



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

**June 2017**

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

**Date :** 11.06.2017  
**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.

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**PART A (compulsory) ( 32 x1 = 32 marks)**

**Q1. Select the most appropriate answer from the options given below: 8 marks**

1. Public law includes
  - a. Criminal law
  - b. Law of contract
  - c. Law of tort
  - d. Law of succession
2. Private law includes
  - a. Constitutional law
  - b. Law of property
  - c. Municipal law
  - d. International law
- 3 The number of types of damages is
  - a. two
  - b. three
  - .c. four
  - d. five
4. Bailment can be classified into
  - a. five types
  - b. eight types
  - c. five types
  - d. six types
- 5 The first auditor(s) of a company can be appointed by the
  - a. Board of Directors
  - b. Central Government
  - c. Shareholders
  - d. none of the above

- 6 Service tax is imposed by the
- State Government
  - Central Government
  - Municipality
  - All the above

- 7 The term of office of the Chairman and members of the Competition Commission of India is;
- three years
  - two years
  - five years
  - four years

- 8 . In case of a private company, the maximum number of members must not exceed
- ten
  - twenty
  - twenty five
  - fifty

**Q 2. State whether the following are true or false:**

**8 marks**

- Proprietary rights are both heritable and transferable.
- Where the property in goods has not passed to the buyer, as a rule ,the seller can file a suit for the price .
- Judicial pronouncements are an important source of law.
- The minimum of persons to form a private company is three.
- The minimum number of directors of a public company is three.
- Private company can issue share warrants.
- There are certain exceptional circumstances under which even a non-owner may confer a good title on the transferee.
- The Central Government cannot be a Complainant under the Consumer Protection Act.

**Q 3. Expand the abbreviations-**

**8 marks**

- |             |         |          |          |
|-------------|---------|----------|----------|
| a . APIO    | b. TUFS | c. SCICI | d. MLFPS |
| e. UNCITRAL | f. IPR  | g. DGFT  | h. FTP   |

**Q4. Fill in the blanks with appropriate words:**

**8 marks**

- Law is enforced by the -----
- All agreements in restraint of trade whether general or partial , qualified or unqualified are -----
- A----- is a contract to do or not to do something , if some event ,collateral to such contract does or does not happen.
- Reciprocal promise means a promise in return for a -----
- A guarantee can be a specific guarantee or a ----- guarantee.
- Dispute resolution process in India mainly involves litigation, arbitration ,conciliation and-----
- minimum number of members of any body sufficient to transact business at a meeting is a -----
- An appeal can be made to CAT within ----- days of CCI orders.

**Part - B**  
**(Answer any three questions. Each question carry 16 marks)**

**48 Marks**

**Q 5. Distinguish between ( any two)**

**4x 4= 16 marks**

- a) Sale and Agreement to sell
- b) Criminal law and Civil law
- c) Conditions and Warranties
- d) FERA and FEMA
- e) Private company and Public company

**Q6.. Write short notes (on any four) -**

**16 marks**

- a) Rules regarding delivery of goods.
- b). Customary law
- c). Water Pollution Act
- d). Rights of finder of lost goods
- e). Government company
- f) Doctrine of Caveat Emptor

**Q 7.**

- a) Discuss the essentials of a contract of sale
- b) Discuss the important elements or characteristics of law.

**Q 8.**

**16 marks**

- a). Define bailment. Discuss the circumstances under which the bailment is terminated.
- b). Discuss the rights of Agent.

**Q 9 .**

**16 Marks**

- a. Explain the rights of consumers under the Consumer Protection Act,1986.
- b. List five information not open to disclosures under the RTI Act.

**PART –C**  
**(compulsory)**

**20 marks**

**Q.10.** A Patent Medicine company advertised that it would give a reward of Rs.10,000 to any person who contacted influenza using the smoke balls of the company for a certain period according to the printed directions. Ms.Patel purchased the advertised smoke ball and contacted influenza in spite of using the same according to the printed directions. She claimed the reward of Rs.10,000. The company resisted the claim on the ground that the advertisement was only an invitation to offer .They argued further that no offer was made to her , and that in any case she had not communicated her acceptance assuming the advertisement was an offer. She filed a suit for the recovery of the reward.

**Questions:**

1. Can the advertisement be held to be a specific offer to Ms. Patel? How? .
2. Can the advertisement in such type of cases be held to be a general offer? Why?
3. Was Ms.Patel required to communicate her acceptance of the offer to the company. If Yes, why?
4. Was using the smoke balls as per the directions of the company sufficient to claim the reward?
5. What is Invitation to Offer?

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