



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

**June 2014**

**Paper No. 6**  
**BUSINESS LAWS**

**Date :** 15.06.2014  
**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.

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**PART A**

**( 1 marks each x 32 = 32 marks)**

**Q.1] Select the correct option:**

**8 marks**

1. Indian Partnership Act was passed in  
a. 1932      b. 1922      c. 1942      d. 1982
2. The minimum no. of persons to make a contract is  
a. 3      b. 2      c. 4      d. 5
3. Law of property is a part of  
a. Public Law      b. Municipal Law      c. Private Law      d. International Law
4. Control over SEZs is exercised by the ministry of  
a. Home      b. Defence      c. Finance      d. Commerce
5. There is a transfer of general property in goods in a  
a. pledge      b. Hire      c. lease      d. sale
6. Sale is  
a. executory contract      b. Contingent contract  
c. Executed contract      d. quasi contract
7. Authorized dealer is normally a bank specifically authorized by  
a. SEBI      b. RBI      c. UTI      d. SBI

8. Labour courts are constituted by

- a. State Government
- b. Municipality
- c. Central Government
- d. None of the above

**Q.2] Expand the following:**

**8 marks**

1. UNCITRAL
2. CESTAT
3. FEDAI
4. DTA
5. FEMA
6. SEZ
7. CENVAT
8. HSN

**Q.3] Fill in the blanks:**

**8 marks**

1. Consideration should be furnished at the desire of the \_\_\_\_\_
2. The members of the ICC International Court of Arbitration are elected for a period of \_\_\_\_ years
3. An ambiguous instrument is one which may be construed either as a promissory note or a bill of \_\_\_\_\_
4. Crossing of cheques may be either general or \_\_\_\_\_
5. Acceptance is the \_\_\_\_\_ step towards making of a contract
6. Decision of the Arbitral Tribunal is called \_\_\_\_\_ award
7. Ignorance of law is no \_\_\_\_\_
8. A contract of sale may be absolute or \_\_\_\_\_

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

**8 marks**

1. Law is a body of rules
2. The Latin maxim "NEMO DAT QUOD NON HABET" means that 'no one can give what he has not.'
3. There is no provision in law for sale of goods by non-owner
4. Import Trade Control organization functions under the Ministry of Finance
5. Child below 14 years cannot be employed
6. Wealth tax is a direct tax
7. A same action may not result in both a civil case and a criminal case.
8. Cross offer and counter offer are the same

## **PART B**

**Q.5] Distinguish between: (any 2) 16 marks**

1. Sale and Lease
2. Criminal law and Civil law
3. Cheque and bill of exchange
4. Condition and warranty

**Q.6] Write short notes on: (any 2) 16 marks**

1. Capacity to contract
2. Mutual rights and liabilities of partners
3. Coastal Zone Management
4. Minimum Wages Act

**Q.7] a. Define crossing of cheques. Discuss the types of crossing of cheques.  
b. Discuss the essentials of Value Added Tax 16 Marks**

**Q.8] Discuss the ways by which a contract can be discharged 16 marks**

**Q.9] a. Explain partnership. List out its advantages and disadvantages 16 marks  
b. Discuss the rules regarding consideration.**

## **PART C**

**Q.10] Read the following case study and give answers to the questions at the end. 20 marks**

Dharmodas was under the care of his mother. He was a wayward boy. He owned two houses in Kolkata. He wanted to borrow certain sum of money from a moneylender and the moneylender agreed to lend the money. Dharmodas' mother on coming to know of this served a notice on the moneylender 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 moneylender lent the amount on the basis of two documents viz.

1. Dharmodas declared in writing that he was a major and
2. he executed a mortgage deed mortgaging both the houses to the moneylender.

On the death of the moneylender, 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 null and void.

The Court held that Dharmodas was not liable to repay the debt and the mortgage deed was invalid as on the date of execution of the deed.

1. Why was the agreement with/by Dharmodas held void ab-initio?
2. Can a minor be beneficiary under an agreement?
3. In case of supply of necessaries to a minor, the minor does not incur personal liability but can his property be held liable?
4. Can a minor always plead his minority later though he has mentioned that he was a major at the time of the agreement?
5. Can a minor ratify the agreement made by him during his minority when he attains the age of majority?

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