



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

**Dec 2017**

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

**Date :** 10.12.2017  
**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.

---

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

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

1. Cost auditor can be appointed by
  - a. Board of Directors
  - b. State Government
  - c. Central Government
  - d. General Meeting.
2. Public Law includes
  - a. Constitutional law
  - b. law of contract
  - c. family law
  - d. law of property
3. Sale is
  - a. executor contract
  - b. executed contract
  - c. quasi –contract
  - d. contingent contract
4. There is a general transfer of property in gooda in a
  - a. lease
  - b. sale
  - c. hire
  - d. pledge.
5. The no, of ways in which a company may be wound up is
  - a. two
  - b. four
  - c. three
  - d. five.
6. Resale tax is levied by the
  - a. Municipalities
  - b. Central Govt.
  - c. State Govts
  - d. RBI.
7. The minimum no, of parties for a contract is
  - a. Three
  - b. four
  - c. five
  - d. two
8. The minimum no. of persons required to form a public company is
  - a. Three
  - b. fpur
  - c. five
  - d. seven

**Q2. State whether the following are true or false:** **8 marks**

- a. Bailment can be classified into six types.
- b. Undue influence in a contract makes the contract void.
- c. Sale and Agreement to sell are not the same.
- d. Consumer Protection Act does not cover co-operative sector.
- e. Consideration may move either from the promisee or any other person.
- f. Service tax is also imposed on services provided outside India.
- g. The Central Government cannot file a complaint under Consumer Protection Act.
- h. Private law excludes law of torts.

**Q3. Expand the abbreviations-** **8 marks**

- a. IPR
- b. AGM
- c. FEMA
- d. FERA
- e. DEPB
- f. MDA
- g. EPA
- h. APIO

**Q4. Fill in the blanks with appropriate words:** **8 marks**

- a. Copyright is an example of -----property.
- b. Land is an example of -----property.
- c. The two broad kinds of mistakes are mistake of law and mistake of -----.
- d. A contract of insurance is an example of contract of-----.
- e. Export –Import Policy is for a period of -----years.
- f. The number of members of any body sufficient to transact business at a meeting is-----.
- g. Foreign company is a company incorporated in a country outside India and has a place of ----- in India.
- h. DTA is Domestic----- Area .

**Part-B**

**48 Marks**

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

**Q5. Write short notes on any four -** **16 marks**

- a. VAT
- b. Government Company
- c. Imports and Exports(Control) Act,1947
- d. Water Pollution Act
- e. Illegal Association
- f. Meaning of Price

**Q 6.** **16 marks**

- a. Explain the cases which are treated as quasi-contracts
- b. Discuss the circumstances under which a contract of bailment comes to an end.

**Q 7.** **16 marks**

- a. Distinguish between criminal law and civil law.
- b. Explain the circumstances under which the liability of a surety under a contract of

guarantee comes to an end..

- Q 8.** **16 Marks**  
a Explain the rights of consumers under the Consumer Protection Act .1986.  
b Discuss the rules regarding consideration.

- Q 9.** **16 marks**  
a. Enumerate the characteristic features of a company.  
b Discuss the differences between FERA and FEMA.

**PART –C** **20 marks**  
**(compulsory)**

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

Ram entered into a hire-purchase agreement in respect of a car with Reliable Bank (Bank). He also obtained a policy of insurance for the car from Mutual Insurance Company (Insurance company) covering the period 24/01/ 1989 to 23/01/1990. Ram issued 36 cheques in favour of the Bank, towards monthly instalments and also issued two cheques in favour of the Insurance Company towards insurance premium for the two years beyond 24/01/1990. Ram claimed that in view of the assurance given by the Bank that they would take policies for the two years beyond 24/01/1990, the cheques were issued and the policy was to be automatically renewed in his name. On 18/08/ 1990, Ram met with an accident while he was driving the car on the Mumbai-Poona Highway . Not only was his car damaged but four persons travelling with him were killed. Ram wrote to the Bank for particulars of the insurance but the Bank did not reply. Ram filed a claim under the Consumer Protection Act and claimed deficiency in service on the part of the Bank in as much as he had suffered a loss of car of Rs. 1, 25,000/- and was likely to be fastened with the liability of the third party claims to the tune of Rs. 16 lakhs filed by the legal heirs of the deceased occupants of the car before the Motor Accident Claims Tribunal. The Bank admitted that the cheques were not delivered to the Insurance company.

**Questions**

1. Is there any deficiency in service on the part of the Insurance Company ? Explain.
2. Is there any deficiency in service on the part of the Bank ? If so, would it be liable for the loss of the car?
3. Is the claim of Ram that there would be automatic renewal of the insurance policy in view of the two cheques issued by him in favour of the insurance company correct? If not, why?
4. Whose legal obligation it was to take out an insurance policy for the car ? Why?
5. Who would be liable for the payment of damages arising out of death of persons in the accident-- Bank or Ram ?

\*\*\*\*\*