



INDIAN INSTITUTE OF MATERIALS MANAGEMENT

Post Graduate Diploma in Materials Management

June 2011

Graduate Diploma in Materials Management

Paper No. 6

BUSINESS LAWS

Date : 12.06.2011

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.

PART A

Q.1}

1. Law of Succession is a part of-

- [a] Public Law
- [b] Criminal Law
- [c] Municipal Law
- [d] Private Law

2. Agreement to sell is-

- [a] quasi contract
- [b] executed contract
- [c] executory contract
- [d] void contract

3. Coercion in a contract makes the contract-

- [a] void
- [b] voidable
- [c] illegal
- [d] unlawful

4. If a partnership is started with the object of carrying on banking business, the number of members must not exceed-

- [a] ten
- [b] twenty
- [c] thirty
- [d] forty

5. Control over coastal regulation zone is exercised by the ministry of-

- [a] finance
- [b] environment & forests
- [c] home
- [d] commerce

6. The minimum number of directors of a public company is-

- [a] three
- [b] two
- [c] four
- [d] six

7. The minimum number of members in a public company is-

- [a] three
- [b] two
- [c] five
- [d] seven

8. The number of parties in a promissory note is-

- [a] two
- [b] three
- [c] five
- [d] seven

Q.2} Expand the abbreviations:

1. HSN
2. RBI
3. MODVAT
4. TCS
5. FEDAI
6. DTA
7. CST
8. ICA

Q.3} State whether the following are true or false-

1. A same action may result both in a civil case and a criminal case
2. Indian Partnership Act does not make it compulsory for registration of partnership.
3. Consideration need not be adequate
4. Acceptance is the first step towards the formation of a contract.
5. Cross Offer and Counter Offer are the same.
6. Income tax is an indirect tax.
7. The latin maxim 'nemo dat quod non habet' means ' no one can give what he has not'
8. Minimum wages are payable irrespective of financial position of individual employer.

Q.4} Fill in the blanks-

1. A person is said to be of the age of majority if he completes _____ years of age.
2. The minimum number of members required for a private company is _____.
3. Crossing of cheques may be either general or _____.
4. Definition of contract is an agreement enforceable by _____.
5. The various provisions of FEMA are administered by _____.
6. A condition is a term _____ to the main purpose of the contract.
7. The contingency or happening against which insurance is effected is called the _____

8. Occupier of a factory means the person who has ultimate _____ over the affairs of factory.

PART-B

Q.5}. Distinguish between [any two]

1. Criminal Law and Civil Law
2. Public Law and Private Law
3. Sale and Hire Purchase
4. Cheque and Bill of Exchange

Q.6} Write short notes on [any two]-

1. Fire Insurance
2. Memorandum of Association
3. Customs Duties
4. Special Economic Zones

Q.7} Explain consideration. Discuss the legal rules governing a valid consideration.

Q.8} Discuss the features of Workmen's Compensation Act, 1923.

Q.9} Define unpaid seller. Explain his rights?

PART-C

Q.10}. Read the following case study and answer the questions that follow-

A Joint Stock Company may be defined as an association of persons united for some specific business under a certificate of Incorporation granted by Government and, having a permanent paid-up or nominal capital of a fixed amount divided into shares or stock, and having for its members holders of such shares or stock. The first thing in the formation of a public Joint-Stock Company's the preparation of Memorandum of Association. It is a document which sets out the constitution of the company and, as such is really the foundation on which the superstructure of the company stands. The Articles of the Association contain the rules and regulations regarding the internal working of the company. They lay down the rules as to the powers of the directors. The prospectus describes the prospects of the company and the advantages to be gained by becoming its shareholders. The prospectus in addition to the contents of the Memorandum of Association contains other information regarding the prospects of the company. Directors are necessary for the management of companies as shareholders, sometimes numbering several thousands, have not, as a matter of course, the right to take part in its day-to-day management.

1. What are the features of a Joint Stock Company?
2. What is the importance of Memorandum of Association?
3. Distinguish between Memorandum of Association and Articles of Association.
4. What does the Prospectus contain?
5. Are Directors avoidable?
