



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

Dec 2014

Paper No. 6
BUSINESS LAWS

Date : 14.12.2014
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.

PART A

(Compulsory. Each sub-question carry 1 mark) total 32 marks

Q.1] Select the correct option:

8 marks

1. Sale is

- a. Executed Contract b. Contingent Contract
c. Quasi Contract d. Executory Contract

2.No. of parties in a promissory note is

- a.3 b.2 c.4 d.6

3.Law of Contract is a part of

- a. Public Law b. Criminal Law c. Private Law d. Municipal Law

4.Administrative law is a part of

- a. Criminal Law b. Private Law c. Municipal Law d. Public Law

5.Control over the Special Economic Zones is exercised by the Ministry of

- a. Commerce b. Home c. Finance d. External Affairs

6.The term 'Causa Proxima' relates to

- a. Income Tax b. Insurance c. Customs Duty d. VAT

7.The minimum number of persons to make a contract is

- a. 3 b. 5 c. 2 d. 4

8.The Customs Act was formulated in

- a.1980 b. 1982 c. 1961 d. 1962

Q.2] Expand the following:

8 marks

- 1.ADR
- 2.UNCITRAL
- 3.CST
- 4.CENVAT
- 5.CBDT
- 6.GATT
- 7.DGFT
- 8.CESTAT

Q.3] Fill in the blanks:

8 marks

1. The minimum number of directors for a private company is _____
2. The minimum number of members for a private company is _____
3. A proposal when accepted becomes a _____ .
4. A contract of sale may be absolute or _____
5. Shares of companies are generally of two types – namely _____ shares and equity shares.
6. FEMA came into force replacing _____
7. Child below the age of _____ years cannot be employed.
8. An ambiguous instrument is one which may be construed either as a promissory note or as a bill of _____

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

8 marks

1. Income tax is a direct tax.
2. Cross offer and counter offer are not the same.
3. Ignorance of law is an excuse
4. Proposal is not the first step towards formation of a contract.
5. Minimum no. of directors for a public company is 3.
6. Service tax is an indirect tax.
7. Import trade control organisation functions under the Ministry of Home.
8. Customs Act is administered by the Ministry of Commerce.

PART-B

(Answer any three 3 x 16 = 48 marks)

Q.5] Distinguish between: (any 2)

16 marks

1. Cheque and Bills of Exchange
2. Substantive Law and Procedural Law
3. Memorandum and Articles of Association
4. Condition and Warranty

Q.6] Write short notes on: (any 4)

16 marks

1. Prospectus
2. Dissolution of partnership
3. Doctrine of caveat emptor
4. Fire Insurance
5. Custom Duties
6. Coastal Zone Management

Q.7 a. Discuss the remedy of damages for breach of contract.

16 marks

b. What are Quasi-Contracts? What are the different types of Quasi Contract?

Q.8] a. Discuss the important features of Workmen's Compensation Act. 1923

16 marks

b. Discuss the essentials of Value Added Tax.

Q.9] Explain acceptance. Discuss the legal rules of a valid acceptance.

16 marks

PART-C Case Study

Q.10] Read the following case study and give answers to the questions at the end.

20 marks

The purpose of Minimum Wages Act is to provide for fixation of minimum rates of wages in certain employments. Wages means all remuneration capable of being expressed in terms of money and include certain allowances. The minimum wages will be fixed by the appropriate Government after appointing a Committee and following the prescribed procedure. It is sufficient if the employer pays total amount which is equal to or more than the total minimum wages (including DA) as specified by the appropriate Government in a notification. The minimum wages are mandatory and the financial position of the employer or his affordability to pay minimum wages are not justifiable reasons to avoid paying minimum wages. The considerations such as cost of living and general wages in locality are relevant for fixing minimum wages and the rates can be revised periodically. If an employer cannot afford to pay minimum wages, then he cannot continue the undertaking and paying capacity is not relevant consideration for rate of minimum wages. Government is required to constitute Advisory Board to recommend minimum wages but its recommendations are not binding on Government.

1. Does the Minimum Wages Act cover all employments?
2. Can the appropriate Government directly notify minimum wages?
3. Is Government required to accept minimum wages recommended by the Advisory Board?
4. Can the employer pay more than the amount fixed under the Minimum Wages Act?
5. Is loss an excuse for an employer to avoid payment of minimum wages to his employees?
