

INDIAN INSTITUTE OF MATERIALS MANAGEMENT
Post Graduate Diploma in Materials Management
DEC-2010 **Graduate Diploma in Materials Management**
Paper No. 6
BUSINESS LAWS

Date : 16.12.2010
Time : 10.00 AM to 1.00 PM

Max. Marks :100
Duration :3 Hrs.

Instructions:

1. From Part A: Answer all questions (compulsory). Each sub-question carries 1 mark. **Total marks = 32**
2. From Part B: Answer any three questions 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 case study and answer all the questions **Total marks – 20**
4. Please read and follow the instructions given in the answer sheets carefully.

PART A

1. Public law does not include
 - a. Constitutional Law
 - b. Criminal Law
 - c. Municipal Law
 - d. Law of contract
2. A contract to do or not to do something, if some event, collateral to such contract does or does not happen is called:
 - a. quasi-contract
 - b. absolute contract
 - c. contingent contract
 - d. executed contract
3. There is a transfer of general property in goods in a
 - a. sale
 - b. lease
 - c. pledge
 - d. hire
4. As per the Constitution, tax as Inter State sale/purchase can be levied only by
 - a. State Government
 - b. Municipality
 - c. Union Government
 - d. Panchayat
5. Control over the import of goods into India is exercised by the Import Trade Control Organisation, which functions under the Ministry of
 - a. Home
 - b. Finance

- c. Commerce
 - d. External Affairs
6. If the business of a partnership is of a general type, the number of members should not exceed
- a. Twenty
 - b. Ten
 - c. Fifteen
 - d. Thirty
7. The minimum number of members for a private company is
- a. Three
 - b. Two
 - c. Five
 - d. Seven
8. The minimum number of directors for a public company is
- a. Three
 - b. Two
 - c. Five
 - d. Seven

Q2) Expand the following abbreviations-

- 1) GST
- 2) DGFT
- 3) FEDAI
- 4) TDS
- 5) MODVAT
- 6) CRZ
- 7) SEZ
- 8) CST

Q3) State whether the following are true or false:

- 1. Ignorance of law is an excuse.
- 2. All agreements are not contracts, but all contracts are agreements.
- 3. Consideration may move either from the promisee or any other person.
- 4. Proposal is not the first step towards the formation of a contract.
- 5. Agreement to sell is an executed contract.
- 6. Wealth tax is an indirect tax.
- 7. A pledge is a bailment of goods by one person to another to secure payment of a debt.
- 8. Workers' Compensation Act does not apply to workmen covered under ESI Act

Q4) Fill in the blanks:

- 1. A contract of sale may be absolute or _____
- 2. Consideration should be furnished at the desire of the _____

3. Decision of Arbitral Tribunal is called Arbitral _____
4. A partner who lends his name and credit but neither contributes any capital nor takes active part in the business of the firm is called _____
5. A cheque must be drawn only on a _____
6. In a Bill of Exchange, there must be three parties viz drawer, drawee and _____
7. Marine insurance is based on the principle of _____
8. As per Factories Act, the age below which a child cannot be employed is _____

PART B

Q5) Distinguish between (any 2)

1. Substantive Law and Procedural Law
2. Criminal Law and Civil Law
3. Sale and Lease
4. Promissory Note and Bill of Exchange

Q6) Write short notes on : (any 2)

1. Legal rules of a valid Acceptance
2. Doctrine of caveat emptor
3. Minimum Wages Act
4. Value Added Tax

Q7) Discuss the essentials of a valid Contract.

Q8) Discuss the main provisions of Foreign Exchange Management Act (FEMA).

Q9) Explain the Implied Conditions in a contract for sale of goods.

PART C

Q10) Read the following case study and give answer to the questions at the end-

The Customs Act was formulated in 1962 to prevent illegal imports and exports of goods. Besides, all imports are sought to be subject to a duty with a view to affording protection to indigenous industries as well as to keep the imports to the minimum in the interest of securing the exchange rate of the Indian currency. The rates of customs duty levied on the imported and exported goods are assigned in the Customs Act and the duty is payable as a percentage of 'value' often called 'Assessable value' or 'Customs value'. The present procedure of customs clearance is entirely transaction based and it entails assessment, duty collection and examination of each import consignment before its release. Though an importer or exporter can himself transact business of imports and exports, however, generally it is not possible for an individual to complete customs formalities and obtain clearance from ports. Hence, appointment of Customs House Agent is necessary. CESTAT was created to provide an independent forum to hear the appeals against orders and decisions passed by the Commissioners of Customs and Excise under the Customs Act, 1962, Central Excise Act, 1944, Finance Act, 1994, relating to Service Tax. It is also empowered to hear the appeals against orders passed by the designated authority with regard to Anti-Dumping Duties under the Customs Tariff Act, 1975.

1. What is the purpose and aim of the Customs Act, 1962?
2. How is the customs duty calculated on the imported goods?
3. What is the present procedure of customs clearance?
4. What is the necessity of a Customs House Agent?
5. Why was CESTAT created?