

D 406 ✓

M.B.A. DEGREE EXAMINATION, APRIL/MAY 2003.

First Semester

BA 106 — LEGAL ASPECTS OF BUSINESS

Time : Three hours

Maximum : 100 marks

Answer ALL questions.

PART A — (10 × 2 = 20 marks)

1. What are the sources of Commercial Law in India? — 1
2. Define 'Law'. — 1
3. State the essential elements of a contract. — 1
4. 'A' offers a reward to whosoever shall do a certain thing. 'B' does the thing, not knowing of the advertised reward. Is 'A' bound to pay the reward to 'B'? — 1
5. Who is a 'Mercantile Agent'? — 1
6. A promissory note, executed on 31st January 2002, is made payable one month after date. When does the note become payable? — 2
7. Explain the term 'Power of Attorney'. — 2
8. Are the shareholders of a company the proprietors of the company? — 2
9. The services of a workman who has stolen some material from the factory has been terminated. Will this termination of service amount to retrenchment? — 3
10. Distinguish between 'Tax planning' and 'Tax Avoidance'. — 4

PART B — (5 × 16 = 80 marks)

11. Write short notes on the following : (4 × 4 = 16)
- (i) Void, voidable and unforceable contract. — 1
 - (ii) Holder in Due Course. — 1
 - (iii) Formalities for incorporation of a company. — 2
 - (iv) Need for Corporate Tax planning. — 3
12. (a) (i) What are the essential features of a Negotiable Instrument? Define Negotiable instruments. Give examples. — 1
- (ii) State the different parties to a bill of exchange. Discuss their liabilities. — 1 (8 + 8)
- Or
- (b) (i) In what ways an agency can be created? — 1
- (ii) State the duties of an agent to the principal. — 1 (8 + 8)
13. (a) (i) Point out the differences between a private company and a public company. — 2
- (ii) State the points of difference between the Memorandum of Association and the Articles of Association of a Limited Company. — 2 (10 + 6)
- Or
- (b) (i) What are the contents of the prospectus of a company? — 2
- (ii) What are the powers of directors of a company under the Companies Act? — 2 (6 + 10)
14. (a) (i) Briefly mention the provisions laid down in the 'Factories Act' for the protection of securing the safety of young persons, women and children. — 3
- (ii) Discuss the provisions of Payment of Wages Act relating to deduction for damage or loss. — 3
- (iii) Distinguish between 'Lay off' and 'Retrenchment'. — 3 (8 + 4 + 4)

Or

- (b) (i) Distinguish between 'Award' and 'Settlement'. - 3
- (ii) What are the working hours for children in a Factory? - 3
- (iii) State and discuss the provisions for time of payment of wages. - 2
(6 + 4 + 6)
15. (a) (i) State the difference between sale, hire purchase, agreement to sale and instalment sale. - 1
- (ii) Who is an unpaid seller of goods and what are his rights against the goods? Has he any remedy against the buyer personally? - 1
- (iii) What do you understand by 'Caveat Emptor'? - 1 (6 + 6 + 4)

Or

- (b) (i) Explain the difference between 'Condition' and 'Warranty'. - 1
- (ii) Explain the meaning of the terms offer and acceptance. - 1
- (iii) State the remedies allowed to aggrieved person in case of breach of contract. - 1
(6 + 4 + 6)

