

C 006

M.B.A. DEGREE EXAMINATION, NOVEMBER/DECEMBER 2002.

First Semester

BA 106 — LEGAL ASPECTS OF BUSINESS

Time : Three hours

Maximum : 100 marks

Answer ALL questions.

PART A — (10 × 2 = 20 marks)

1. Define 'Commercial Law'. -1
2. What do you understand by 'Rule of Law'? -1
3. Define 'Contract'. -1
4. 'A' offers to sell 'B' his car for Rs. 1 lakh, and tells 'B', 'This offer will remain open for one week'. The following day 'B' rejects the offer. Within the week 'B' changes his mind and notifies 'A' that he accepts the offer. Is there a contract? -1
5. Give one example of implied condition in a contract of sale of goods by sample. -1
6. Enumerate two essential features of negotiable instruments. -1
7. Who is a 'Del Credere agent'? -1
8. What do you understand by 'Articles of Association'? -1
9. State with reasons whether a child of 13 years can be employed in a factory. -2
10. Define 'Sales Tax'. -4

PART B — (5 × 16 = 80 marks)

11. Write short notes on the following :
  - (i) Sources of commercial law in India. -1
  - (ii) Tax Evasion, Tax Avoidance and Tax planning. -4
  - (iii) Minor's position in the law of contract. -1
  - (iv) Memorandum and articles of association. -2

(4 × 4 = 16)

12. (a) (i) What is a bill of exchange? Who can accept a bill of exchange? - 1  
(ii) What is endorsement and what is the effect of endorsement? - 1  
(iii) What happens if a negotiable instrument - 1  
(1) is lost (2) obtained illegally  
(3) by brand and (4) is forged. (8 + 4 + 4)

Or

- (b) (i) What are the different ways an agency can be terminated? - 1  
(ii) State the respective rights and duties of a principal, and an agent when the principal is undisclosed. - 1  
(iii) Distinguish between agent and servant. - 1 (8 + 4 + 4)

13. (a) (i) 'A company is a legal person and it has identity separate from members comprising it' -- Comment. - 2  
(ii) State and explain the doctrine of 'Indoor Management'. - 1 (8 + 8)

Or

- (b) (i) Define the term 'statement in lieu of prospectus'. 2  
(ii) Define 'promoter'. 2  
(iii) What are the methods of appointment of directors of a company? 2  
(6 + 4 + 6)

14. (a) (i) Enumerate briefly the provision of the 'Factories Act 1948', relating to health of workers. - 3  
(ii) Define 'wages' - 2  
(iii) Distinguish between 'Strike' and 'Lock out'. - 3 (8 + 4 + 4)

Or

- (b) (i) What is an 'Industrial dispute'? - 3  
(ii) Discuss the provision of 'Factories Act' regarding employment of children in 'Factories'. - 3  
(iii) Define and explain 'Deductions for absence from duty'. - 3 (8 + 4 + 4)

15. (a) (i) "All agreements are not contracts but all contracts are agreements". Discuss the statement explaining essential elements of a valid contract. — |
- (ii) X handed over a motor car to a mercantile agent for sale on condition that the car would not be sold below a specified price. In spite of the agreement the agent sold it to 'A' below the price and ran away with the money obtained. 'A' then resold the car to 'B' in good faith. Can 'X' recover the car from 'B'? — |
- (iii) 'A' sells a horse to 'B' knowing fully well that the horse is vicious. 'A' does not disclose the nature of the horse to 'B'. Is the sale valid? — | (8 + 4 + 4)

Or

- (b) (i) Define offer and acceptance. When are offer and acceptance deemed to be complete if made through post? — |
- (ii) What is meant by undue influence? Give two examples. — |
- (iii) When does the property in goods pass from the seller to the buyer in a contract of sale of goods? — | (8 + 4 + 4)