

**CA FOUNDATION**

**BUSINESS LAWS**

**IMPORTANT TOPICS**

**FOR MAY 2026**

**इतना कर लो, PASS हो तुम**

# Most Important Topics - By Nikesh Sir

08 MAY '09  
FRIDAY

MAY

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1 2 3 4 5 6 7 8 9 10 11 12 13 14 15

## Business Laws Chapter - 1 - IRF

★ Primary focus  $\Rightarrow$  Types of Laws

$\Rightarrow$  Hierarchy of Courts

### 'A' Category Topic

1) What is Law?

2) The process of Making a Law

3) Types of Laws in the Indian Legal System

4) Structure of the Indian Judicial System

### 'B' Category

1) Ministry of Corporate Affairs (MCA)

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## Chapter - 2 - Contract Act

$\rightarrow$  32m - 38m

$\rightarrow$  4  $\rightarrow$  DTQ  
2  $\rightarrow$  CSBQ.

Sequence

4, 6, 8, 5, 3, 9, 7, 1, 2

Unit - 1

'A' Category

NIL

## 'B' Category

- 1) Parties must intend to create legal obligations.
- 2) Voidable Contract
- 3) Diff. b/w Void & Voidable Contract
- 4) Tacit Contracts
- 5) General offer
- 6) Special / Specific offer
- 7) It must be communicated to the offeree
- 8) A statement of price is not an offer
- 9) Diff. b/w offer and invitation to make an offer
- 10) Acceptance can be given only by the person to whom offer is made.
- 11) The acceptance must be communicated
- 12) Mere silence is not acceptance
- 13) Communication of offer
- 14) Communication of special conditions
- 15) Revocation of offer and Acceptance

Unit - 2'A' - CategoryIII'B' - Category

- 1) What is Consideration? (Definition)
- 2) Consideration must move at the desire of the promisor
- 3) Consideration may move from the promisee or any other person
- 4) Consideration need not be adequate
- 5) Performance of what one is legally bound to perform
- 6) In the case of trust, a beneficiary
- 7) In the case of a covenant running with the land
- 8) Compensation for past voluntary services

Unit - 3'A' Category

- 1) Undue Influence
- 2) Diff. b/w fraud & misrepresentation
- 3) Agreement in Restraint of Legal Proceedings

### 4) Wagering Agreement

5) Transactions similar to Wager (Gambling)

6) Transactions resembling with wagering transaction but are not void

### '1B' Category

1) Position of Minors in Contracts

2) NO ratification after attaining majority

3) Minors cannot bind parent or guardian

4) Definition of Coercion

5) Effect on Contract (sec. 19)

6) Silence as Fraud

7) Misrepresentation

8) Distinction between Coercion and Undue Influence

9) Bilateral Mistake

10) Stifling Prosecution

11) Maintenance & Champerty

12) Trafficking in public offices

13) Creating Monopolies

## 14) Agreement in Restraint of Trade

Unit-4 → 100% Expected

'A'-Category

- 1) Liability of Joint promisor & promisee
- 2) Failure to Perform on Time When Time is Essential
- 3) Agreement to do impossible Act
- 4) Subsequent or Supervening impossibility
- 5) Contracts which need not be performed with the consent of both the parties → (DTQ) → full

'B'-Category

- 1) Performance of Contract (Definition)
- 2) It must be for whole obligation
- 3) Promisor himself
- 4) Legal Representatives
- 5) Time and place for performance of the promise → 5-6m (Theory)
- 6) Appropriation of payments

7) By Impossibility of Performance

8) By Merger of Rights

Unit-5

'A' - Category

1) Anticipatory Breach of Contract

2) Effect of Anticipatory Breach

3) Damages → for 2 marks

'B' - Category

1) Diff b/w Liquidated Damages & penalty  
 → Create in positions

2) Suit for Specific performance

3) Suit for injunction

Unit-6 → 100% Expected

'A' Category

(Don't go selective)

1) Definition of 'Contingent Contract'

2) Essentials of a Contingent Contract

3) Rules Relating to Enforcement (DTQ - 6m-7m)

4) Quasi Contracts (Cases of Quasi Contracts) → DTQ

5) Cases Deemed as Quasi-Contracts

'B'-Category

1) Diff b/w a Contingent Contract & a Wagering Contract

## Unit-7

'A'-Category

1) Rights of Indemnity-holder when sued

2) Essential features of a Guarantee

3) Surety's liability → Very high chances

'B'-Category

1) Contract of Indemnity

2) Tripartite Agreement (Basic Ques.)

3) Diff b/w A Contract of Indemnity & Contract of Guarantee

4) Revocation by Novation

5) Compounding, Giving Time, Ore Agreement Not Sure

6) Cases where Surety Not Discharged (2M)

7) By the invalidation of the Contract of guarantee (CSB)

8) Right against the principal debtor

9) Right against the creditor

## Unit-8

## 'A' - Category

- 1) Duties of a Bailee  $\rightarrow$  high chances (100 or diff 2)
- 2) Rights of a Bailee
- 3) Rights of Bailor & Bailee Against Any Wrong Doer (Third party)
- 4) Termination of Bailment
- 5) Diff b/w General Lien & Particular Lien
- 6) Pledge by Non-owners

## 'B' - Category

- 1) Bailment (Definition)
- 2) Essential Elements
- 3) Bailor's duty to disclose faults in goods bailed
- 4) Duty to indemnify the Bailee for premature termination
- 5) When finder of thing commonly on sale may sell it
- 6) Rights of a pawnee / pledgee
- 7) Duties of a pawnor
- 8) Diff b/w Bailment & Pledge

## Unit - 9

## 'A' - Category

- 1) Rights of person as to acts done for him without his authority.
- 2) Essentials of valid Ratification
- 3) Sub - Agents → High Chances
- 4) Representation of principal by Sub-agent properly appointed
- 5) Agent's responsibility for Sub-agent appointed without authority -
- 6) Substituted Agent
- 7) Difference b/w A Sub-agent & A substituted Agent
- 8) Principal's liability when agent exceeds authority
- 9) Effect of Termination

~~Unit 8~~ 'B' - Category

- 1) Agency by Estoppel
- 2) Agent's Authority in an emergency
- 3) Duty of reasonable care and skill
- 4) Duty not to deal on their own account
- 5) Duty not to make secret profits

- 6) Right to retain sums received
  - 7) Right to remuneration
  - 8) Agent's lien on principal's property
  - 9) Consequences of notice given to agent
  - 10) Agent cannot personally enforce, nor be ~~four~~ bound by, contracts on behalf of principal
  - 11) Option to third person - sue the Agent or the principal
  - 12) Termination of agency
  - 13) When the Agency is irrevocable?
  - 14) Termination of Sub-agent's Authority
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Chapter - 3 - SOGA

Ordinarily SOGA = 21m	5 26 27m	2 CSB Q 1 DTQ	Sequence -> 3, 4, 2, 1
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Unit - 1 - 'A' - Category

- 1) Sale and Barment
- 2) Ascertainment of price

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MAY '09  
WEDNESDAY

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### 'B' - Category

- 1) Goods (Definition)
- 2) Classification of Goods
- 3) Delivery - Its Forms and Derivatives
- 4) Document of Title to Goods
- 5) Agreement to Sell
- 6) Diff b/w Hire-purchase & Sale
- 7) Subject Matter of Contract of Sale

### Chpt-9

#### 'A' - Category

- 1) When Condition is to be treated as Warranty
- 2) Sale by Sample
- 3) Sale by Sample as well as by description

#### 'B' - Category

- 1) Condition and Warranty
- 2) Warranty
- 3) Sale by Description
- 4) Condition as to quality or fitness

5) Implied Warranties (DTQ)

6) Exceptions of ~~can~~ Caveat Emptor



Unit-2

'A' - Category

1) Goods sent on Approval or "On Sale or Return"

2) Effect of Part Delivery

3) Place of Delivery

4) Goods in possession of a Third Party

5) Delivery of wrong Quantity

6) Buyer's Right to Examine the Goods



'B' - Category

1) Specific goods in deliverable state

2) Specific goods in a deliverable state

3) Specific goods to be put into a deliverable state

4) Delivery of the goods to the Carrier

5) Specific goods in a deliverable state, when the seller has to do anything thereto in order to ascertain price.

6) Risk Prima facie passes with ownership

7) Sale by one of the Joint Owners

8) Sale by a person in possession under voidable contract

9) Sale by one who has already sold the goods but continues in possession thereof.

10) Sale by buyer obtaining possession before the property in the goods has vested in him

11) Instalment Deliveries

12) Deterioration During transit

13) Rule Related to Acceptance of Delivery of Goods (3M)

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## Unit-4

### 'A' - Category

1) Unpaid Seller (definition)

2) Seller's lien

3) Termination of lien

4) Right of Stoppage in Transit

5) When does the transit come to an end?

6) Diff b/w Right of Lien & Right of Stoppage in Transit (Write in pointers as per module)

7) Auction Sale

'B' - Category

1) Exceptions where unpaid Seller's right of Lien and Stoppage in Transit are defeated.

2) Suit for Interest

3) Remedies of buyer Against the Seller

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Chapter - 4 - PPA

20 m

→ 2 → DTQ  
 1 → CSB

Primary focus

↓  
 kinds of P'ship, P'ship deed

Sequence → 3, 2, 1

Unit - 1

'A' - Category

1) Partnership Deed

2) Partnership vs Co-ownership

3) Kinds of Partnerships

4) Partner by holding Out

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MONDAY

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### 'B' - Category

- 1) Sharing of Profit
- 2) Partnership vs HUF (Any 4-5 points)
- 3) Sleeping or Dormant partner
- 4) Nominal Partner
- 5) Partner in profits only

### Unit-2

### 'B' - Category

- 1) Right to be consulted
- 2) Right of legal heirs / representatives / their duly authorised agents.
- 3) Right to Remuneration
- 4) Interest on Capital
- 5) Interest on Advances
- 6) The property of the firm (TQ)
- 7) Partner to be an agent of the firm
- 8) Implied Authority of partner as Agent of the firm
- 9) Effect of Notice to Acting partner

'A' - Category

- 1) Personal profit earned by partners (CB)
- 2) Liability to third parties → High Chances
- 3) Income admitted to the benefits of partnership
- 4) Insolvency of a partner
- 5) Liability of Estate of Deceased Partner
- 6) Rights of outgoing partner to carry on competing business
- 7) Right of outgoing partner in certain cases to share subsequent profits

Unit-3

'A' - category

- 1) Registration of firms (Imp)
- 2) Dissolution of firm vs Dissolution of Partnership
- 3) Voluntary Dissolution or Dissolution without the order of the Court or → (DTQ of any one part)
- 4) Mode of settlement of partnership accounts

'B' - category

- 1) Exceptions of Non-Registration of a firm
- 2) The test applied in these cases was whether the plaintiff satisfied:-

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WEDNESDAY

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- 3) Persistent breach of agreement
- 4) ~~Repe~~ Repeated / Continuous / Perpetual losses
- 5) Liability for acts of partners done after dissolution
- 6) Continuing authority of partners for purposes of winding up

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## Chapter - 5 - LLP - 1Q → 2) C + 6m

Primary focus ⇒ Incorp  
Name +  
Small LLP

### 'A' - Category

1) Advantages of LLP form

2) Body Corporate

3) Small LLP

4) Incorporation by Registration

5) Name

6) Reservation of Name

7) Change of Name of LLP

8) Essential elements to incorporate LLP

(Module 2-4)

'B' - Category

- 1) ~~Def~~ Designated partners
- 2) LLP is a body corporate
- 3) Separate Legal Entity
- 4) Artificial Legal person
- 5) Common Seal
- 6) Diff b/w LLP and LLC

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Chapter - 6 - Companies Act

21 m

2 CSB

1 DTO

Primary focus  $\rightarrow$  MOA + Doctrines + Subs

'A' - Category

- 1) Lifting of Corporate veil
- 2) To protect revenue / tax
- 3) Formation of Subsidiaries to act as agents
- 4) Holding and Subsidiary Companies
- 5) Section 8 Company
- 6) Dormant Company
- 7) Promoters

8) Incorporation of Company

9) Object of registering a MOA

10) Content of the Memorandum

11) Doctrine of Ultra Vires

12) Doctrine of Indorse Management

13) ~~Doc~~ Exceptions of Doctrine of Indorse Management  
(Theory Q. or CSB Q.)

### 'B' - Category

1) Perpetual Succession

2) Artificial Legal Person

3) Company formed for fraud / improper conduct or to defeat law

4) Unlimited Company

5) Private Company

6) Associate Company

7) Foreign Company

8) Orders of the Tribunal (power)

9) Binding force of MOA & AOA

10) Nature of Shares

11) Articles of Association  
 202

Chapter-7 - The Negotiable Instruments

14 M

1 CSB

2 DTG

Primary focus → Classification → CSBQ.  
 +  
 Presentment

'A' - Category

1) Cheque

2) Cheque (Explanation I)

3) Truncated Cheque

4) "Drawee in case of need"

5) Inland Instrument X Foreign Instrument

6) Prochoate Instrument

7) Ambiguous Instrument

8) Explanation: Sec. 57

→ The legal representative of a deceased person cannot negotiate by delivery only.

9) Presentment of Instrument → (100% expected)

10) Rules of Compensation

## 'B' - Category

- 1) ~~The~~ Essential Characteristics of Promissory Note:-  
→ The maker and payee must be certain, definite and different persons
- 2) Bills of Exchange
- 3) Specimen of Bill of Exchange
- 4) Essential Characteristics of BOE:-  
→ (5) Drawer, drawee, and payee must be certain
- 5) • Sec 31, RBI.
- 6) Diff b/w Promissory Note & BOE
- 7) Bearer Instrument
- 8) Order Instrument
- 9) Importance of Delivery in Negotiation
- 10) Presumption in Favor of Holder
- 11) Defence which may not be allowed in any prosecution under Section 138 (Sec. 140)

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