

TopYug Educations
CA FOUNDATION – BUSINESS LAWS
TEST -1 (ICA – Topic 1 & 2)

Answer All the questions. Each question carries 5 marks each. Duration – 50 Mins

1. “Good Girl” Soap Co. advertised that it would give a reward of Rs. 1,000 who developed skin disease after using, “Good Girl” soap of the company for a certain period according to the printed directions. Miss. Rakhi purchased the advertised “Good Girl” and developed skin disease inspite of using this soap according to the printed instructions. She claimed reward of Rs.1,000. The company refused the reward on the ground that offer was not made to her and that in any case she had not communicated her acceptance of the offer.

Decide whether Miss. Rakhi can claim the reward or not.
2. Father promised to pay his son a sum of Rs.1 lakh 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 reason whether son can recover the amount under the Indian Contract Act, 1872.
3. Distinguish between void and voidable Contracts.
4. State whether the following is true or false with reasons:
 - a. Social agreements are enforceable in the Courts of India.
 - b. The proposal should always be communicated to the person to whom it is made.
 - c. A tender does not amount to an offer.
 - d. In case of void agreements, collateral transaction are also void.
 - e. When a person without expressing his final willingness proposes certain terms on which he is willing to negotiate he makes a standing offer.
5. Ramaswami proposed to sell his house to Ramanatham. Ramanatham sent his acceptance by post. Next day, Ramanatham sends a telegram withdrawing his acceptance. Examine the validity of the acceptance in the light of the following:
 - i. The telegram of revocation of acceptance was received by Ramaswami before the letter of acceptance.
 - ii. The telegram of revocation and letter of acceptance both reached together.

GOOD LUCK !