



INDIAN INSTITUTE OF MATERIALS MANAGEMENT

Post Graduate Diploma in Logistics & SCM
Post Graduate Diploma in Materials Management - 2 years

Dec 2022

PAPER No.7 (enrollment code –CPM, CPS)
PAPER No. 6 (enrollment code- PMM,PSM)

Business Law

Date : 10.12.2022
Time : 10.00 a.m to 1.00 p.m.

Max. Marks : 70
Duration : 3 Hrs.

Instructions:

1. From Part A – answer all questions (compulsory). Each sub questions carries 1 mark. **Total : 20 Marks**
2. From Part B – Answer any 3 questions out of 5 questions. Each question carries 10 marks. **Total :30 Marks**
3. Part C is a case study (compulsory) with questions. Read the case study carefully and answer the questions **Total: 20 Marks**

Part – A

20 Marks

(Attempt all questions. Each sub question carries 1 mark.)

Q 1. Choose the most appropriate option from the following:

[5 Marks]

- a) The period within which from any order of the CCI, the aggrieved person can file an appeal to the Supreme Court is:
1. 60 days 2. 30 days 3. 90 days 4. 120 days
- b) One of the following is not a negotiable instrument as per Section 13 of the Negotiable Instruments Act, 1881:.,
1. currency note 2. cheque 3. promissory note 4. bill of exchange
- c) The intellectual property related to the Marketing Department can be protected by uses of :
1. copyright 2. trademark 3. both the above 4. none of the above.
- d) Which of the Articles of the Constitution addresses the Competition law :
1. Article 40 2. Article 42 3. Article 38 4. Article 44
- e) One of the following is not a component of pledge:
1. pawnee 2. pledgee 3. pledger 4. principal

Q 2. Expand the following abbreviations;

[5 Marks]

- a. LLP b. TRIPS c. WIPO d. IPO e. ADR

Q 3. State whether the following are true or false:

[5 Marks]

- a. No consideration is necessary to create an agency.
- b. There are no exceptions to the rule of 'nemo dat quod non-habet'
- c. Trade draft refers to a bill of exchange issued by an individual.
- d. Articles of Association cannot be changed by passing a special resolution.
- e. A digital signature is deemed to be secure if it can be verified that the digital signature, at the time it was affixed, was unique to the subscriber affixing it .

Q4 Fill in the blanks

[5 Marks]

- a. ----- law is formulated with the help of judgments passed in courts .
- b. A person who provides his name to the firm, but does not have any interest in the firm is known as the -----partner of the firm.
- c. When the guarantee is applicable for the series of operations , it is known as ----- guarantee..
- d. In case of a bank draft , the number of parties involved is -----.
- e. A company incorporated outside India but having a place of business in India is called a ----- company.

PART B

[Total 30 marks]

Answer any THREE out of the following five questions : (10 Marks each)

Q 5. Write short notes on any two - [2 x 5 = 10 marks]

- a. Sources of law
- b. Process of IP audit
- c. Acceptance
- d. Types of partners

Q 6.a) Discuss the remedies for breach of a contract.

[5 marks]

b) Discuss the ways in which a contract may be discharged.

[5 marks]

Q 7 a). List out the parties to a bill of exchange.

[5 marks]

b) Explain the rights of a consumer under the Consumer Protection Act,1986.

[5 marks]

Q 8 .Explain the present Indian Trade, Industry and Commerce

[10 marks]

Q 9 a) Discuss some of the main regulations of FEMA,1999.

[5 marks]

b) Discuss the objectives of the Information Technology Act,2000.

[5 marks]

PART C

[Total : 20 Marks]

[Compulsory]

Q.10 Read the following case carefully and answer the questions that follow:

Mr X bought butter from a seller who used to manufacture and sell butter. The packet of butter had clearly mentioned that the product did not contain any mustard. After using the product , Mr X suffered an affliction due to his being allergic to mustard. In a check of sample by the chemical laboratory, the butter was found to have a mixture of mustard. On the same day, his son, ABC went to a perfume shop and asked for a particular brand of perfume. The seller instead of showing that brand suggested the buyer to try another brand which he claimed to be better than the brand the buyer had sought. The buyer trusted the seller and paid the price. On use of the product, ABC suffered from skin irritation and visited the shop seeking replacement. The seller bluntly refused to take back the defective perfume, but ABC insisted that he had entirely depended on the seller's skill and judgment. Also, on that day, Mr. X's wife, Mrs. XY bought apples from the Seller Y in the market. She wanted to purchase apples to make apple custard the next day but did not inform the purpose of the purchase to seller. She found the apples had not ripened the next day to prepare custard. Mrs XY approached Y to return the apples but the seller refused take back the apples.

Caveat Emptor :

The expression 'Caveat Emptor' means 'Let the buyer beware'. Where the buyer has made purchases of goods in open market, he cannot hold the seller liable for any defect found in those goods.

Section 16 of the Sale of Goods Act, 1930 is based on this doctrine which specifies that 'there is no implied warranty or condition for the quality of the goods or for the fitness as to the purpose of the buyer under contract of sale'. However there are some exceptions...e.g. goods by sample, fraud etc.

Questions:

a. Does the case of sale of butter fall under the protection of rule of caveat emptor? Why?

b. Is the perfume seller eligible for the protection of rule of caveat emptor? Why?

c. Would the answer to (b) above be different if the perfume seller had given ABC the brand of perfume asked by him in the beginning and ABC still went on to have the skin irritation?

d. In the case of purchase of apples by Mrs. XY, is the seller eligible for the protection of the rule of caveat emptor ? why?

e. Would the answer to (d) above be different if Mrs. XY had informed the purpose of her purchase to the seller and entirely relied on the seller's skill and judgment?
