

CA Foundation — Business Laws & Business Correspondence

Question Paper Analysis — May 2026

Question-Wise Analysis

Q. No.	Sub-Part	Chapter / Topic	Marks	Difficulty
1(a)(i)	Valid contract?	ICA 1872 — Essentials, Offer & Acceptance, Counter Offer	7*	Moderate
1(a)(ii)	Remedies to Rakesh	ICA 1872 — Remedies for Breach of Contract	7*	Moderate
1(a)(iii)	Broker not informing price	ICA 1872 — Agency: Duties of Agent	7*	Moderate–Hard
1(b)(i)	Ram & Sons investing 25%	Companies Act 2013 — Section 8 Companies	7*	Moderate
1(b)(ii)	Dividend by Section 8 Company	Companies Act 2013 — Section 8, Dividend	7*	Moderate
1(b)(iii)	CG power to wind up Section 8	Companies Act 2013 — Winding Up, Section 8	7*	Hard
1(c)(i)	Right to wind up after dissolution	Partnership Act 1932 — Dissolution of Firm	7*	Easy–Moderate
1(c)(ii)	Continuing authority on winding up	Partnership Act 1932 — Dissolution, Continuing Authority	7*	Moderate
1(c)(iii)	Mode of settlement of accounts	Partnership Act 1932 — Settlement of Accounts on Dissolution	7*	Moderate
2(a)(i)	Romi refuse Rs 45,000?	Sale of Goods Act 1930 — Sale by Description, Conditions	7*	Moderate
2(a)(ii)	Has Romi signified approval?	Sale of Goods Act 1930 — Sale on Approval / Return	7*	Moderate
2(a)(iii)	Parth: suit or accept Rs 25,000?	Sale of Goods Act 1930 — Remedies of Seller, Suit for Price	7*	Moderate
2(b)(i)	Equity (diff. rights) vs Pref. Shares	Companies Act 2013 — Types of Share Capital	3	Easy–Moderate
2(b)(ii)	Doctrine of Constructive Notice	Companies Act 2013 — MOA/AOA, Constructive Notice	3	Easy
2(c)(i)	LLP similar name — CG powers	LLP Act 2008 — Name of LLP, CG Powers	6*	Moderate
2(c)(ii)	Designated Partner — India resident	LLP Act 2008 — Designated Partners, Resident in India	6*	Easy–Moderate
3(a)(i)a	Niman's right to inspect books	Partnership Act 1932 — Rights of Assignee (Benefits only)	4	Moderate–Hard
3(a)(i)b	Niman's right to accounts on dissolution	Partnership Act 1932 — Dissolution, Rights on Dissolution	4	Moderate
3(a)(ii)	Pramod withdraw suit & buy property	Partnership Act 1932 — Implied Authority, Emergency Acts	4	Moderate–Hard
3(b)(i)	State Power Corp — Govt Company?	Companies Act 2013 — Government Company [S.2(45)]	7*	Moderate
3(b)(ii)	State Power Corp as PFI?	Companies Act 2013 — Public Financial Institution	7*	Hard
3(b)(iii)	Dormant Company eligibility	Companies Act 2013 — Dormant Company [S.455]	7*	Moderate
3(c)(i)	Vindictive/Exemplary Damages	ICA 1872 — Damages: Special/Exemplary Damages	3	Easy–Moderate
3(c)(ii)	Penalty vs Liquidated Damages	ICA 1872 — Breach of Contract, Penalty & Liquidated Damages	3	Moderate

Q. No.	Sub-Part	Chapter / Topic	Marks	Difficulty
4(a)(i)	Equal contribution by guarantors?	ICA 1872 — Guarantee: Co-sureties, Rights of Surety	7*	Hard
4(a)(ii)	Bank changes terms without consent	ICA 1872 — Discharge of Surety	7*	Moderate–Hard
4(b)(i)A	Negotiation by delivery only	NI Act 1881 — Negotiation by Delivery	7*	Moderate
4(b)(i)B	Negotiation by delivery & indorsement	NI Act 1881 — Negotiation by Endorsement	7*	Moderate
4(b)(ii)A	Why delivery is essential	NI Act 1881 — Delivery, Negotiation	7*	Easy–Moderate
4(b)(ii)B	Instruments not negotiable by delivery	NI Act 1881 — Non-negotiable Instruments	7*	Moderate
4(c)(i)	Common Law	Indian Regulatory Framework — Common Law	3	Easy
4(c)(ii)	Principles of Natural Justice	Indian Regulatory Framework — Natural Justice	3	Easy
5(a)(i)	Can Rishi return the tractor?	Sale of Goods Act 1930 — Sale by Description, Implied Conditions	4	Moderate
5(a)(ii)	Can Rishi return all 6 seed machines?	Sale of Goods Act 1930 — Severable Contracts, Part Acceptance	4	Moderate–Hard
5(b)	Rights & liabilities of minor partner	Partnership Act 1932 — Minor as Partner	4	Easy–Moderate
5(c)	Exceptions to Privity of Contract	ICA 1872 — Doctrine of Privity of Contract	4	Moderate
6(a)(i)	Promissory note — uncertain payee	NI Act 1881 — Promissory Note, Certainty of Payee	4	Moderate–Hard
6(a)(ii)	Bearer cheque for past service	NI Act 1881 — Past Consideration, Validity of Cheque	4	Moderate–Hard
6(a)(iii)	Self-drawn self-accepted BoE	NI Act 1881 — Bill of Exchange, Drawer = Drawee	4	Hard
6(b)(i)	Rights of finder of lost goods	ICA 1872 — Bailment: Finder of Lost Goods	3	Easy
6(b)(ii)	Rights of Pawnee / Pledgee	ICA 1872 — Pledge / Pawn	3	Easy–Moderate
6(b)(i) OR	Remedies to party defrauded	ICA 1872 — Fraud & Misrepresentation, Remedies	3	Moderate
6(b)(ii) OR	Termination of bailment contract	ICA 1872 — Bailment: Termination	3	Easy–Moderate
6(c)(i)	Seller restraining passing of property	Sale of Goods Act 1930 — Reservation of Right of Disposal	4	Moderate–Hard
6(c)(ii)	Price determination by third party	Sale of Goods Act 1930 — Price: Third Party Determination	3	Easy

* Marks denoted with asterisk are combined for the full question part (shared across sub-questions).

Chapter-Wise Weightage Summary

Chapter / Subject	Approx. Marks	Weightage (%)
Indian Contract Act, 1872	~35	~35%
Companies Act, 2013	~25	~25%
Sale of Goods Act, 1930	~18	~18%
Negotiable Instruments Act, 1881	~18	~18%

Chapter / Subject	Approx. Marks	Weightage (%)
Indian Partnership Act, 1932	~16	~16%
LLP Act, 2008	~6	~6%
Indian Regulatory Framework	~6	~6%

Note: Total exceeds 100 because optional questions are included. Actual paper is 100 marks.

High Weightage Chapters — Priority Order

Priority	Chapter	Key Topics That Appeared
1	Indian Contract Act, 1872 (~35%)	Offer & Acceptance, Counter Offer, Remedies for Breach, Agency (Duties of Agent), Contract of Guarantee (Co-sureties, Discharge of Surety), Damages (Exemplary, Penalty vs Liquidated), Privity of Contract, Bailment (Pledge, Finder of Lost Goods), Fraud & Misrepresentation
2	Companies Act, 2013 (~25%)	Section 8 Company (winding up, dividend), Government Company, Public Financial Institution, Dormant Company, Types of Share Capital, Doctrine of Constructive Notice
3	Sale of Goods Act, 1930 (~18%)	Sale by Description, Sale on Approval, Remedies of Seller, Severable Contracts, Reservation of Right of Disposal, Price by Third Party
4	Negotiable Instruments Act, 1881 (~18%)	Negotiation by Delivery / Endorsement, Validity of Promissory Note (uncertain payee), Past Consideration, Self-drawn Bill of Exchange
5	Indian Partnership Act, 1932 (~16%)	Dissolution (winding up, continuing authority, settlement of accounts), Rights of Assignee, Implied Authority, Minor as Partner
6	LLP Act, 2008 (~6%)	Name conflict — Central Government powers, Designated Partners, Resident requirement
7	Indian Regulatory Framework (~6%)	Common Law, Principles of Natural Justice

Key Observation

Indian Contract Act dominates the paper every year and this attempt is no exception. Students who are strong in ICA, Companies Act, and Sale of Goods Act cover approximately 78% of the paper. Partnership Act and NI Act together contribute another significant chunk. LLP and Regulatory Framework are low-weightage but conceptual and usually easy marks.