



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

June 2015

Paper No. 6 (New)

BUSINESS LAWS

Date : 14.06.2015

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 marks **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)

(32 x1 = 32 marks)

Q.1] Select the correct option:

8 marks

1. Bailment can be classified into:
 - a. 6 types
 - b. 2 types
 - c. 3 types
 - d. 4 types
2. Public law includes one of the following:
 - a. Contract law
 - b. Constitutional Law
 - c. Law of Torts
 - d. Family Law
3. The no of parties in a contract of guarantee is:
 - a. 2
 - b. 4
 - c. 3
 - d. 5
4. Coercion in contract makes the contract:

- a. void
 - b. illegal
 - c. unlawful
 - d. voidable
5. Sale is
- a. executed contract
 - b. quasi-contract
 - c. contingent contract
 - d. executory contract
6. The time from the date of incorporation within which the Board of Directors can appoint the first auditors is:
- a. 3 months
 - b. 1 months
 - c. 6 month
 - d. 12 months
7. The cost auditor shall make a report in relation to the audit conducted by him to
- a. Board of Directors
 - b. State Government
 - c. Central Government
 - d. Shareholders
8. Environmental Protection Act came into force in:
- a. 1990
 - b. 1996
 - c. 1974
 - d. 1986

Q.2] Expand the following:

8 marks

- a. FERA b. CIF c. TUFS d. FDI
- e. ECB f. CCI g. MCFPS h. TOT

Q.3] Fill in the blanks:

8 marks

- a. A contract is an agreement enforceable by _____
- b. A sale takes place when there is a transfer of _____ in goods from the seller to the buyer
- c. Goods may be classified as existing, future and _____
- d. A condition is a term _____ to the main purpose of the contract
- e. Public company should have a minimum paid-up capital of _____ lakhs of rupees
- f. EXIM Policy is normally for a period of _____ years
- g. Consideration must move at the desire of the _____
- h. An appeal can be made to Competition Appellate Tribunal within _____ days of CCI order

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

8 marks

- a No fees is payable for making an appeal under RTI Act.
- B Precedents is one of the sources of Indian Business Law
- c Reason for seeking information are required to be given under RTI Act
- d Ignorance of law is an excuse.
- e Acceptance of an offer may be expressed or implied
- f The consideration in a contract of sale need not necessarily have to be money.
- g Rate of tax on declared goods cannot exceed 4% as per CST Act.
- h Consumer Protection Act does not cover cooperative sector.

Part-B

48 Marks

(Answer any three questions. Each question carry 16 marks)

Q.5] Write short notes on: (any 4)

16 marks

- a Special Audit
- b Illegal Association
- c Forest Conservation Act, 1980
- d Power of Attorney
- e Memorandum of Association
- f Import and Export (Control) Act, 1947

Q.6] Distinguish between: (any 2)

16 marks

- a. Private company and Public company
- b. Substantial law and Procedural law
- c. FERA and FEMA
- d. Sale and agreement to sell

Q.7] a. Discuss the ways by which a person can become a member or a shareholder of a company.

b. Discuss the important elements or characteristics of law

16 Marks

Q.8]

16 marks

- a. What are quasi-contracts? Explain the cases which are treated as quasi-contracts
- b. What are the rights of consumers under the Consumer Protection Act, 1986?

Q.9]

16 marks

- a. Explain the duties and rights of bailor and bailee.
- b. Explain in brief the different modes of discharge of contract.

PART –C
(compulsory)

20 marks

Q 10. Read the case study carefully and answer the 5 question given at the end.

Mr. Krishna Mohan Prasad is a Managing Director of ABC corporation, engaged in manufacturing of Electrical components & he entered into MOU with Government of India with long term agreements to supply finished components for all the Govt. Enterprises as per their Economic Order Quantity, and as per the agreement & price negotiated.

At the fourth quarter, due to inflationary situation the prices of raw material, labour, fuel, taxes, cost and other overheads have gone up Mr. K.M. Prasad could not supply the components to all the enterprises, since it is long-term agreement and he is not successful to get price enhancement. ABC corporation employees are also looking for wage hike, few talented pool of employees leaving the company for better prospects.

Most of the Govt. Enterprises have moved to the court and filed case against ABC corporation for specific performance of the Contract and to claim damages. Due to high inventory supplied by un-paid sellers have stopped supplying materials to ABC Corporation. The situation is alarming with high inventory carrying cost.

Questions:

1. If you were to be the General Manager of the Company how would you help and sort out the legal issues of ABC Corporation ?
2. What are the weakness and problems in the agreement.?
3. What type of leadership qualities does Mr. Prasad have? comment.
4. How can ABC corporation deal with employees under the law?
