

**CA FOUNDATION MAY/SEP 2026**



**BUSINESS LAWS**

**LET'S WRITE  
DAY-3**

**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 18/04 – The Limited Liability Partnership Act, 2008  
The Indian Contract Act, 1872

1Q  
2) C  
6m.

32 - 38m

Q → N → 2 ×

1, 3, 4, 5, 6 ⇒ ICA

2Q → C & B

3Q → D & Q



**ARE YOU READY?**



## Question No. 01



Q – i) Under what circumstances a Limited Liability Partnership is compulsorily required to change its name? Also, explain the compliance requirement following the change of name and the consequences, if any, in case of default therein.

ii) What do you mean by a Small Limited Liability Partnership?

[6m, MTP2, J26], [RTP, J26], [6m, MTP1, S25], [RTP, M25], [6m, MDTP7, 10],

[6m, MTP1, J25], [6m, S24]

## Answer - 1

As per section 17 of The Limited liability Partnership Act, 2008, if LLP is registered by a name which is identical or too nearly resembles to any other LLP or company or any registered trademark under the Trade Mark Act, 1999, then

on application of such LLP or company  
or proprietor of trade mark, the  
Central Government may direct such  
LLP to change its name within a  
period of 3 months from the issue  
of such direction.

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further, where a LLP change its name  
or obtain a new name, it shall  
within a period of 15 days give  
notice to the registrar along with  
the order copy of central Government  
who shall carry out necessary charges  
in certificate of incorporation & within  
30 days of such change, LLP shall

change its name in LLP Agreement.

If LLP defaults in complying  
directions of the Central Government,  
then Central Government shall allot  
a new name to the LLP which  
shall be entered by the Registrar

in place of old name in the register  
and Registrar shall issue a new  
certificate of incorporation with new  
name.

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(ii) Small Limited Liability Partnership

⇒ Small LLP means a LLP in which :-

i) Contribution does not exceed twenty  
five lakh rupees or such higher  
amount as may be prescribed which  
shall not be more than five crore  
rupees and

ii) Turnover of which as per the  
statement of Accounts & solvency

for the immediately preceding financial  
year does not exceed forty lakh  
rupees or such higher amount as  
may be prescribed which shall not  
be more than fifty crore rupees  
or

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iii) which meets such other requirements,

terms & conditions as may be  
prescribed.



## Question No. 02



Q - Explain the essential elements to incorporate a Limited Liability Partnership under the LLP Act, 2008.

[ICAI Module ]

## Answer - 2

The limited liability partnership is a new form of separate legal entity which gives the benefit of limited liability and flexibility of partnership.

The essential elements to incorporate a LLP in India are as follows: -

i) LLP Name

ii) The LLP shall complete & submit incorporation document in the prescribed form to the registrar electronically.

iii) LLP shall have at least two partners who shall be individual

or Body corporates for incorporation,

iv) LLP shall appoint minimum two designated partners who shall be responsible for all the matters to be done by LLP and at least one of them should be resident in India,

v) The Designated partner shall have Designated partner identification number [DPIN] allotted by Ministry of corporate affairs.

v) LLP shall have a registered office to which all communications shall be made and received.

vi) LLP shall execute LLP agreement  
between partners or LLP and its  
partners, further, in the absence  
of agreement, first schedule of  
LLP Act shall apply.



## Question No. 03



Q - T owes G, the following debts as per the table given below:

Amount of the Debt	Position of Debt
5,000	Time barred on 01st July, 2023 as per the provisions of the Limitation Act, 1963
3,000	Time barred on 01st July, 2023 as per the provisions of the Limitation Act, 1963
12,500	Due on 1st April, 2022
10,000	Due on 15th July, 2023
7,500	Due on 25th November, 2023

G makes payment on 1st April, 2023 mentioned as below without any notice regarding how to appropriate the amount/ payment.



## Question No. 03



- i) A cheque of Rs. 12,500
- ii) A cheque of Rs. 4,000.

In such a situation how the appropriation of the payment is done against the debts as per the provisions of the Indian Contract Act, 1872 by assuming that T also has not appropriated the amount received towards any particular debt.

[4m, D23]

## Answer - 03

Provision:-

As per section 59 to Section 61 of  
The Indian Contract Act, 1872, where  
debtor own several debts and makes  
payment which is insufficient to  
discharge all the debts, the

payment shall be appropriated

accordingly :-

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As per section 59, if debtor  
makes payment either with express  
intimations or under such circumstances  
implying payment to be discharged to  
some particular debt, payment if

accepted must be applied accordingly.

As per section 60, where debtor omits to intimate and also there are no circumstances indicating which debt to be appropriated, Creditor may apply at his discretion to appropriate any debt whether barred

by law or not, but he can't apply  
payment to disputed debts.

As per section 61, where neither  
party appropriates, payment shall be  
discharged in order of time of debt  
whether barred by law or not,  
further, of debt are of equal standing,

payment shall be applied proportionately

facts of the case

In the instant case, G made two  
payments by two cheques of £12500

and 4000 and also neither G nor

→ said anything about appropriation

of the amount.

Conclusion of the case

From the above law & facts of the case, since one of the cheques of ₹ 12500 was exactly the amount of debt i.e. ₹12500 which was due on 01/04/22, hence applying section 59, circumstances are indicating for

appropriation against this particular  
debt of 01/04/22 i.e. £12500.

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further, the cheque of £4000 will  
be appropriated in the order of  
time whether barred by law or not

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as per section 61 because both

debtor & creditor does not make any

appropriation.

since two debts are existed in  
order of time i.e. 1st July, Hence  
£4000 will appropriated proportionately

in £5000 : £3000.

Therefore £2500 will be appropriated  
against debt of £5000 & £1500 will  
be appropriated against debt of £3000.

1000

200

40

8





# Homework



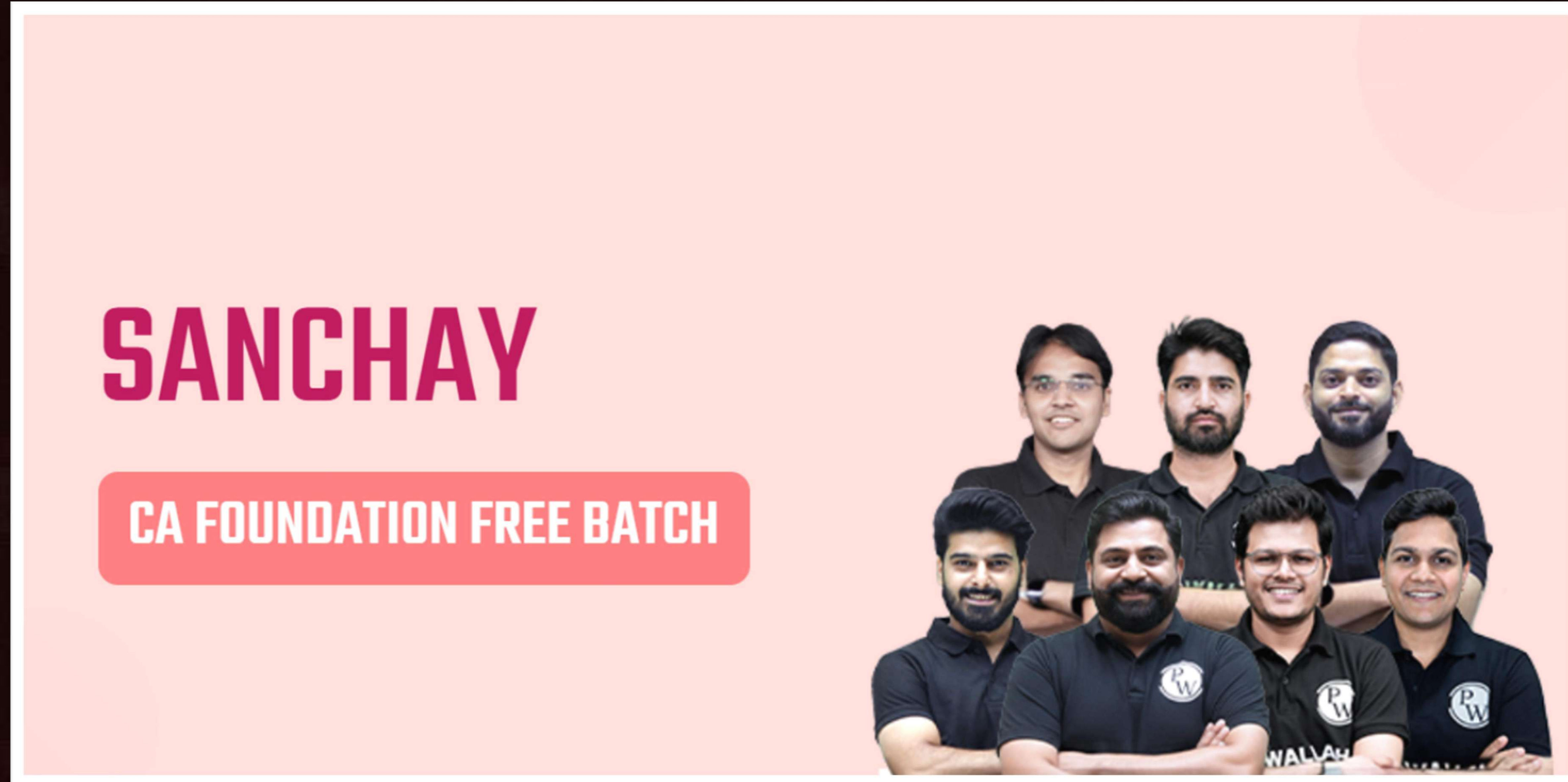
Q - What is the meaning of contingent contract? Write briefly its essentials. Also, explain rules relating to enforcement of a contingent contract.

[6m, MTP1, J26], [RTP, J26], [6m, MDTP8, 9], [6m, MTP2, J25], [6m, Ju24],

[7m, MTP2, Ju23], [7m, MTP1, Ju22], [7m, Ju21], [5m, MTP1, D20], [RTP, Ju20],

[RTP, Ju19], [7m, Ju18]

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