



INDIAN INSTITUTE OF MATERIALS MANAGEMENT
Post Graduate Diploma in Materials Management
Graduate Diploma in Materials Management

Dec 2013

Paper No. 6

BUSINESS LAW

Date : 15.12.2013

Time : 10.00 a.m. to 1.00 p.m.

Max Marks: 100

Duration: 3 hours

Instructions:

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|---|-------------------------|
| 1. From Part A: answer all questions (compulsory) Each sub-question carries 1 mark | Total marks – 32 |
| 2. From Part B: answer any 3 out of 5 questions Each question carries 16 marks. | Total marks – 48 |
| 3. Part C is a case study with sub-questions (compulsory). Read the passage and answer all the questions. | Total marks – 20 |
| 4. Please read and follow the instructions given in the answer sheet carefully. | |

PART A

(1 marks each = 32 marks)

Q. 1. Write the most appropriate answers from the choices for the questions given below:

1. To start a public limited Company the minimum number of persons required is.
 - a) One
 - b) Two
 - c) Seven
 - d) Non of the above.

2. The General Insurance work on the principle of
 - a) Warrantee & Guarantee
 - b) Indemnity & Surety
 - c) Utmost Good faith & Insurable interest.
 - d) In understanding of Insurer & policy holder.

3. Who cannot enter into contract:
 - a) A Major person attained 18 years.
 - b) A proprietor of a small firms.
 - c) A person of un sound mind.
 - d) A Public Limited Company.

4. The executed Contract is inclusive of :
 - a) Agreement & obligation
 - b) Only obligation no consideration.
 - c) A contract with out an agreement.
 - d) A mutual understanding & execution.

5. The present workmen's Compensation Act, is of :
- 1948
 - 1923
 - 1999
 - 1930
6. The Foreign Exchange Management Act was free from:
- Tall punishment
 - Mild punishment
 - Inclusive of Tall & mild punishment.
 - Exempted from RBI control.
7. The sale is immediate in case of :
- Agreement to sale
 - Sale
 - Deferred sale
 - In case of contractual sale.
8. The very purpose of account paying Crossing of the cheque is to:-
- Crossing enable the bearer of the cheque to get first preference in payment.
 - Crossing enable the bearer or any account holder to en- cash at the counter.
 - Crossing enable the right account holder to credit to his account.
 - Crossing will countermand the remittance to the account by the account holder.

Q 2. Expand the following abbreviations:-

- FERA
- MRTP
- HSN
- CAVEAT EMPTOR MEANS:-
- Minor Means:
- ICC
- CEGAT
- AD

Q 3. State whether the following are true or false:-

- The law of Contract in India is embodied in FEMA 1999 Act.
- Business law covers employment contract , patents, copyrights issues, Duty, Tax, Negligence & Health & Safety.
- Contract means agreement consideration, fulfilling legal obligations & Execution of transaction

- d) MRTP act never change, remain constant even though many amendments affecting it.
- e) If a partner became lunatic, his /her son /daughter will be taken as A partner by virtue.
- f) The sale of goods act define righteous owner have right in Rem.
- g) A specific offer can be accepted only by the person to whom it is made.
- h) The purpose of Arbitration Act is to provide quick redressal to commercial dispute by the private arbitration.

Q 4. Fill in the blanks with appropriate legal words:-

1. Agreement to sell is known asContract.
2. "NEMO DAT QUOD NON HABET" which means that " No one can give ".....".
3. The "Sleeping partner is one who do invest his capital & do
4. The appeal Commissioners are persons appointed by the Ministry of
5.is a term essential to the main purpose of Contract.
6. No Import or Export shall be made by any person withoutCode.
7. Registration – Cum Membership Certificate is called in short term.....
8. The Director General of Foreign Trade authority are concerned to sanction

PART-B

48marks

Answer any three questions. Each question carries 16 marks:-

- Q 5. Distinguish between
 - a. Sale & Agreement to Sell.
 - b. Active partner and Sleeping or Dormant partner
- Q 6. 100% EOU's Its advantage & its exemptions extended by the Government.
- Q. 7 Why condition is very much essential & warrantee is collateral to the Contract.
- Q. 8 Discuss in detail the causes for Industrial Dispute in any organization.
- Q. 9
 - a. What are Quasi Contracts ? Give examples
 - b. Explain briefly VAT.

PART-C

20 marks

Q 10. CASE STUDY (compulsory)

Answer all the question given at the end , after studying the facts of the Case Study:-

“The Carbolic Smoke Ball Co. advertised in all the news papers including the official gazette that L 100 reward would be paid to any person who contracted the increasing epidemic influenza after having used a Carbolic Smoke Ball for a particular period according to printed directions supplied with each ball. The Company further said that it had deposited with a particular bank L 1000 “ to show our sincerity in the matter”.

Carlill, a woman, having read the advertisement bought a Carbolic Smoke Ball and used it according to the printed directions: but nevertheless she suffered from influenza. She filed a suit against the Co. for the promised reward. One of the main objection raised by the Co. was that the offer was a general offer and it was not made specifically to Mrs. Carlill and that She could not accept it. The court overruled this objection and pointed out that a general offer might be accepted by any member of the public, though it was not made specifically to him or her. The Company was directed to pay the promised reward to Mrs. Carlill.”

1. How Mrs. Carlill is legally related to the Smoke Ball Company.
2. How General public can be party to the ‘General offer’.
3. what are its prerequisite condition to be followed as per the case study.
4. How Mrs. Carlill is eligible to get award.
5. What are the court rulings in the above Case Study.
