PART A
(1 marks each x 32 = 32 marks)

Q.1] Select the correct option: 8 marks

1. If a partnership is started with the object of carrying on banking business, the no. of members must not exceed
   a. 10  
   b. 20  
   c. 5  
   d. 3  

2. The maxim 'caveat emptor' pertains to
   a. Income Tax Act  
   b. Sale of goods Act  
   c. Arbitration Act  
   d. Factories Act  

3. Custom duty can be levied only by
   a. State Government  
   b. Panchayat  
   c. Union Government  
   d. Municipality  

4. Sale is
   a. executed contract  
   b. Quasi contract  
   c. Contingent contract  
   d. executory contract  

5. A wagering agreement is
   a. voidable  
   b. void  
   c. illegal  
   d. Unlawful  

6. Law of property is a part of
   a. public law  
   b. municipal law  
   c. Private law  
   d. international law  

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

Paper No. 6
BUSINESS LAWS

Date: 09.06.2013
Time: 10.00 a.m. to 1.00 p.m.
Max Marks: 100
Duration: 3 hours

Instructions:
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.

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June 2013
7. Control over Special Economic Zones (SEZs) is exercised by the Ministry of

8. The minimum number of directors in a private company is
   a. 3           b. 5   c. 4    d. 2

Q.2] Expand the following: 8 marks

1. ADR
2. UNCITRAL
3. CENVAT
4. CST
5. FEMA
6. DGFT
7. ICA
8. CRZ

Q.3] Fill in the blanks: 8 marks

1. Definition of contract is an agreement enforceable by ________________
2. A person is said to be of the age of minority if he has not completed ____ years of age.
3. Custom Act is administered by the Ministry of ________________
4. A contract of sale may be absolute or ________________
5. Marine Insurance is based on the principle of ________________
6. The minimum number of members in a public company is _________
7. The minimum number of directors in a public company is _________
8. The contingency or happening against which insurance is effected is called the __________

Q.4] State whether the following are true or false: 8 marks

1. Wealth tax is a direct tax.
2. A same action may not result in both a civil case and a criminal case.
3. Cross offer and counter offer are not the same.
4. Registration of firm is compulsory under the Indian Partnership Act.
5. The essential ingredient of a contract must contain acceptance of the proposal.
6. Workmen's Compensation Act does not apply where workmen covered under the ESI Act.
7. Decision on arbitral tribunal is called Arbitral Award.
8. Proposal is the first step towards formation of a contract.
Q.5] Distinguish between: (any 2) 16 marks

1. Memorandum of Association and Articles of Association
2. Sale and Agreement to Sell
3. Criminal law and Civil law
4. Promissory Note and Bill of Exchange

Q.6] Write short notes on: (any 2) 16 marks

1. Quasi contract
2. Life Insurance
3. Value Added Tax
4. Workmen's Compensation Act 1923

Q.7] What is consideration? Discuss the various legal rules governing a valid Consideration 16 marks

Q.8] 16 marks

a. Explain the types of custom duties.
b. Discuss the key features of Special Economic Zones.

Q.9] 16 marks

a. Explain the doctrine of 'Caveat Emptor'.
b. Discuss the rights of unpaid seller.
Q.10] Read the following case study and give answers to the questions at the end.  

The Customs Act was formulated in 1962 to prevent illegal imports and exports of goods. Besides, all imports are sought to be subject to a duty with a view to affording protection to indigenous industries as well as to keep the imports to the minimum in the interest of securing the exchange rate of the Indian currency. The rates of customs duty levied on the imported and exported goods are assigned in the Customs Act and the duty is payable as a percentage of ‘value’ often called ‘Assessable value’ or ‘Customs value’. The present procedure of customs clearance is entirely transaction based and it entails assessment, duty collection and examination of each import consignment before its release. Though an importer or exporter can himself transact business of imports and exports, however, generally it is not possible for an individual to complete customs formalities and obtain clearance from ports. Hence, appointment of Customs House Agent is necessary. CESTAT was created to provide an independent forum to hear the appeals against orders and decisions passed by the Commissioners of Customs and Excise under the Customs Act, 1962, Central Excise Act, 1944, Finance Act, 1994, relating to Service Tax. It is also empowered to hear the appeals against orders passed by the designated authority with regard to Anti-Dumping Duties under the Customs Tariff Act, 1975.

1. What is the purpose and aim of the Customs Act, 1962?
2. How is the customs duty calculated on the imported goods?
3. What is the present procedure of customs clearance?
4. What is the necessity of a Customs House Agent?
5. Why was CESTAT created?

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