

CA FOUNDATION MAY/SEP 2026



BUSINESS LAWS

LET'S WRITE DAY-6

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

IRF ⇒ 6m ⇒ 5m.

LLP

IPA

₹

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Topics to be Covered

1 22/04 – IRF + SOGA, 1930

\Downarrow $\hookrightarrow 2 \subset \supset B$
6m
 \Downarrow
5m
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DTQ

DTQ



ARE YOU READY?



Question No. 01



Q – Explain the types of laws in the Indian Legal System considering the Indian Regulatory Framework?

[RTP,M25], [6m,MDTP1,5,7,10], [6m,S24], [6m,MTP1,Ju24]

Answer - 1

⇒ The laws in the Indian legal system can be broadly classified as follows:-

(i) Criminal law

→ It is concerned with violations of rule of law or public wrong & punishment for the same.

→ Criminal laws are Governed under
Indian Penal code, 1860 and code of
Criminal procedure 1973.

→ IPC 1860 defines the crime, nature
& punishment for the same whereas
the CrPC 1973 defines the exhaustive
procedure for executing the punishment.

→ Example → Murder, Rape, Assault etc.

ii) Civil law

→ It deals with matters of disputes

between individuals or organisations.

→ Civil law enforces the violation of rights and obligations through civil suits.

→ The primary focus of civil law is on dispute resolution rather than punishment.

→ Civil laws are governed or administered under code of civil procedure, 1908.

→ It is further classified into contract law, family law, property law, etc.

(iii) Common law

→ It is the judicial pronouncements or

Case laws.

→ As per Article 141 of The constitution

of India, Decisions of supreme court

are binding upon all courts in India.

→ Doctrine of stare Decisis is the principle supporting the common law i.e. to stand by what is decided.

→ It gives the obligation to courts to follow the same principle or judgements provided by previous decisions if facts

are similar on all four legs with
earlier decisions.

(iv) Principle of Natural Justice

→ It deals with certain fundamental

principles of Justice going beyond

written law.

→ Nemo Jurex in causa sua i.e. No
one should be made a Judge in
his own cause.

→ Audi alteram partem i.e. Hear the
other party or give them a fair
hearing.

→ Reasoned decisions are the rules of
Natural Justice. It is also called
Jus natural.

⇒ Judgements can override or alter
Common law but it can't override or
change the statute.

Note: → The Indian Penal code 1860

is currently replaced by Bharatiya

Nyaya Samhita Bill, 2023. further

Code of Criminal procedure (CrPc) 1973

is currently replaced by Bharatiya Nyayaik

Samhita, 2023.



Question No. 02



1

Q – Explain the hierarchical structure of Indian Judicial System. Describe the powers & functions of Supreme Court, High Courts, District Courts and Metropolitan Courts.

[6m,MDTP6], [6m,MTP2S24], [6m,J25], [RTP,Ju24], [RTP,S25], [6m,MTP2,S25],

[6m,MDTP1], [ICAI Module], [6m,MTP2,J24], [6m,RTP,J25]

Answer - 2.

⇒ when there is dispute between citizens or citizens and government,

The disputes are resolved by the judiciary.

⇒ In the hierarchy of courts, supreme court is at top, followed by the

High Court & District Court.

Decisions of high courts are binding in their respective states and only taken as reference in other states.

As per Article 141, Decisions of supreme court are binding on all high courts,

In fact the decision of supreme court

is the final words on any matter.

⇒ The powers and functions of different courts are as follows :-

(i) Supreme Court

→ Supreme court is the apex court of the judiciary which was established

on 26th January 1950

→ Chief Justice of India is the highest
authority under Article 126 of the
Constitution.

→ The principal bench consist of seven
members including the Chief Justice of
India. But presently the principal bench

Composition of 37 members including the
Chief Justice of India due to rise
in the number of cases & work load.

→ An individual can seek relief in
supreme court by filing a writ
petition under Article 32.

(ii) High Court

→ The highest court of appeal in any state and union territory is High Court.

→ Article 214 of constitution states, there must be a high court in each state.

→ High courts have the appellate,
original & supervisory jurisdiction, But
Article 227 limits the power of
a high court.

→ Currently, there are 25 high courts in
India and six states share a single
high court.

→ Individuals can seek remedies against
violations of fundamental rights by
filing a writ petition under Article
226.

→ Oldest high court of India is
Calcutta high court which was established
in 1862.

(iii) District Court

→ Below the high court are District
court.

→ The District Judge / Civil judge deals
with the civil law matters i.e.
contractual disputes, claim for damages,

etc and the court of sessions
deals with criminal matters.

→ Under pecuniary jurisdiction, the
district court try suits value not more
than ₹ two crores.

→ The courts set territorial Jurisdiction
based on the areas covered by

then and cases are decided based
on the local limits where the
parties reside or property under
dispute is situated.

(iv) Metropolitan Courts

→ It is established in metropolitan

cities in consultation with the
high courts where the population is
ten lakhs or above.

→ Chief Metropolitan Magistrate has
powers as chief Judicial Magistrate.

→ Metropolitan Magistrate has powers

as court as magistrate as first

class.

6 chapters over.

CA.



1 Paper.



Prediction.



Question No. 03



→ Unit - 1. → 9,10.

Q - Sony, a friend of Priya wanted to buy her two-wheeler. Priya agreed to sell her two wheeler to Sony and it was decided that price of her two-wheeler will be fixed by Priya's father, who is an auto dealer. Priya immediately handed over the keys to Sony. However, Priya's father refused to fix the price as he did not want Priya to sell her vehicle. Priya expressed her inability to sell the two-wheeler to Sony and asked for return, but Sony refused to return the same.

Explain-



Question No. 03

(i) Can Priya take-back the vehicle from Sony?

(ii) Will your answer be different, if Priya had not handed over the vehicle to Sony?

[7m,MDTP8,9], [7m,MTP2,J25], [7m,Ju24]

Answer - 3

Provision: -

As per Section 9 of The Sale of Goods Act, 1930, Ascertainment of price in a contract of sale may be determined by fixing in the contract or party agreement to be fixed in a manner

provided by the contract, eg values or
price may be determined by the
course of dealing between the parties.

As per section 10, where contracting
parties decides to determine the
price by third party and such

Third party does not or cannot make
such valuation, Agreement will be
void.

In case, third party is prevented
from fixing the price due to default
of either contracting parties, the

party at fault is liable to pay
damages to other party who is not
at fault.

However, if buyer has received the
goods and appropriated it, he must
pay reasonable price for them.

In the instant case, Priya handed over the keys to Sony & price is to be fixed by Priya's father who refused to fix the price.

Conclusion of the case

(i) Based upon the above law & facts

As the case, Priya delivered the keys
which means symbolic delivery has been
made, hence Priya cannot take back

the keys from Sony and As done

has received the two wheelers &

also appropriated it, Sony has to

pay reasonable price for it to
pay.

(ii) Yes, If price did not handed over
the key to Sony, the contract can
be avoided as price's father refused
to fix the price and hence contract
becomes void.



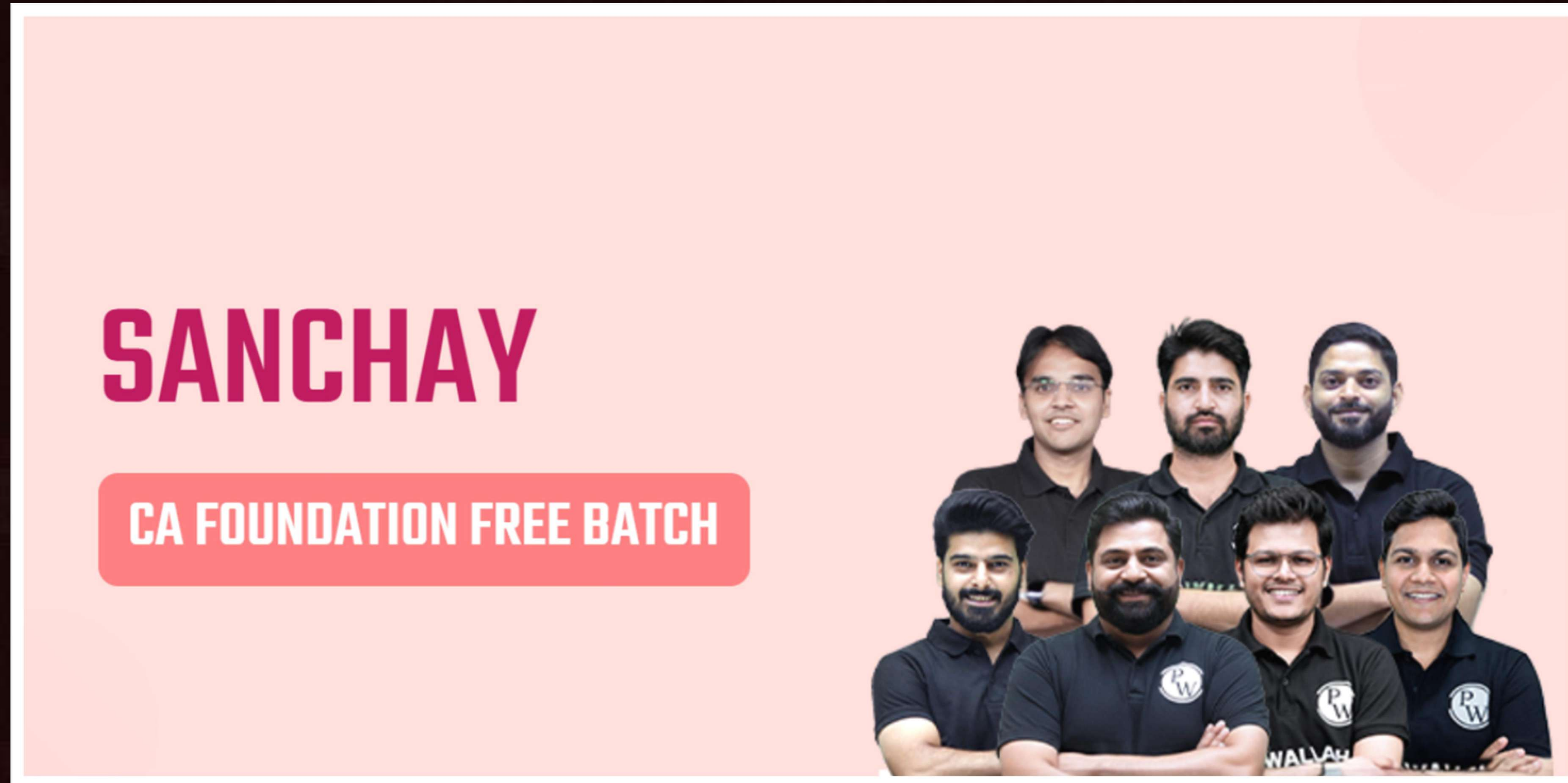
Homework



Q - What are the rights of buyer against the seller, if the seller commits a breach of contract under the Sale of Goods Act, 1930?

[RTP,J26], [7m,MDTP5], [7m,J25], [7m,MTP1,S24], [6m,MTP2,D23], [6m,Ju23],
[RTP,Ju20]

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