Daily Practice Sheet — 17 October 2026

23 Qs · 40 Min
+1 / −0.25

Daily Practice — Legal Reasoning · Logical Reasoning · Quantitative Techniques
Every question is passage-based, CLAT-2026 grade. Darken one bubble. Negative marking applies. Full solutions with examiner notes are in the companion answer sheet.
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SECTION — LEGAL REASONING

LEGAL PRINCIPLE — COMPANY LAW · DIRECTORS' DUTIES UNDER COMPANIES ACT, 2013 (Q1–Q4)

Under the Companies Act, 2013, a director occupies a fiduciary position toward the company. Section 166 codifies four core duties: to act in good faith to promote the company's objects; to exercise independent judgment; not to involve oneself in a conflict of interest; and not to achieve any undue gain through the position. Section 149(8) read with Schedule IV imposes a duty of care, skill, and diligence commensurate with the knowledge a person in the director's position would reasonably be expected to have. The business judgement rule, judicially recognised in India, protects bona fide decisions by a properly informed board — courts will not second-guess a decision within a reasonable range of commercial judgement. The rule distinguishes breach of fiduciary duty (loyalty, conflicts, good faith) from negligence (standard of care). The rule in Foss v Harbottle (1843) holds that a wrong done to the company may ordinarily be sued upon only by the company itself, subject to exceptions including fraud on the minority.

1. The board of TechCorp Ltd. unanimously authorises an acquisition at ₹450 crore. The CEO's projections showed 18% ROI but the target company was worth only ₹80 crore — a loss of ₹370 crore. Shareholders allege all directors breached their duty of care. Select the best legal position.

◯ **A.** The directors are liable; a commercially disastrous outcome shows the board failed to exercise due care, and the business judgement rule does not insulate them from negligence.
◯ **B.** The business judgement rule fully protects directors who voted in good faith on adequate information available to them, regardless of commercial outcome, where there is no allegation of bad faith.
◯ **C.** The directors are shielded by Section 166; fiduciary duties displace the duty of care entirely and no negligence claim is maintainable.
◯ **D.** Only the managing director bears liability; non-executive directors who relied on the CEO bear no duty of care.

2. A director of FoundationLtd. learns in board capacity that the company plans to acquire a rural plot. She personally buys the plot beforehand through a family trust and then votes against the acquisition. No board colleague is aware. Identify the correct legal position.

◯ **A.** This is a breach of fiduciary duty under Section 166 — the duty not to involve oneself in a conflict of interest — and she is personally liable to the company.
◯ **B.** This is a breach of the duty of care under Section 149(8) only, because exploiting board information affects the director's independence of judgment rather than her fiduciary loyalty to the company
◯ **C.** No breach arises; Section 166 is violated only where the company suffers a direct financial loss, and here the company did not acquire the land.
◯ **D.** The director is shielded by the business judgement rule because personal land purchases are outside the board's mandate and thus outside the scope of directorial scrutiny

3. Three minority shareholders of MegaCorp Ltd. seek to sue its directors personally for alleged fraud perpetrated against the company, consisting of diversion of company funds to a related party. The directors invoke the rule in Foss v Harbottle. Which response most correctly identifies the applicable exception to that rule?

◯ **A.** The rule in Foss v Harbottle bars any action, because the company is a distinct legal entity and only the company's board may authorise litigation on its behalf in the absence of fraud
◯ **B.** The fraud on the minority exception applies; where wrongdoers are in control and have defrauded the minority, a derivative action may be maintained.
◯ **C.** Minority shareholders are categorically barred from suing directors under Indian company law, even for fraud, because Section 166 creates a non-justiciable duty
◯ **D.** Foss v Harbottle has no application in Indian company law since the Companies Act, 2013, confers an independent statutory derivative action.

4. DirectorA of PrimeCo Ltd. votes in good faith for a board resolution that turns out to be commercially unwise. DirectorB of the same company secretly transfers a corporate opportunity to her own firm, causing PrimeCo a loss of ₹5 crore. Which of the following statements most accurately differentiates their respective liabilities?

◯ **A.** Both directors are equally liable under Section 166; good faith is not a defence to any duty prescribed by the Companies Act, 2013.
◯ **B.** DirectorA may be shielded by the business judgement rule if he acted on adequate information; DirectorB faces personal liability for breach of fiduciary duty under Section 166, which the rule does not protect.
◯ **C.** DirectorB is liable under criminal law only; civil liability for breach of duty under Section 166 is not enforceable without a shareholder resolution authorising the suit.
◯ **D.** DirectorA is liable for negligence under Section 149(8); DirectorB is protected because secret diversion of corporate opportunity is not a specific prohibition in Section 166 itself.

LEGAL PRINCIPLE — INTELLECTUAL PROPERTY LAW · COPYRIGHT PROTECTION UNDER COPYRIGHT ACT, 1957 (Q5–Q7)

The Copyright Act, 1957 protects original literary, dramatic, musical, and artistic works, cinematograph films, and sound recordings. Copyright subsists in the expression of an idea, not the idea itself (the idea-expression dichotomy). Originality requires only that the work originate from the author and not be copied; novelty or artistic merit is not required. Copyright arises automatically on registration is optional, serving only as evidence of ownership. The duration under Section 22 is the author's lifetime plus si Section 52 enumerates fair dealing exceptions — research, private study, criticism, review, reporting of current events, a

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proceedings — which are non-infringing if the source is acknowledged. Section 57 protects moral rights: paternity (right to claim authorship) and integrity (right to object to distortion prejudicial to the author's honour). Moral rights survive assignment. Infringement under Section 51 occurs when a person does, without the copyright owner's licence, any act the exclusive right to do which is vested in the owner.

5. An author assigns the full economic rights in her novel to a publisher. The publisher subsequently edits the novel, removing two chapters and altering the ending without the author's consent. The author objects. Which provision of the Copyright Act, 1957 most directly supports the author's claim?

◯ **A.** Section 22, which controls the duration of copyright and impliedly prohibits posthumous alterations by assignees

◯ **B.** Section 52, which allows the author to invoke the fair dealing exception as a reverse shield against unauthorised modification

◯ **C.** Section 57 protects the author's moral right of integrity — the right to object to distortion prejudicial to the author's honour — which survives assignment of economic rights.

◯ **D.** Section 51, which defines infringement as occurring only when a person without licence makes a copy; modification by the licencee falls outside its scope entirely

6. A photograph is taken by an employee during the course of employment on a company-owned camera on company time. The employee later claims copyright in the photograph. Which principle of the Copyright Act, 1957 most precisely determines ownership?

◯ **A.** The employee is the author and first owner of copyright in all cases; employment status is relevant only for determining duration, not ownership

◯ **B.** Section 17 vests first ownership in the employer when a work is made by an employee during the course of employment, subject to any contract to the contrary.

◯ **C.** Ownership is split equally between employee and employer as co-authors under the joint work doctrine applicable to employment contexts

◯ **D.** The company holds a compulsory licence only; the employee retains ownership because a photograph is an artistic work and Section 22 duration rules override employer claims

7. A journalist reproduces an entire newspaper article by another journalist in an online column, including the article's key arguments and specific data. The journalist claims this is reporting of current events, a fair dealing exception under Section 52. Which analysis is most legally precise?

◯ **A.** The defence succeeds unconditionally; reporting of current events is a blanket exemption with no limitation on the extent of copying

◯ **B.** The defence is inapplicable entirely; Section 52 fair dealing never extends to reproduction of journalistic work since such work is neither research nor private study

◯ **C.** The defence is inapplicable; fair dealing for reporting current events permits only brief quotations, and reproducing the entire article exceeds the permissible scope.

◯ **D.** The defence succeeds because the article's data is factual, and Section 52 exempts reproduction of factual material in all circumstances.

SECTION — LOGICAL REASONING

LOGICAL REASONING — ASSUMPTION · DIGITAL EDUCATION AND ASSUMPTION (Q8–Q11)

An education policy analyst writes: 'The nationwide rollout of government-funded digital classrooms in rural schools will significantly reduce the learning gap between rural and urban students. Studies show that students in urban schools with access to digital resources consistently outperform rural students. By providing rural schools with the same digital infrastructure — internet-connected tablets, digital libraries, and interactive software — rural students will have access to the same quality of educational content as their urban peers. The government has already budgeted ₹12,000 crore for this initiative over three years. Given the demonstrable connection between digital access and learning outcomes, this

8. The argument above most critically assumes which of the following?

◯ **A.** The government has previously attempted and failed at digital classroom rollouts in rural areas

◯ **B.** Urban students benefit from digital resources primarily because of trained teachers and parental literacy rather than because of hardware access alone.

◯ **C.** Rural schools already have adequate electricity and connectivity infrastructure to support internet-connected tablets

◯ **D.** The urban-rural learning gap is entirely caused by differences in curriculum content rather than differences in digital access

9. Which of the following, if true, most directly undermines a hidden premise on which the argument depends?

◯ **A.** The government has consistently met its education budget targets over the past five years, with audits confirming timely fund deployment.

◯ **B.** Research in comparable economies found that identical hardware in under-resourced schools improved outcomes only when accompanied by teacher training and community engagement.

◯ **C.** Urban students spend three hours daily on digital platforms versus one hour for rural students, suggesting device access alone cannot explain divergent academic outcomes.

◯ **D.** The ₹12,000 crore allocation is the largest education infrastructure investment in the country's history; similar past investments consistently improved enrolment rates in target districts.

10. The argument's conclusion follows logically only if one accepts which pair of assumptions simultaneously?

◯ **A.** That digital access is the sole cause of urban-rural performance differentials, and that rural schools can fully utilise digital infrastructure without any supplementary support.

◯ **B.** That the government will complete the rollout within one year, and that urban outperformance has been observed only in the last decade

◯ **C.** That all rural students currently own personal devices, and that digital classrooms are a cheaper alternative to hiring ad teachers

◯ **D.** That the government's allocation covers recurring maintenance costs, and that rural students consistently score lower t students on standardised assessments.

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11. If the assumption identified in Question 1 of this set is denied — that is, if it is false that digital access alone accounts for urban outperformance — which of the following most precisely describes the effect on the argument?

◯ **A.** The argument is marginally weakened but its core conclusion is unaffected, since the budget allocation independently supports the policy

◯ **B.** The argument is completely unaffected; whether digital access causes outperformance is irrelevant to whether the government should invest in digital infrastructure.

◯ **C.** The argument is fatally undermined; if other factors drive urban outperformance, digital infrastructure alone will not close the achievement gap and the conclusion fails.

◯ **D.** The argument is strengthened; denying that digital access causes outperformance redirects emphasis to the budget allocation, which is the stronger pillar of the argument.

LOGICAL REASONING — FLAW · URBAN MIGRATION AND FLAW (Q12–Q15)

A city councillor argues: 'Our city has seen a dramatic rise in crime rates over the past five years. This period coincides exactly with a surge in rural-to-urban migration. Migrants arriving from rural areas have not had access to formal employment opportunities in our city because our industries require skilled labour. Since unemployment is a well-documented driver of criminal activity, the migrants are responsible for the crime surge. It is therefore necessary to restrict rural-to-urban migration to protect our city's residents. Furthermore, activist groups opposing the restriction are themselves composed largely of migrants, so their

12. Which of the following most accurately identifies the primary flaw in the councillor's argument?

◯ **A.** The councillor commits a false dilemma by suggesting only migration restriction can reduce crime, ignoring alternatives such as job creation or policing investment.

◯ **B.** The councillor commits an ad hominem fallacy by dismissing the activist groups' objections based on their composition rather than addressing the substance of their arguments

◯ **C.** The councillor's argument relies on hasty generalisation by inferring from the broad claim that unemployment drives crime that all unemployed migrants commit crimes

◯ **D.** The councillor's argument is internally valid because temporal correlation between migration and crime is itself sufficient to establish causal responsibility

13. The final sentence of the councillor's argument — that activist groups' objections should carry no weight because they are composed largely of migrants — exemplifies which specific logical fallacy?

◯ **A.** Circular reasoning, because the conclusion that migrants cause harm is used as a premise to dismiss the group that disputes that conclusion

◯ **B.** Ad hominem (circumstantial variant), because the argument attacks the personal circumstances or identity of the objectors rather than addressing the merit of their objections

◯ **C.** False dilemma, because the councillor offers only two options — accept the restriction or accept rising crime — without acknowledging intermediate positions

◯ **D.** Post hoc ergo propter hoc, because the dismissal of activist objections follows the crime statistics and therefore treats temporal sequence as logical refutation

14. The step from 'migration coincides with a rise in crime' to 'migrants are responsible for the crime surge' most directly commits which error in reasoning?

◯ **A.** Equivocation, because the word 'crime' is used in a narrow statistical sense in the first clause and a moral sense in the second

◯ **B.** Ad hominem, because asserting migrant responsibility involves a direct attack on the character of the migrant population

◯ **C.** Hasty generalisation, because the councillor infers from a correlation between aggregate statistics that all migrants as a group are causally responsible for crime

◯ **D.** Correlation-causation fallacy (post hoc ergo propter hoc), because temporal correlation between migration and rising crime does not establish that migration caused the crime increase

15. Which of the following arguments is most structurally parallel to the councillor's argument, displaying the same combination of flaws?

◯ **A.** A hospital administrator notes mortality rose after hiring foreign nurses and concludes they caused deaths; she dismisses the nurses' union because its leaders are also foreign-trained.

◯ **B.** A scientist notes plant growth peaks in warm weather and concludes temperature drives productivity, dismissing controlled greenhouse evidence to the contrary.

◯ **C.** A judge infers guilt from a defendant's mere presence at the crime scene and refuses to hear defence counsel because that counsel once represented another convicted person.

◯ **D.** A senator argues that tax cuts have historically coincided with growth so tax cuts cause growth, and dismisses economists who disagree because they receive government research grants.

SECTION — QUANTITATIVE TECHNIQUES

QUANT — PUBLIC FINANCE & BUDGETS · DATA TABLE DI · UNION BUDGET 2025-26: SECTORAL ALLOCATION (Q16–Q19)

The Union Budget 2025-26 allocated a total of ₹48,20,512 crore across key ministries, representing a significant increase over prior years. The four largest consuming ministries — Defence, Rural Development, Home Affairs, and Education — collectively absorb a substantial share of total government expenditure each year. Defence spending has grown steadily in response to security imperatives, while Rural Development reflects continued social-sector commitments under flagship programmes. Home Affairs expenditure covers internal security and central police forces, while the Education allocation supports Samagra Shiksha and higher education schemes. The table below presents the allocation (in ₹ crore) across these four ministries for 2023-24 (actuals), 2024-25 (revised estimates), and 2025-26 (budget estimates). Study the data and answer the questions that follow. All figures are in ₹ crore.

Ministry	2023-24 Actuals	2024-25 Revised	2025-26 Budget
Defence	593537	622021	679218

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Ministry	2023-24 Actuals	2024-25 Revised	2025-26 Budget
Rural Development	235953	264645	284360
Home Affairs	118970	128545	144635
Education	108878	116418	128650

16. What is the approximate percentage increase in the Defence allocation from 2023-24 actuals to 2025-26 budget estimates?

◯ **A.** Approximately 14.4%
◯ **B.** Approximately 10.2%
◯ **C.** Approximately 18.7%
◯ **D.** Approximately 22.3%

17. In 2024-25 (revised estimates), what is the ratio of the allocation for Rural Development to the allocation for Education, expressed in its simplest whole-number form closest to the options below?

◯ **A.** Approximately 2.8 : 1
◯ **B.** Approximately 2.3 : 1
◯ **C.** Approximately 3.1 : 1
◯ **D.** Approximately 1.9 : 1

18. If the Education ministry's allocation grows at the same absolute increment from 2024-25 to 2025-26 for another three years beyond 2025-26, what would be the approximate Education allocation in 2028-29?

◯ **A.** ₹1,65,334 crore
◯ **B.** ₹1,54,786 crore
◯ **C.** ₹1,72,118 crore
◯ **D.** ₹1,43,988 crore

19. For the year 2025-26, the combined allocation of Home Affairs and Education together constitutes approximately what percentage of the Defence allocation?

◯ **A.** Approximately 31.3%
◯ **B.** Approximately 36.5%
◯ **C.** Approximately 40.2%
◯ **D.** Approximately 44.8%

QUANT — HEALTH & EDUCATION · PIE CHART DI · NATIONAL HEALTH MISSION EXPENDITURE BREAKDOWN (Q20–Q23)

The National Health Mission (NHM) received a total allocation of ₹4,800 crore in the current fiscal year. The allocation is distributed across five components as follows: Rural Health Infrastructure (RHI) accounts for 35% of total allocation (₹1,680 crore); Urban Health Infrastructure (UHI) accounts for 25% (₹1,200 crore); Preventive Care and Immunisation (PCI) accounts for 20% (₹960 crore); Research and Training (R&T) accounts for 12% (₹576 crore); and Administration and Monitoring (A&M) accounts for the remaining 8% (₹384 crore). The government has proposed revising these allocations next year: RHI will be increased by 10%, PCI will be increased by 15%, and the savings will come entirely from a reduction in A&M. All other heads remain unchanged.

20. In the current year, what is the combined allocation for Rural Health Infrastructure and Preventive Care and Immunisation as a percentage of the total NHM allocation?

◯ **A.** 60%
◯ **B.** 55%
◯ **C.** 45%
◯ **D.** 50%

21. What is the ratio of the current year's allocation for Urban Health Infrastructure to Research and Training?

◯ **A.** 25 : 12
◯ **B.** 5 : 3
◯ **C.** 10 : 3
◯ **D.** 4 : 1

22. After the proposed revisions for next year are applied, what will be the new allocation (in ₹ crore) for Administration and Monitoring, assuming the total NHM budget remains ₹4,800 crore?

◯ **A.** ₹120 crore
◯ **B.** ₹216 crore
◯ **C.** ₹96 crore
◯ **D.** ₹192 crore

23. If Research and Training receives an additional ₹144 crore from a special fund next year on top of its unchanged base allocation, what percentage of the revised total NHM allocation (₹4,800 crore base + ₹144 crore special fund = ₹4,944 crore) will Research and Training represent, to the nearest whole number?

◯ **A.** Approximately 13%
◯ **B.** Approximately 15%
◯ **C.** Approximately 11%
◯ **D.** Approximately 17%

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