



INDIAN INSTITUTE OF MATERIALS MANAGEMENT

Post Graduate Diploma in Materials Management

June 2012

Graduate Diploma in Materials Management

Paper No. 6

BUSINESS LAWS

Date : 10.06.2012

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

Q.1] Select the correct option:

8 marks

1] Law of property is a part of -

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

2] Sale is-

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

3] The minimum no. of persons to make a contract is-

- a] four
- b] six
- c] three
- d] two

4] Regulation governing the setting up and administering Special Economic Zones is laid down by the Ministry of-

- a] Commerce and Industry
- b] Home
- c] Defence
- d] Environment and Forest

5] The minimum no. of members in a private company is-

- a] three
- b] two
- c] four
- d] seven

6] The minimum no. of Directors in a Public Company is-

- a] two
- b] four
- c] six
- d] three

7] If the business of partnership firm is of a general type, the no. of members shouldnot exceed-

- a] ten
- b] thirty
- c] forty
- d] twenty

8] The no. of parties in the Bill of Exchange is-

- a] two
- b] three
- c] four
- d] five

Q.2] Expand the following abbreviations:

8 marks

- 1] VAT
- 2] CST
- 3] FEMA
- 4] HSN
- 5] DGFT

6]TDS

7]CVD

8]CRZ

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

8 marks

- 1] FEMA 1999 repealed FERA 1973.
- 2] Ignorance of Law is an excuse.
- 3] Management and business law go hand in hand
- 4] There cannot be a sale between one part-owner to another
- 5] The main purpose of export duty is to restrict exports of certain goods.
- 6] Wealth Tax is indirect tax.
- 7] Service Tax is an indirect tax.
- 8] Workmen's Compensation Act is an enactment for providing social security to workmen.

Q.4] Fill in the blanks-

8 marks

- 1] A proposal, when accepted becomes a _____.
- 2] Agreement to sell is known as _____ Contract.
- 3] Import Trade Control Organisation functions under the Ministry of _____.
- 4] If the partnership is started with the object of carrying on banking business, the no. of members must not exceed _____.
- 5] The minimum no. of members for a public company is _____.
- 6] Warranty is a term _____ to the main purpose of the contract.
- 7] Law is body of _____
- 8] As per the Constitution, tax on inter-state sale/ purchase can be levied only by the _____ government.

PART B

Answer any three questions out of questions 5 to 9 as under-

Q.5] Distinguish between [any two]-

16 marks

- 1] Law and Morality
- 2] Public Law and Private Law
- 3] Condition and Warranty
- 4] Shares and Debentures

Q.6] Write short notes on [any four]-

16 marks

- 1] Capacity to Contract
- 2] Doctrine of Caveat Emptor
- 3] Crossing of cheques
- 4] Quasi Contracts
- 5] Articles of Association
- 6] Registration of Firms

Q.7]

16 marks

- 1] Discuss the essentials and basic scheme of the CST Act .
- 2] Discuss the General Principles governing Insurance.

Q.8]

16 marks

- 1] Discuss the various issues related to Income tax.
- 2] Discuss the important features of Minimum Wages Act

Q.9]

Explain the legal rules governing Valid Consideration.

16 marks

PART-C

Q.10}.Read the following case study and answer the questions that follow- 20 marks

The purpose of Arbitration Act is to provide quick redressal to commercial dispute by private arbitration.Quick decision for any commercial dispute is necessary for smooth functioning of business and industry. Internationally, it is accepted that normally commercial disputes should be solved through arbitration and not through normal judicial system. The foundation of arbitration is the arbitration agreement between the parties to submit to arbitration all or certain disputes which have arisen or which may arise between them.The Arbitral Tribunal should treat the parties equally and each party should be given full opportunity to present his case. Decision of Arbitral Tribunal is termed as Arbitral award. Arbitrator can decide the dispute ex aequo et bono [in justice and in good faith] if both the parties expressly authorise him to do so.

Q.1. What is purpose of Arbitration Act?

Q.2] What is necessary for smooth functioning of business and industry?

Q. 3] What is the foundation of an Arbitration?

Q. 4] What is the term by which decision of Arbitral Tribunal is known?

Q. 5] If both the parties expressly authorise Arbitrator to decide the dispute, then how can Arbitrator decide the dispute?
