



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

Dec 2012

Paper No. 6  
BUSINESS LAWS

**Date** : 09.12.2012

**Max Marks: 100**

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

**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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**PART A ( 1 marks each x32 = 32 marks)**

Q.1} Write most suitable option for the following questions from the choices indicated:

1. Which of these options is most relevant to Laws related to employment -

- [a] Factories Act
- [b] Industrial Disputes Act
- [c] Minimum Wages Act
- [d] Workmen's Compensation Act
- [e] All of these

2. Which of these options is most relevant to General Principles governing Insurance-

- [a] Indemnity
- [b] Utmost Good Faith
- [c] Insurable Interest
- [d] All of these

3. Joint Stock Company does not suffer from the dis-advantages like-

- [a] Unlimited liability
- [b] Limited Capital
- [c] Absence of Continuity
- [d] All of these

4. If the business of a partnership firm is of a general type, the number of partners should not exceed-
- [a] ten
  - [b] twenty
  - [c] thirty
  - [d] forty
5. Control over coastal regulation zone is exercised by the Govt of India, Ministry of-
- [a] Finance
  - [b] Environment & Forests
  - [c] Home
  - [d] Commerce
6. The categories of persons disqualified from entering into Contracts as per the Indian Contract Act are -
- [a] Idiots
  - [b] Lunatics
  - [c] Drunken persons
  - [d] All of these
7. The Partnership firms can have amongst themselves-
- [a] Active Partners
  - [b] Sleeping or Dormant Partners
  - [c] Nominal Partners
  - [d] All of these
8. A person desiring to enter into a contract, he should meet the qualifications as under-
- [a] That he should be of the age of majority
  - [b] That he should be of sound mind
  - [c] That he should not be dis-qualified from making contracts
  - [d] All of the above

Q.2} Expand the abbreviations:

1. CENVAT
2. CBEC
3. EOU
4. CBDT
5. TIN
6. DGFT
7. OGL
8. UNCITRAL

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

1. Law provides a mechanism by which disputes between different parties are settled
2. The law seeks to control concentration of power on the premises that 'power corrupts and absolute power corrupts absolutely'.
3. The Society can exist without a legal order
4. The courts interpret the legal provisions in the light of development in social, economic and political changes in the country.
5. There should be free consent between the parties to a contract.
6. Wealth tax and Income tax are indirect taxes.
7. Law is enforced by the Executive
8. Service Tax and VAT etc are direct taxes.

Q.4} Fill in the blanks-

1. Income tax is levied on the 'total income' of the .....
2. The Workmen's Compensation Act was enacted in the year.....
3. Object of Industrial Disputes Act is to make provision for investigation & ..... of Industrial disputes.
3. Factory means any premises where ..... or more workers are working and a manufacturing process is carried out with the aid of power.
5. If the employment is less than the minimum number required under the factories act, the unit gets covered under the Shop and ..... Act.
6. Ignorance of Law is no .....
7. Income of the 'previous year' is taxed in the '..... year'.
8. A contract to be enforceable must be supported by ..... consideration.

## **PART-B**

**(Answer any three 16 x 3 = 48 marks)**

Q.5}.Distinguish between **any two**

1. Criminal Law and Civil Law
2. Public Law and Private Law
3. Customs duty and Excise duty
4. MODVAT & CENVAT
5. Sale and Agreement for Sale

Q.6} Write short notes on **any two-**

1. Inter State Sale of Goods
2. Anti Dumping Duty
3. Elements of a Valid Contract
4. Clearance from Bonded Warehouse
5. Negotiable Instruments

Q.7} What are the legal rules of a valid acceptance? When is the communication of acceptance taken as complete.

Q.8} What is Alternate Dispute Resolution? Why is it necessary? What are the four common method – describe briefly..

Q.9} What is breach of Contract? What are the remedies relating to damages available under the Indian Contract Act. What are the different types of damages?

## **PART-C Case Study**

(compulsory 20 marks)

**Q.10}.Read the following case study relating to the famous case of MOHARIBIBI Vs DHARMODAS GHOSE and give minimum five reasons why Dharmodas won the case:**

The brief of the case is:

Dharmodas was under the care of his mother. He was a wayward boy. He owned two houses in Calcutta. He wanted to borrow certain sum of money from a money lender. The money lender agreed to lend the money.

Dharmodas's mother on coming to know of this served a notice on the money lender intimating that her son Dharmodas was a minor, that he was a wayward boy and that no money should be lent to him. But the money lender lent the amount on the basis of two documents viz. 1. Dharmodas declared in writing that he was a major and 2. Dharmodas executed a mortgage deed mortgaging both the houses to the money lender. On the death of money lender, his wife Moharibibi filed a suit against Dharmodas for the recovery of the loan.

Dharmodas argued that he was a minor at the time of borrowing money and the mortgage deed executed by him should be declared as null and void.

**Dharmodas won the case.**

Please give the reasons (**at least five**) that the Honourable Judges would have advanced (under the Indian Contract Act) that led to Dharmodas winning the case.

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