



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

June 2016

Paper No. 6 (New)

BUSINESS LAWS

Date : 12.06.2016

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)

Q1. Select the most appropriate answer from the options given below:

8 marks

1. The number of kinds of bailment is
a. 6 b. 5 c. 4 d. 3
2. Environmental Protection Act came into force in
a. 1988 b. 1986 c. 1990 d. 2000
3. The number of parties in a contract of guarantee is
a. 2 b. 4 c. 3 d. 6
4. Coercion in a contract makes the contract
a. unlawful b. void c. illegal d. voidable
5. The number of months within which from the incorporation of the company the first auditors can be appointed by the Board of Directors is
a. 6 b. 3 c. 2 d. 1
6. The number of ways a Company may be wound up is
a. 4 b. 5 c. 3 d. 2
7. The number of years for which the EXIM Policy is notified is
a. 3 b. 5 c. 1 d. 2
8. Sale is
a. executed contract b. executory contract
c. quasi contract d. contingent contract

Q2. State whether the following are true or false:

8 marks

- a. There are 5 cases which are deemed to be quasi contracts
- b. Offer and an invitation to offer are the same
- c. Competition Act 2002 has repealed the MRTP Act, 1969
- d. Minutes are not a record of business transacted at meetings
- e. Shares in a company are an example of intangible property
- f. Shares of private company can be listed on any recognized stock exchange
- g. Under EPA, soil and land are also covered
- h. Consumer Protection Act does not cover private sector

Q3. Expand the abbreviations-

8 marks

- a. FERA
- b. FEMA
- c. MRTP
- d. FOA
- e. CIF
- f. FDI
- g. VAT
- h. ECB

Q4. Fill in the blanks with appropriate words:

8 marks

- a. Goods may be classified as existing, future and _____.
- b. Law is a body of _____.
- c. A contract of sale may be absolute or _____.
- d. Foreign company is a company incorporated outside India and has a place of _____ in India
- e. A charge can be fixed or _____
- f. Service tax is imposed by the _____ Government
- g. The number of members of any body sufficient to transact business at a meeting is _____.
- h. A contract is agreement enforceable by _____

Part-B

48 Marks

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

Q5. Write short notes on any four - (4 x 4 = 16 marks)

- a. Service Tax
- b. Termination of bailment
- c. Forest Protection Act, 1980
- d. Meaning of Price
- e. VAT
- f. Imports and Exports (Control) Act, 1947

Q 6. a. What are the rules regarding consideration?

- b. Discuss the rights of the consumer under the Consumer Protection Act.

- Q 7. a. Discuss the position of a minor as a member of a company.
b. Mention the circumstances under which a person may cease to be a member of a company.
- Q 8. a. Discuss the kinds of guarantee.
b. Distinguish between criminal law and civil law.
- Q 9. a. What are the salient features of RTI Act, 2005?
b. Discuss the rights and duties of a pledger and a pledgee.

PART –C
(compulsory)

20 marks

Q 10. Read the following and answer the questions:

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. What type of relationship the Management had with Employees.?
5. Identify strength and Weakness ABC Corporation?
