



INDIAN INSTITUTE OF MATERIALS MANAGEMENT
Post Graduate Diploma in Materials Management - 3 years
Graduate Diploma in Materials Management

Dec 2019

Paper No. 6

BUSINESS LAW

Date : 22.12.2019
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 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 cost auditor has to make a report to
a. Central Government. b. State Government c. SEBI d. Company's auditors
2. Public law includes
a. Constitutional law b. Law of tort c. Law of contract d. Family laws
3. The Foreign Trade policy is formulated under the Ministry of
a. Finance b. Commerce & Industry c. Home d. None of the above
4. Sale is
a. Contingent contract b. Executed contract c. Quasi-contract d. Executory contract
5. In the case of a private company minimum number of persons to form a company is
a. three b. four c. two d. seven
6. In the case of a private company the maximum number of members must not exceed
a. twenty b. thirty c. fifty d. ten
7. The number of days within which an appeal can be made to Competition Appellate Tribunal against the CCI orders is
a. 30 b. 90 c. 120 d. 60
8. The number of parties in a contract of indemnity is
a. three b. four c. six d. two

Q2. State whether the following are true or false:

[8 marks]

- a. Coercion in a contract makes the contract voidable.
- b. There is exception to the rule 'no consideration no contract.'
- c. There are no exceptions to the doctrine of caveat emptor.
- d. Consumer Protection Act does not cover the cooperative sector.
- e. Information received in confidence from foreign government is not open to disclosure under the RTI Act.
- f. The Articles of Association must not be inconsistent with the Memorandum of Association.
- g. The first auditors can be appointed by the Board of Directors within three months of the date of incorporation of the company.
- h. Bailment can be classified into four types.

Q 3. Expand the abbreviations-

[8 marks]

- a. DGFT b. VAT c. TUFS d. UNCITRAL
- e. MLFPS f. DEPB g. APIO h. IPR

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

- a. Law is enforced by the -----
- b. The types of damages are ordinary, special, punitive and -----
- c. Unless the contract provides otherwise, the liability of the Surety is co-extensive with that of the principal -----
- d. Paid-up capital is the amount of money paid up on the shares-----
- e. A number of members of any body sufficient to transact business at any meeting is a -----.
- f. MDA is Market Development -----
- g. Law must be reasonable both in its application and -----
- h. Proprietary rights are both heritable and -----.

Part-B**[48 Marks]****(Answer any three questions. Each question carry 16 marks)****Q 5. Distinguish between (any two)****16 Marks**

- a) Sale and Agreement to sell
- b) Public law and Private law
- c) Substantive law and Procedural law.
- d) Fixed charge and Floating charge.

Q6. Write short notes on(any four) - [4 X4= 16 marks]

- a) Competition Commission of India
- b) Memorandum of Association
- c) Coercion
- d) Water Pollution Act
- e) Unfair Trade Practice
- f) Foreign Exchange Management Act

Q7 a). What is an Illegal Association? What are the effects of an Illegal Association? [8 Marks]**b) Give at least six points of distinction between a private company and public company. [8 Marks]****Q8.a) Who can be a Complainant under the Consumer Protection Act, 1986 ?****[8 Marks]****b) List out the rights of a consumer under the Consumer Protection Act, 1986.****[8 Marks]****Q 9. Define an unpaid seller. Discuss the rights of an unpaid seller.****[16 Marks]****PART -C****[20 marks]****(compulsory)****Q 10. Please read the following case study and answer the five questions below:**

Pharma Research Co. Ltd advertised that it would give a reward of Rs.1,00,000 to any person who contacted influenza using the smoke balls of the company for a certain period according to the printed directions. Mr..Shah purchased the advertised smoke balls and contacted influenza in spite of using the same according to the printed directions of the Company.. He claimed the reward of Rs.1,00,000. However, the company resisted the claim on the ground that the advertisement was only an invitation to offer. The Company argued further that no offer was made to him and that in any case he had not communicated his acceptance to the Company assuming the advertisement was an offer. He filed a suit for the recovery of the reward.

Questions:

- 1. Is the advertisement to be held to be a specific offer to Mr. Shah? How? .
- 2. Can the advertisement in such type of cases be held to be a general offer? Why?
- 3. Was Mr..Shah required to communicate his 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?
