct approach when audience will be neutral, pleased, interested, or eager.
 - (ii) use the indecent approach when audience will be displeased, interested, or unwilling.
3. Choose the appropriate organisation plan-
 - (a) Short Messages -

Law, Ethics and Communication

- (i) Direct request
- (ii) Routine, good news and good message
- (iii) Bad news message
- (iv) Persuasive Message
- (b) Longer message
 - (i) Information pattern
 - (ii) Analytical pattern.

B. Formulation

1. Compose your first draft.

- (a) Get ideas down as quickly as you can.
- (b) Rearrange, delete, and add ideas without losing sight of your purpose.

2. Vary the style to create a tone that suits the occasion.

- (a) Establish your relationship with your audience.
 - (i) Use the appropriate level of formality.
 - (ii) Avoid being overly familiar, using inappropriate humor, including obvious flattery, sounding preachy, bragging, and trying to be something you're not.
- (b) Extend your audience-centered approach by using the "you" attitude.
- (c) Emphasize the positive aspects of your message.
- (d) Establish your credibility to gain the audience's confidences.
- (e) Make your tone a polite one.
- (f) Use the style that your company prefers.

Question 2

Explain clearly the meaning of the term "Grapevine" as applicable to communication.

(May-2008)

Answer

Grapevine as applicable to communication:

Communication may be oral or written for direct contact. It may be informal also. The "Grapevine" is one of the recognized channels of informal communication. According to human psychology, a person likes to form and move in groups. They interact on serious and non-serious issues and they spread it fast whether the information is correct or not. This process is known as rumour mill. The larger the organization, the more active is the rumour mill. The phenomenon of grapevine is based on generally three factors, namely: (1) formation of favoured group (2) lack of self confidence and, (3) feeling of uncertainty due to lack of directions. Four kinds of the grapevine chains have been identified and they are:

Business Communication

- (a) Single Strand Chain, which is the least accurate in passing on the information or message.
- (b) Gossip Chain, which is often used when information or a message regarding 'not-on-job' nature is being conveyed.
- (c) Probability Chain is used when information is somewhat interesting but not really significant
- (d) Cluster Chain, which acts as liaison and spreads information with the greatest speed.

Question 3

Explain clearly the process of communication.

(May-2008)

Answer

Process of communication

Communication is a two-way process in which there is an exchange of ideas or thoughts linking the sender and receiver towards a mutually accepted direction or goal consisting of 7 elements which are as under:

1. **Sender:** The process of communication begins with a sender, the person who has an idea and desires to exchange it.
2. **Encoding:** The sender puts his/her ideas or facts into words, symbols, pictures or gestures that the receiver can understand.
3. **Message:** A message refers to what is being communicated. It may be verbal or non-verbal.
4. **Channel:** Channel is the medium through which message is transmitted to the sender. Channel may be in oral or written forms.
5. **Receiver:** It is any person who notices and attaches some meaning to a message.
6. **Decoding:** The receiver translates the words and symbols used in the message into ideas and interpret it to attain its meaning.
7. **Feedback:** Ultimately receiver reacts or responds to the communication sent by the sender. It could be based on clear interpretation of the symbols sent or misunderstanding or misinterpretation of the symbols sent.

Question 4

Explain clearly the advantages of a formal communication.

(November-2008)

Answer

Advantages of a formal communication:

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Communication is the principal means by which members of an organization work together. It helps to bind them together, enabling them to react to and influence each other.

Formal communication:- A formal communication flows along prescribed channels which all organizational members desirous of communicating with one another are obliged to follow. Every organization has a built in hierarchal system that can be compared to a pyramid. It can, therefore, be understood that communication normally flows top downwards. But it is not always so. Communication in an organization is multidimensional and multidirectional.

Advantages of formal communication:

- (a) The formal channels account for most of the effectiveness of communication. Therefore, a great care has to be taken in sending across any letter or report through the proper formal channels.
- (b) Formal channels cover an ever – widening distance as organization grows. Through them, it is easier to reach out to the branches of an organization spread far and wide.
- (c) Formal channels, because of their tendency to filter information, keep the higher level managers from bogged down.
- (d) Formal channels of communication consolidate the organization and satisfy the people in managerial position.

Question 5

Explain the factors which are responsible for the growing importance of communication of an organization. (June-2009)

Answer

The importance of communication in the industrial organization has increased immensely in these days. The following factors are responsible for the growing importance of communication:

- (1) **Growth in the size and multiple location of organizations:** Most of the organizations are growing larger and larger in size. The people are working in the country and abroad, of these organizations. Keeping in touch, sending directions across and getting feedback is possible only when communication lines are kept working effectively.
- (2) **Growth of trade unions:** Over the last so many decades, trade unions have been growing strong. No management can be successful without taking the trade unions into confidence. Effective communication will create relationship between the management and the workers.
- (3) **Growing importance of human relations:** Workers in an organization are not like machines. They have their own hopes and aspirations. Management has to recognize them and should work with the spirit of integration so that human relations may be maintained. This may only be achieved through effective communication.

Business Communication

- (4) **Public relations:** Every organization has a social responsibility towards customers, government, suppliers and the public at large. Communication is the only way an organization can project a positive image of itself.
- (5) **Advances in behavioral sciences:** Modern management is deeply influenced by exciting discoveries made in behavioral sciences like psychology, sociology, transactional analysis etc. All of them throw light on suitable aspects of human nature and help in developing a positive attitude towards life and building up meaningful relationship. This is possible only through communication.
- (6) **Technological advancement:** The world is changing very fast, owing to scientific and technological advancements. These advancements deeply affect not only the methods of work but also the compositions of groups. In such a situation, proper communication between superiors and subordinates becomes very necessary.

Question 6

What are the merits and demerits of grape-vine form of Communication?

(November-2009)

Answer

Merits of the grapevine form of communication:

- (a) **Speedy transmission:** The greatest merit of this phenomenon is that it transmits information very speedily. A rumour spreads like wild fire. The very moment a worker comes to know that something is 'top secret' or 'confidential' he/she tries to look into it or have some idea of it and pass it on to others. Thus it spreads within minutes. Managers have been known to distribute information through planned 'leaks' or carefully used 'just between you and me' remarks as part of grapevine communication.
- (b) **Feedback value:** It is primarily through the grapevine that the managers or top bosses of an organisation get the feedback regarding their policies, decisions, memos etc. The feedback reaches them much faster through the informal channel than through the formal channel.
- (c) **Support to other channels:** The grapevine or informal channel functions as a supplementary or parallel channel of communication. The formal channels not only take more time but also impose certain constraints on the process of communication. So, whatever is deemed to be unsuitable for the formal channels can be successfully transmitted through the grapevine form of communication.
- (d) **Psychological satisfaction:** The grapevine gives immense psychological satisfaction to the workers and strengthens their solidarity. It draws them nearer to each other and thus keeps the organisation intact as a social entity.

Demerits:

- (a) It is less credible. It cannot always be taken seriously.

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- (b) It does not always carry the complete information.
- (c) It often distorts the picture or often misinforms.

INTERPERSONAL COMMUNICATION SKILLS

Question 7

What is meant by 'Emotional Intelligence' and 'Emotional Quotient'? State any six social competencies associated with Emotional Intelligence. (May-2007)

Answer

Emotional Intelligence: Emotional intelligence refers to the capacity to recognizing your own feelings and those of others, for motivating yourself, and for managing emotions well in yourself and in your relationships. It describes abilities distinct from but complementary to academic intelligence, the purely cognitive capabilities measured by IQ. Many people who are look smart but lack emotional intelligence end up working for people who have lower IQs than they but who excel in emotional intelligence skills.

Emotional quotient inventory is designed to measure a nature of constructs related to emotional intelligence. EQ is the ability to make and deeper connections at three levels: with ourselves (personal mastery), with another person (one-to-one) and within groups/teams. Our EQ or emotional intelligence is the capacity for effectively recognizing and managing our own emotions and those of others. The wonderful thing about EQ, unlike IQ which stabilizing when a person is around 18 years of age is that it can change. A person today with a low EQ score on 'empathy' can have a higher 'empathy' score in the future – if that person recognizes his/her limitation changes attitude, adopts a learning strategy, and practices key listening and empathy skills.

Social competencies associated with emotional intelligence are as follows:

Social Awareness:

1. Empathy: Sensing others emotions, understanding their perspective and taking active interest in their concerns.
2. Organizational awareness: Leading the currents decision, networks and politics at the organizational level.
3. Service: Recognizing and meeting follower, client or customer needs.

Relationship Management:

1. Inspirational leadership: Guiding and motivating with a compelling vision.
2. Influence: wielding a range of tactics for persuasions.
3. Developing others: Bolstering others' abilities through coaching, feedback and guidance.
4. Change catalyst: Initiating managing and leading in a new direction.
5. Conflict management resolving disagreements.

6. Building bonds: Cultivating and maintaining a web of relationships.
7. Teamwork and collaboration: Cooperate and team building.

Question 8

What is meant by 'Critical thinking'? How shall you develop critical thinking?

(November-2007)

Answer

Critical Thinking: Critical thinking is the discipline of rigorously and skillfully using information, experience, observation and reasoning to guide one's decisions, actions and beliefs. Critical thinking refers to the act of question of every step of the thinking process e.g. Have you considered all the facts? Have you tested your assumptions? Is your reasoning sound? Can you be sure your judgment is unbiased? Is your thinking process logical, rational and complete?

Developing Critical thinking: To develop as a critical thinker, one must be motivated to develop the following attributes:

1. **Open-minded:** Readiness to accept and explore alternative approaches and ideas.
2. **Well informed:** Knowledge of the facts and what is happening on all fronts.
3. **Experimental:** Thinking through 'what if scenarios to create probable options and then test the theories to determine what will work and what will not be acceptable.
4. **Contextual:** Keeping in mind the appropriate context in the course of analyses. Apply factors of analysis is that are relevant or appropriate.
5. **Reserved in making conclusion:** Knowledge of when, a conclusion is a 'fact' and when it is not only true conclusions support decisions.

Question 9

What is meant by "Active listening"? State the importance of 'Active listening' in the business communication skills.

(June-2009)

Answer

Active Listening: Most of us assume that listening is a natural trait, but practically very few of us listen properly. What we regularly do is-"we hear but do not listen". Hearing is through ears and listening is by mind. Listening happens when we understand and message as intended by sender. Many managers are so used to helping people solve problems that their first cause of action is transforming solutions and giving advice instead of listening with full attention directed towards understanding what the co-worker or staff member needs. Therefore, every employer and worker needs a listening ear.

If one does not learn how to listen, a great deal of what people are trying to tell you would be missed. In addition, appropriate response would not be possible. Active listening is important for several reasons.

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- (i) It aids the organization in carrying out its missions.
- (ii) It helps individuals to advance in their careers.
- (iii) It provides information that helps them to learn about important happenings in the organization, as well as assisting them in doing their own jobs well.
- (iv) It also helps in building strong personal relationships.

GROUP DYNAMICS

Question 10

What do you understand by Group Dynamics?

(May-2007)

Answer

Groups are the basic building blocks of organizations. It is now very common for groups of employers to make decisions to solve difficult problems that were once the domain of authoritarian incentives. Given below are the characteristics of Group personality:

1. spirit of conformity
2. respect for group values
3. resistance to change
4. group prejudice
5. collective power

Question 11

What do you understand by 'Group conflicts'? How shall these be managed effectively? Explain.

(November 2007)

Answer

Group conflict: Group conflict is an 'express struggle' between two inter-dependent parties who perceive incompatible goals, scarce resources and interference from the other party in achieving their goals. There are two aspects in relation to conflict:

1. **Expression:** The two sides must communicate/express about the problem for there to be conflict.
2. **Perception:** Conflict evolves perceptions in the two sides may only perceive that their goals, resources, and interference are incompatible with each other's.

Managing conflicts: The climate in which conflict is managed is important. It is essential to plan communications to foster a supportive climate, marked by emphasis on:

- (i) Presenting ideas or options
- (ii) Problem orientation- focusing attention the task
- (iii) Spontaneity - Communicating openly and honestly

Business Communication

- (iv) Empathy - understanding another person's thoughts.
- (v) Equality- asking for opinions
- (vi) Willing to listen to the ideas of others.

Successfully managed conflicts can be constructive and can strengthen relationships in an organisation.

Question 12

What is meant by "Negotiation"? Name the various steps which can be identified in the process of negotiation from start to the completion of the process. (November-2008)

Answer

When two or more persons meet together and talk/ discuss on any business or non business matter, it is known as negotiation. When same persons discuss specific proposals in order to come to a mutually accepted solutions; whether it is with an employer, family member or business partner. It can be said that negotiation is a common way of settling things in business.

Steps in the negotiation process

1. Preparing
2. arguing
3. signaling
4. packaging
5. bargaining
6. closing and arguing

COMMUNICATION IN BUSINESS ENVIRONMENT

Question 13

Draft a notice for ABC's Annual General Meeting with four ordinary business. (May-2007)

Answer

Notice is hereby given that the 15th Annual General Meeting of the members of ABC will be held on Monday the 15th day of September 2006 at the registered office of the Company At 10 a.m. to present the following business:

Ordinary Business:

To

1. Receive, consider and adopt the Audited Balance sheet of the company as on 31st March, 2006 and the Profit and Loss account for the year ended on that date and Audit's and director's response thereon.

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2. To declare dividend for the year ended 31st March, 2006
3. To appoint a director in place of Mr.
4. To appoint Statutory Auditors of the Company.

NOTE: A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and proxy need not be a member of the company.

For and on behalf of the Board of Directors

Registered Office

Question 14

Third Annual General Meeting of ABC Limited was held on 28th September, 2007.

Several business was transacted at the meeting including the adoption of annual accounts for the year ended 31st March, 2007. The meeting was attended by 30 members in person and 5 members in proxy. Draft the minutes of the Annual General meeting indicating how shall the adoption of accounts being one of the business transacted at the meeting, be recorded.
(November-2007)

Answer

Minutes of 3rd Annual General Meeting of the shareholders of ABC Ltd held at ...at p.m. on 28th September, 2007.

Present

1. 30 members in proxy.
2. Director
3.Chartered Accountant
4.Secretary.

Mr., Chairman took the chair, in accordance with articles of the company. The quorum being present, chairman called the meeting to order. The notice convening the meeting was read by the Secretary. The auditors report was read by the Secretary.

Adoption of Accounts

The Chairman then invited queries from the members present on Directors report, accounts and auditor and auditors, report, but there was no query. Thereafter, the Chairmen proposed the following resolution which was recoded by.....

“Resolved that the Directors' Report audited balance sheet as on 31st March, 2007 and profit and loss account for the year ended 31st March, 2007 and auditors report thereon be the same are hereby received, considered and adopted.

Carried unanimously_____

The meeting conducted ed with a vote of thanks to the Chair.

Dated2007

Chairman

Question 15

Board of Directors of Prakash Traders Private Limited proposes to convene an Extraordinary General Meeting for changing the name of the company to Prakash International Private Limited. Draft the notice for calling the Extraordinary General Meeting of the Members.
(May-2008)

Answer

Notice for Extraordinary General Meeting of the Members

Notice is hereby given that extraordinary General Meeting of the members of Prakash Traders Private Limited will be held on Monday, theday of 2008, at the registered office of the company at.....Mumbai at.....P.M. to transact the following business.

Special Business

To consider and if thought fit, to pass with or without modification the following resolution as special resolution.

"Resolved that, subject to the approval of the Central Government under section 21 of the Companies Act, 1956, the name of the company be and is changed from Prakash Traders Private Limited to Prakash International Private Limited and that consequent to this change clause I of the Memorandum and Articleof the Articles of Association of the company be altered accordingly.

By order of the Board of Directors of Prakash Traders Private Limited.

Secretary

Place:

Date:

Question 16

Draft a notice for calling the Board of Directors meeting of M/s. MN Limited where Mr. RS is co-opted as an Additional Director and also to consider buy-back of company's equity shares to an extent of 10%, of issued share capital.
(May-2008)

Answer

Notice: Meeting of Board of Directors:

Notice

Notice is hereby given that meeting of the Board of Directors of the company will be held at the registered office on.....at.....a.m./p.m. to transact the following:

Agenda

1. Confirmation of the minutes of the previous Board Meeting held on.....to.....
2. Discussion of the progress in business.
3. Co-option of Mr. RS. as an Additional Director of the company.

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4. Buy back of 10% of the equity shares of the company.
5. Any other matter with the permission of the chair.

Place:

By Order of the Board of Directors

Date:

Question 17

As a secretary of AB forgings Ltd., draft a notice of a board of directors meeting to consider any five items as agenda of the meeting, to be held on November 15, 2008 at the registered office of the Company at Mysore.
(November-2008)

Answer

Notice of a board meeting

AB forgings Limited

Ph. No-

Saiyaji Road

Fax -

Mysore – 32

Ref. No.

October 10, 2008

(Notice regarding meeting of director)

Dear sir/ Madam

This is to inform you that a meeting of the board of director will be held on November 15, 2008 at the registered office of the company, 281 Saiyaji Road, Mysore- 32 at 11. 30 AM to consider the following:

1. To approve the minutes of the last meeting
2. To consider matters arising out of the minutes.
3. To consider and pass the statement of accounts for payment
4. To approve transfer of shares
5. To sanction an interim dividend @ 10% (tax free) on the equity shares of Rs 10/- each. Rs 8/- per shares paid up
6. To consider any other matter with the permission of the chair and
7. To fix the date and time of the next meeting.

To _____

Yours faithfully

(Ajay Garg)

Company Secretary

Question 18

ABC Ltd. wants to hold its Annual General Meeting on 15th December, 2008 to discuss the matters relating to ordinary business. Draft a notice along with notes in brief for calling annual general meeting of its shareholders.
(November-2008)

Answer

Draft of notice for calling annual general meeting:

Notice

Notice is hereby given that the 3rd annual general meeting of the ABC Ltd. will be held on Friday, the 15th of December, 2008, at the registered office of the company at 123, tower complex, Lucknow Distt. Lucknow (U.P.) at 11.00 a.m. to transact the following ordinary business:

1. To receive, consider and adopt the audited balance sheet of the company as on 31st march 2008 and the profit and loss account for the year ended on the date auditor's and director's reports there on.
2. To declare dividend for the year ending 31st March 2008.
3. To appoint a director in place of Mr. A.V. Kamath, Who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Mr. J.K. Smith, Who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint statutory auditors of the company and fix their remuneration.

Regd. Office

For and on behalf of Board of Directors.

123, Tower complex

Distt. Lucknow (U.P.)

Sd.

Dated: Oct. 15, 2008

Chairman of the meeting

Notes:

- * A members entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company.
 - The register of members and the shares transfer banks of the company will remain closed from 7th day of December 2008 to 15th day of December 2008, both days inclusive.
 - Members are requested to notify immediately change of address, if any, to the company's registered office. While communicating to the company, please quote folio number.
 - Shareholders desirous of answering any information concerning the accounts the accounts and operations of the company are requested to address their questions to the company's head office, so as to reach at least 5 day before the date of the meeting so that information may be made available at the meeting to the best extent possible.

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Question 19

Draft a circular for employees insisting on punctuality.

(June-2009)

Answer

Specimen Circular:

Jaippee Electronics Ltd.

Civil Lines, Kanpur.

Circular No:

Date.....

To all employees

Recent surprise checks have revealed that there is considerable late coming and in some cases, even the standard instructions for ensuring punctual attendance are not followed. All employees are requested to strictly adhere to the arrival, departure and lunch timing of the office. Tendency to move around in the corridors and canteen would also be viewed seriously.

Cooperation of all employees is solicited.

Sd/-

J.P.Dutta

Manager – H.R

Question 20

TKR Limited wants to hold its statutory meeting on 20 December, 2009 to discuss the matters relating to information of the company and incidental matters thereto. Draft a notice alongwith notes in brief for calling statutory meeting of the company.

(November-2009)

Answer

Notice of Statutory Meeting:

TKR Company Limited

Registered Office

NOTICE

Notice is hereby given that in pursuance of section 165 of the Companies Act 1956, the statutory meeting of the company will be held at the Registered Office of the company at-on 25th November 2009 at 3.00 P.M. to consider and adopt the statutory report and to discuss any other matter pertaining to the formation of the company.

Please find enclosed a copy of the statutory report.

Date:

By order of the Board

Place:

For TKR Company Ltd.

Sd/ Company Secretary

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself and a proxy need not be a member of the company.
2. The instrument, appointing a proxy should be deposited at the registered office of the company not less than 48 hours of the commencement of the meeting.

Question 21

Fifth Annual General Meeting of the shareholders of Devrishi Limited was held on 20 August, 2009 at its registered office at Mumbai. 55 shareholders attended the meeting in person and 6 shareholders in proxy. Several ordinary business regarding adoption of audited balance sheet, declaration of dividend, appointment and re-appointment of directors and auditors were transacted at the meeting. Draft the minutes of the Fifth Annual General Meeting of the shareholders Devrishi Limited. (November-2009)

Answer

15. Minutes of the 5th Annual General Meeting

Fifth Annual General Meeting of Devrishi Ltd. held on 20th September, 2009 at 11 A. M. at 25 Devrishi Apartment, Andheri East, Mumbai,

Present:

1. Shri Devrishi M. D. in the chair
2. Shri X Director
3. Shri Y Director
4. Shri Z Director
5. Shri T Director
6. Shri R Director
7. Shri Alok, representative of Alok & Co. Chartered Accountants
8. Shri S., Secretary of the company

55 shareholders attended the meeting in person and 6 shareholders in proxy.

1. Notice:

The notice convening the meeting was read by the Secretary of the company.

2. Directors' Report and Accounts:

With the consent of the members present, the Director's Report and Accounts having already been circulated to the members were taken as read.

3. Auditors' Report:

The Auditors' Report was read.

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4. Adoption of Directors' Report, etc.:

The chairman explained the progress achieved by the company during the year under review. The Chairman thereafter invited queries from the members present on Directors' report, Annual Accounts and Auditor's Report. All the questions raised by the members were suitably replied by the chairman. Thereafter, the Chairman proposed the following resolution which was seconded by Mr. X and Mr. Y.

"Resolved that the Directors' Report, Audited Balance Sheet as on 31st March, 2008 and Profit and Loss Account for the year ended 31st March, 2008 and Auditors' Report thereon be and the same are hereby received, considered and adopted."

Carried unanimously.

5. Dividend:

Proposed by Shri Devrishi M.D and Seconded by Mr. X and Mr. Y Directors.

"Resolved that the Dividend as recommended by the Board of Directors for the year ended 31st March, 2009 at the rate of Rs. 5/- per share on the equity share capital of the company, subject to deduction of tax at source be and is hereby declared for payment to those eligible shareholders whose names appear on the Register of Members as on 2009, the record date for payment of dividend."

Carried unanimously.

6. Directors:

Proposed by Mr. X and Seconded by Mr.Y.

"Resolved that Shri Z who retires by rotation and is eligible for re-appointment to and is hereby re-appointed a director of the company."

Carried unanimously.

7. Auditors:

Proposed by X Director of the Company.

Seconded by A, B Shareholders of the Company.

"Resolved that M/s Alok & Company Chartered Accountants, be and are hereby appointed Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at a remuneration of Rs. 50,000/-"

Carried unanimously.

The meeting closed with a vote of thanks to the Chair.

Dated: 20th Sepember, 2009

Sd/
Chairman

BASIC UNDERSTANDING OF LEGAL DEEDS AND DOCUMENTS

Question 22

Draft a 'Power of Attorney' by subscribers of Memorandum of Association of the Company authorising a Chartered Accountant to appear before the Registrar of Companies to do the needful for the purpose of incorporation of the company (May-2007)

Answer

Before Registrar of Companies: We the subscribers of the Memorandum and Article of Association of the Proposed Company, hereby authorize to present the memorandum of Article of Association and other connected documents for the registration of the said company before the registrar of companies, Karnataka, Bangalore and to make such corrections/Alterations/deletions/Additions as may be required to be done by the Registrar in the documents and also to receive the certificate of incorporation.

General Power of Attorney: Know we all men by their present we do hereby appoint and constitute son of(hereinafter called "chartered Accountant" who has subscribed his signature hereunder in token of identification) presently residing to my lawful Chartered Accountant in our name and on our behalf do it any one or all the following acts, deeds, things namely

1. to give all particulars necessary for incorporation of company.
2. to give affidavit to the Registrar of Company for the purpose of incorporation.
3. to do needful acts necessary for incorporation of the company
4. He is authorized to include promissory notes letter of declaration and indemnity for the purpose of incorporation.
5. to receive documents on behalf of the members of the company.
6. to sign forms, documents and papers required for the purpose of incorporation of the company.

Datedat this the day of

(address)

Specimen signature of the Chartered Accountant above named

Notary Public

Question 23

Mr. A has not received a dividend warrant of Rs. 1,500 for 150 shares of XYZ Ltd. Draft an indemnity bond, to be given to the company for seeing release of Dividend. (May-2007)

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Answer

Indemnity Bond

Mr. A S/o resident do hereby agree to indemnify the XYZ Ltd. for any loss that may occur for seeking release of dividend for 150 shares of Rs. 1500. I further declare that personally I have not received the dividend warrant in question.

Mr. A

Dated:

Signature

Place

Question 24

J desires to gift out her flat in Mumbai in City Cooperative Society registered under the Maharashtra Cooperative Societies Act, 1960, to her brother A. Stating the legal requirements to be complied with, draft a Gift Deed. Take your own data regarding date, flat no., floor area etc. (November-2007)

Answer

Drafting of Gift Deed:

Legal Requirements

1. There must be a donor and a donee.
2. Gift must be accepted by the donee during the life time of the donor.
3. Registration of gift of immovable property is must.
4. Gift Deed requires attestation by witnesses.

Specimen of Gift Deed:

This Deed of gift is made of.....on this.....day of.....2007. Between.....an Indian.....inhabitant residing at flat No., Cooperative Housing Society Ltd.....(city), hereinafter called 'The Doner' of the one part and , also an Indian inhabitant of (City).....Residing at at.....(city) herein after called there 'Donee of the other part. Whereas the Doneeis the.....of donor.....and whereas the Doner is the member of society which is duly registered under Maharashtra Cooperative Societies Act, 1960. The donor has 5 fully paid shares of the said society. The donor has acquired a flat No.....on the.....floor and measuring:.....sqr. mtr. In the building situated at..... (City)

Whereas the Donor has full right title and in last in their said shares/flat more particularly described in this schedule.

And whereas the donor desired to gift his right, title and interest in the said share/flat in the said building of the said society described in the schedule hereunder written to the Donee hereto.

The Donor out of natural love and affection for the donee hereby transfer by way of gift his right title and interest in the said shares and the flat absolutely forever.

Business Communication

The Donee accepts the gift and agrees to hold that right title and interest of the Donor in said shares/flat of the societies.

In the interest whose of the parties hereto have here under set and subscribed their respective hands on the day and the year.

Signed and Delivered

In the presence of.....

1.

2.

Signed and Delivered:

By the named Donee.

In the presence of.....

1

2.

Question 25

Draft a 'Power of Attorney' by an assessee authorising a Chartered Accountant to appear before Income-tax officer in respect of the pending taxation matter. (May-2008)

Answer

Power of Attorney to appear before Income Tax Authorities :

I/we.....,residing athereby authorize.....,to represent me/my firm/my family in connection withfor the year.....His statement and explanation will be binding on me/us.

Place:

Date:

Signature

I,.....hereby declare that I am duly qualified to represent the above-mentioned person.

Place:

Date:

Address of Power of attorney holder

Signature of Power of attorney holder

Question 26

State the various components which are required to draft a partnership deed.

(November-2008)

Answer

A written agreement of partnership is called partnership deed. A partnership deed can be seen as comprising of the following components:

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- ◆ Date of execution
- ◆ Names of partners
- ◆ Date of commencement
- ◆ Business of partnership
- ◆ Name of the partnership
- ◆ Place of business
- ◆ Duration of partnership
- ◆ Capital
- ◆ Interest on capital
- ◆ Sharing of Profits/ Losses
- ◆ Accounts
- ◆ Borrowing powers
- ◆ Bank accounts
- ◆ Variation clause
- ◆ Arbitration

Question 27

A partnership firm was constituted by A, B and C partners, carrying on the business of shoe manufacturing. Later on, Nickson Shoe Manufacturing Co. Limited proposed to purchase the business of the firm to the Partners of the firm. The partners unanimously consented to it and agreed to dissolve the firm. Draft a Partnership Dissolution Deed in this respect. (June-2009)

Answer

Partnership Dissolution Deed

This deed of dissolution executed on this day of 20th March 2009 between:

1. A S/o X, aged 35 years residing at Surya Nagar, Kanpur
2. B S/o Y, aged 40 years residing at Mani Nagar, Kanpur.
3. C S/o Z, aged 45 years residing at Asha Nagar, Kanpur.

AND WHEREAS the aforesaid partners by mutual consent agreed to constitute the firm by selling all the assets and liabilities of the firm to a new company incorporated under the name and style of Nickson Shoe manufacturing Co. Limited registered under the Indian companies Act, 1956. The terms and conditions are hereby agreed to in writing as follows.

The firm of the aforesaid partners stands dissolved as from 20th March 2009 from which date the assets and liabilities of the business of the firm as per annexure will vest with the Nickson shoe Manufacturing Co. Limited.

Business Communication

The aforesaid Partners have agreed to sale all the liabilities and assets of the firm to Nickson Shoe Manufacturing Co. Limited under a separate agreement.

The Partners release each other from all obligations arising from this deed dated 28, march, 2009. Further, all statutory liabilities like income tax shall be proportionately borne by the Partners as agreed in the partnership deed, and paid for even after the dissolution of the firm and the partners agree to notify the discontinuance of business to the Income Tax Authorities under section 176 and all other concerned authorities.

Signatures

----- Signature of A S/o X

-----Signature of B S/o Y

-----Signature of C S/o Z.

Question 28

SVA Limited despatched Bonus Share Certificate to Mr. R. R did not receive the Bonus Share Certificate as it was lost in the transit. R applied to the company to issue the Bonus share certificate in duplicate. SVA Limited asked Mr. R to submit an Indemnity Bond so that Bonus Share Certificate in duplicate may be issued to him. Draft an Indemnity Bond to be given by R to the company for seeking release of Bonus Share Certificate in duplicate. (June-2009)

Answer

Indemnity Bond

Mr. R S/o X resident of Mumbai do hereby agree to indemnify the SVA Limited for any loss that may occur for seeking release of Bonus Share Certificate in duplicate of 50 equity shares of Rs.10 each fully paid. I further declare that personally I have not received the Bonus Share Certificate issued by the company for which the company is claiming that it has already been despatched.

Date.....

Place: Mumbai

Signature

(Mr. R)

Question 29

A partnership firm was constituted by A, B and C partners. A, the partner of the firm, expressed his desire to retire from the partnership firm by mutual consent. Draft a "Partnership Retirement Deed ". (November-2009)

Answer

PARTNERSHIP RETIREMENT DEED

1. This Retirement Deed of Partnership executed on the 31st October, 2009 between: Mr. X aged about 45 years, s/o Mr. Y residing at Kanpur, hereinafter called the First Party;

Law, Ethics and Communication

2. Mr. A aged about 40 years, s/o Mr. B residing at Kanpur hereinafter called the Second Party; and
3. Mr. R aged about 51 years s/o Mr. S, residing at Kanpur, hereinafter called the Third Party

WITNESSETH AS FOLLOWS:

Whereas the aforesaid parties were carrying on business in partnership under an instrument of partnership the last of which is dated 15th October 2007 and whereas the first party having expressed a desire to retire from the partnership by mutual consent, the terms of retirement are hereby agreed to as follows:

1. Mr. X will retire from the partnership effective from close of business on 31st October, 2009.
2. The firm is free to continue the business with all its assets and liabilities and use the same firm name with the remaining partners.
3. The accounts of the retiring partner is settled in accordance with the books of accounts or be given a lump sum amount of Rs 20 lakhs whichever is less in full and final settlement of his account.
4. The Retiring partner Mr. X hereby authorizes the continuing partners Mr. A and Mr. R to collect all debts of the firm or realize or sell any assets of the firm including any immovable property.
5. In consideration of monies received, the first party (X) hereby releases all his rights, title and interest in the balance of assets of the firm including the goodwill.
6. The continuing partners A and R release the first party (X) of all debts and obligations including taxes due from the firm as on the date of this deed to third parties.
7. The parties hereby agree to execute such other document/s that may be necessary to give effect to this Partnership Retirement Agreement.

WITNESS:

- | | |
|---------|-------------------------------|
| 1. | Signature of the First Party |
| 2. | Signature of the Second Party |
| 3. | Signature of the Third Party |