

CA FOUNDATION MAY/SEP 2026



BUSINESS LAWS

LET'S WRITE DAY-2

PRACTICE DAILY, WIN CONFIDENTLY

FREE SANCHAY BATCH



CA WALLAH



Schedule



- 1 16/04 – The Companies Act, 2013
- 2 17/04 – The Partnership Act, 1932
- 3 18/04 – LLP + ICA
- 4 20/04 – The Indian Contract Act, 1872
- 5 21/04 – The Negotiable Instruments Act, 1881
- 6 22/04 – IRF + SOGA, 1930
- 7 23/04 – The Sale of Goods Act, 1930





Topics to be Covered

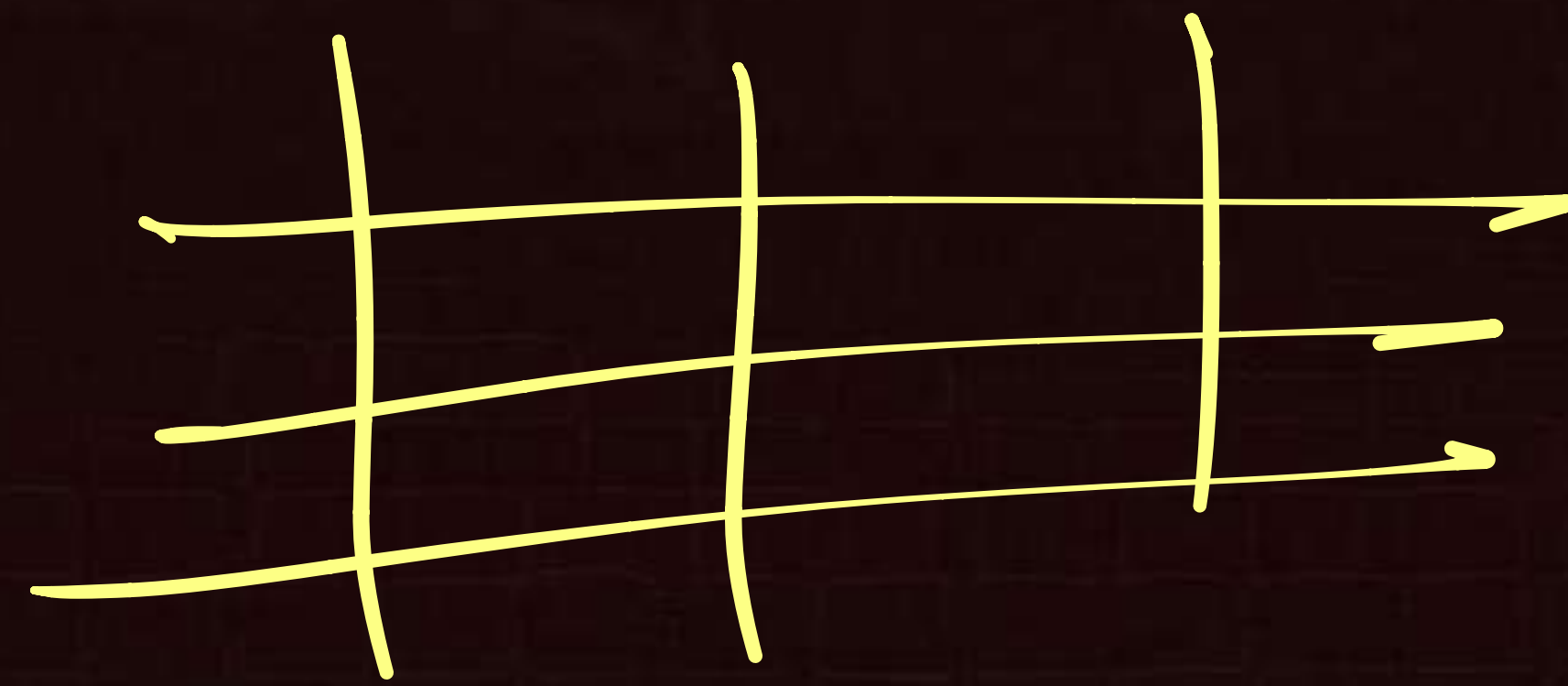


1 17/04 – The Indian Partnership Act, 1932

format x

CSB. → Y/N

Calⁿ



(i)

(ii)

IRF

LLP

IPA.

20m



2P

1 CSB.



ARE YOU READY?

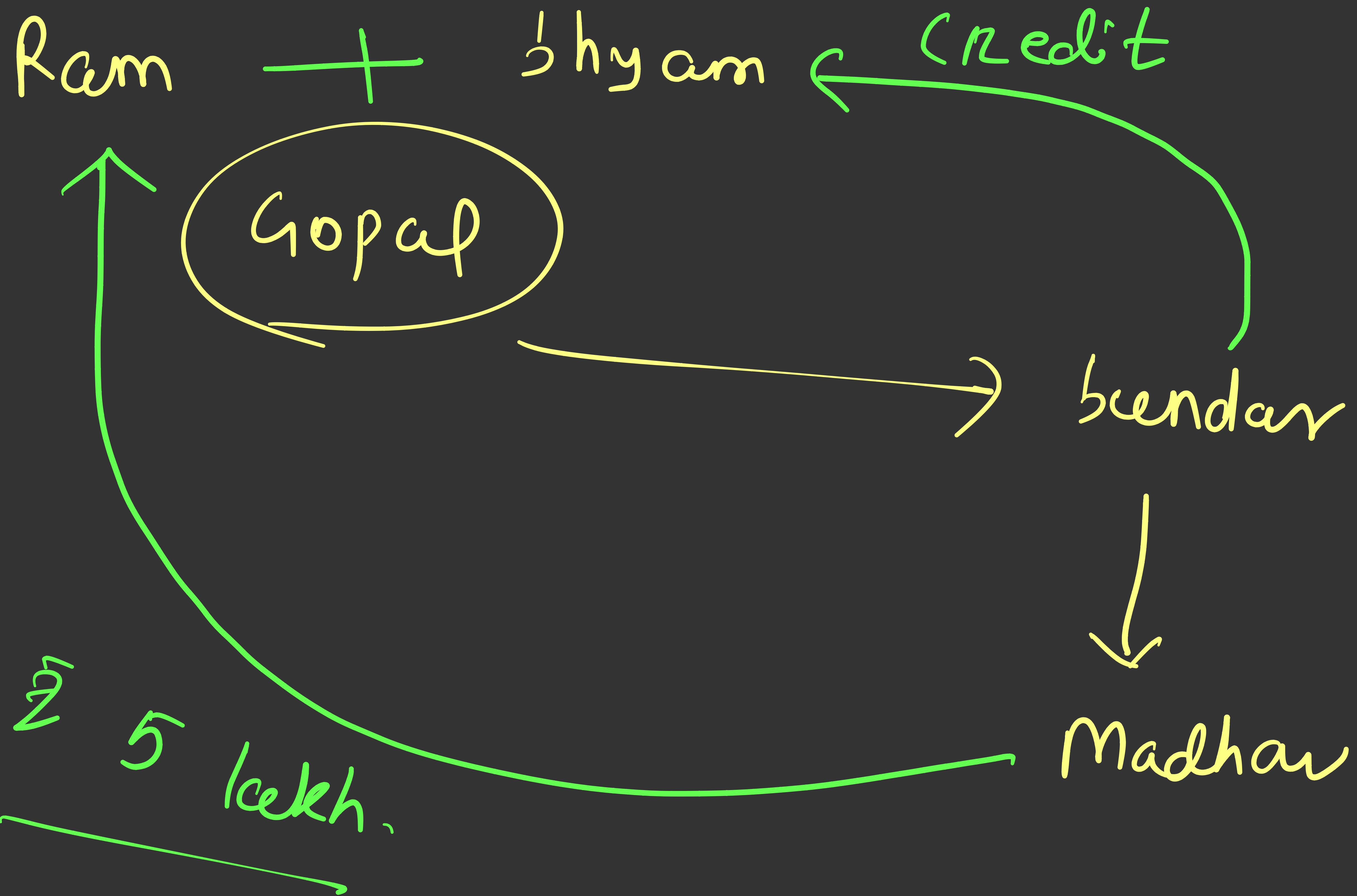


Question No. 01



R + S
Gopal

Q - Ram and Shyam are partners in a partnership firm styled as RS & Co. (the firm). Gopal, a renowned businessman, is their common friend. Ram introduced Gopal to Sundar, a supplier to the firm, as his newly joined partner. Gopal knowing that he is not a partner preferred to keep quiet on such an introduction. This information about Gopal, being a partner of the firm, was shared by Sundar with another businessman Madhav.





Question No. 01



Next day, Sundar supplied the raw material on credit and Madhav lent 5 lakhs to the firm for a short period on the understanding that Gopal is a partner of the firm. On due dates, the firm failed to discharge its liability towards both. Advise Gopal, whether he is liable to Sundar and Madhav for the aforesaid liability of the firm.

[3m,MDTP10], [4m,MDTP7], [4m,MTP1,J25], [RTP,J25, 3m,S24]

Day - 2 → IPA

Answer - 1

Provision :-

As per section 28 of The Indian Partnership Act, 1932, where a person holds himself out as a partner or allows others to do, he is then

estopped from denying the character
as partner upon the faith of which
creditor have acted upon.

Such person is liable as partner by
holding out as his words or conduct
induced others to represent himself
as partner.

further, The liability is limited to whom the representation has been made directly and who has acted upon such representation.

facts of the case:-

In the instant case, Gopal allowed himself to be represented as

partner of Ram and bhyan by
keeping quiet and third parties have
acted upon this belief, Sundar
gave credit supply to firm and
Madhav gave ₹ 5 lacs to the firm.

Conclusion of the case

From the above law & facts of the case, Gopal is liable to Sundar as he represented himself as partner by holding out but he is not liable to Madhan as information being Gopal is partner was shared by Sundar & not directly by partner or

Gopal .



Question No. 02

Unit - 2.

PQR



Q - P, Q and R, are partners in a construction firm, PQR Associates. P buys cement on behalf of the firm from D. The cement is used in the ordinary course of the firm's business. P uses the cement for his personal purposes. The supplier D, who is unaware of the private use of cement by P, claims the price from the firm. The firm refuses to pay for the price, on the ground that the cement was never received by it. Referring to the provisions of the Indian Partnership Act, 1932, answer the followings:



Question No. 02



(i) Whether the Firm's contention is tenable?

(ii) What would be your answer if a part of the cement so purchased by P was delivered to the firm by him, and the rest of the cement was used by him for his private use, about which neither the firm nor the supplier were aware?

[7m,MTP2,S25], [7m,MTP2,M25], [7m,J25], [6m,MTP2,D18], [6m,MTP1,Ju18]

P

Q

R



D

Answer - 2

Provision:-

As per section 4 of The Indian Partnership Act, 1932, Partnership is the relation between partners who have agreed to share the profits of a business carried on by all or

any of them acting for all.
Section 18 deals with partner as
agent of the firm and carries
character of both principal as well
as agent.

further, According to sec 25, Partners
are jointly and severally liable

to third parties for all the acts
which comes under the scope of
their authority.

According to sec 26, firm is liable
to third parties for the acts of
partners done :-

- In the ordinary course of business
- And within the scope of their

authority of partner.

facts of the case

P, Q, R were partners, P buys cement from D in the ordinary course of business but uses it for personal purpose, D claimed money from firm but firm refused as cement never

received by firm and D was unaware of it.

Referring to the above provision, following are the answers :-

(i) P acts as the agent of the firm for the purpose of business of the firm and purchased cement

on behalf of the firm in the ordinary course of business which was within its authority. Hence, firm's contention to refuse to pay for the price is not tenable.

(ii) If part of the cement was delivered to the firm & rest was

privately used, the answer remains
same and firm is liable as Act
of partner was in the ordinary
course of business & done in
the authority of partner. Hence,
firm is liable to the same extent,
However, firm can take action

against Mr. P.



Question No. 03

→ Unit - 3



Q - Explain about the registration procedure of a Partnership firm as prescribed under the Indian Partnership Act, 1932.

[RTP, M25], [6m, Ju23], [RTP, Ju19], [ICAI Module]

Answer - 3

As per section 58 of The Partnership Act, 1932, Registration of the firm may be done at any time by sending post or delivering to registrar, a statement in prescribed form & fee stating the below details :-

- a) firm Name
- b) Place or principal place of business of firm.
- c) Name of any other place of business where firm carries its business
- d) Date of joining of each partner
- e) Name & permanent Address of

Partners.

f) Duration of the firm.

further, the statement shall be
signed and verified by the manner
prescribed. The proposed firm shall
not contain in its name words like
Crown, Emperor, Empress, King, Queen,

Compire or such other words which
shows approval or patronage with
Government without getting written
Consent of the State Government.

As per Section 59, 95 register is
satisfied that all the provision of

Section 58 is complied with, he
shall file an entry of statement
in Register of firms & shall issue
the certificate.



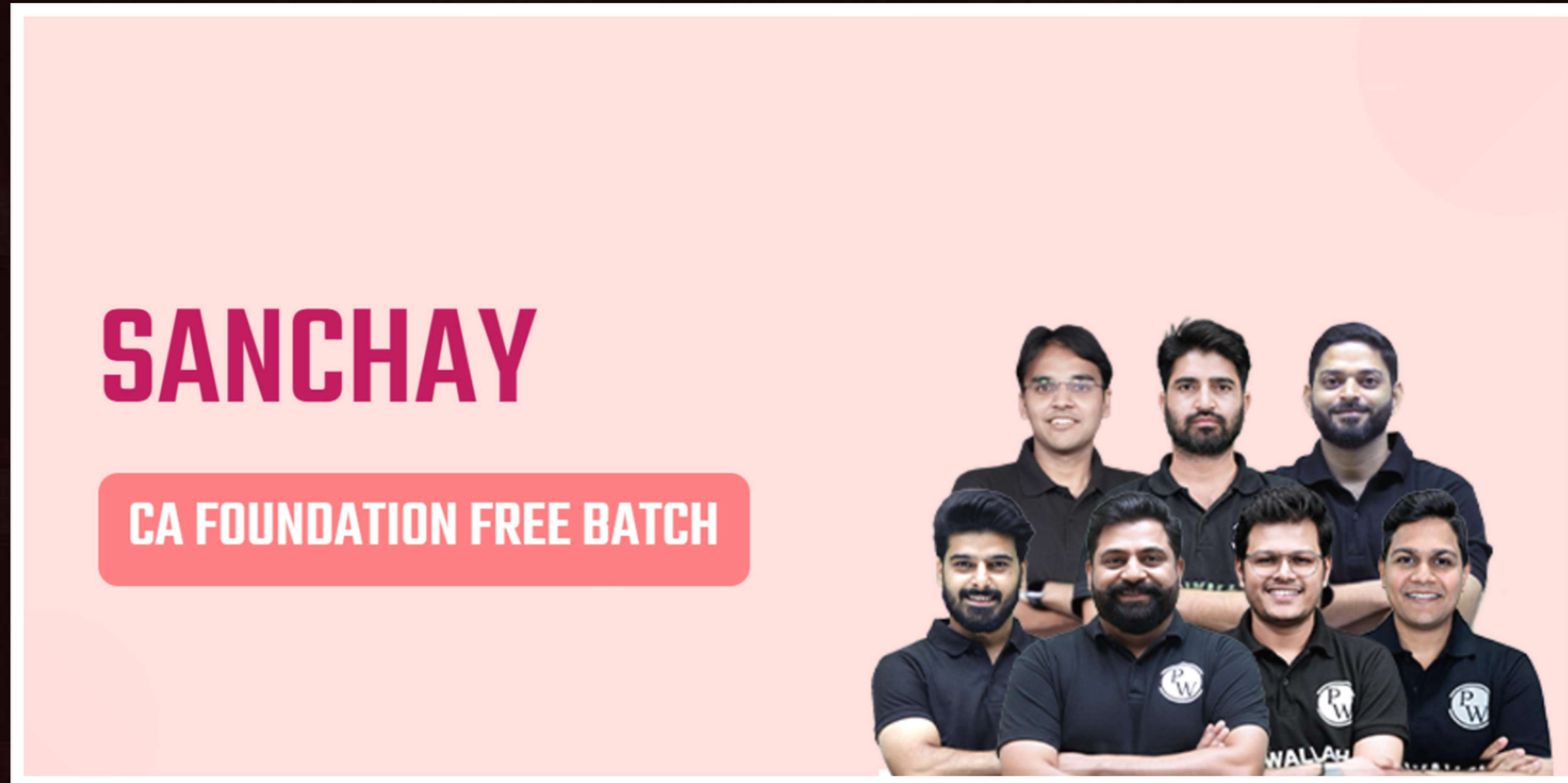
Homework



Q - Dissolution of Partnership doesn't mean dissolution of firm". Do you agree with this statement? ~~State any three situations where court can dissolve the Partnership firm.~~ *Difference between both.*

[7m,MDTP9], [7m,Ju24], [4m,D19], [2m,Ju18]

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