



INDIAN INSTITUTE OF MATERIALS MANAGEMENT

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

PAPER No. 14(enrolment code –PGMM, PGSM)

Dec 2025

Legal Aspects in Business

Date : 23.12..2025

Max. Marks: 70

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

Duration : 3 Hrs.

Instructions:

1. Part A, contains 4 main questions (with 5 sub-questions) each question carries 1 mark - Total 20 marks
2. 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. Read the case carefully and answer the questions - Total 20 marks

PART – A

(20 Marks)

(Compulsory - Attempt all questions each question carries 1 mark)

Q.1 Choose the right option: (5 marks)

- i. Which of these is not the key feature of a Public Ltd Company?
(a) *Perpetual Succession* (b) *Limited Liability*
(c) *Capacity to sue* (d) *No separation of ownership & Management.*
- ii. Which is not a document of a Company?
(a) *Foundational Document,* (b) *Operational Document,*
(c) *Personal Document* (d) *Digital & IT Document,*
- iii. How many maximum members can be in Competition Commission?
(a) 5 (b) 10 (c) 15 (d) 20
- iv. Which of these is not the right way of discharge of a Contract?
(a) *Discharge by performance,* (b) *Discharge by lapse of time,*
(c) *Discharge by assigning to other party,* (d) *Discharge by operation of law.*
- v. The intellectual property related to marketing deptt can be protected by the use of:
(a) *Copy Right,* (b) *Trademark,* (c) *Both (a) & (b),* (d) *None of these.*

Q. 2 Fill in the blanks with appropriate word/(s)? (5 marks)

- i. The IT Act 2000 came into force to tackle issues related to e-commerce such as _____.
- ii. _____ is structured as a dual tax system comprising two main components.
- iii. The members should be sent notice of a scheduled meeting at least _____ days before.
- iv. The Consumer Protection Act was enacted to safeguard the interest of _____.
- v. A Promissory note must include the name of both parties – the maker & the _____.

Q. 3. Write the full form of the following abbreviations: (5 marks)

- (a) DPBI (b) GSTIN (c) HUF (d) PTC (e) CSR

Q. 4 State whether True or False (T/F)? (5 marks)

- i. A Company is a legal entity formed by a group of individuals to carry out business.
- ii. The GST in India is a unified direct tax system that replaced a range of Central & State taxes.
- iii. The Drawee must sign a bill voluntarily, on his own or through his authorised agent.
- iv. When the guarantee is applicable for a series of operations, it is not valid guarantee.
- v. Civil Law is the branch of law that contains a comprehensive system of rules, norms and principles established individuals, things and their relationships.

PART – B**[30 Marks]****(Answer any three questions out of the following. 10 Marks for each question)**

- Q. 5 Explain the following. **(2 x 5= 10 marks)**
(a) General nature of Partnership?
(b) Creation of Agency?
- Q. 6 What is a Contract? Explain essentials of a valid Contract? **(10 marks)**
- Q. 7. Explain in detail meaning of Conditions and Warranty? Write in detail, Express and implied conditions and Warranties? **(10 marks)**
- Q. 8 Explain in detail: registered office requirements, Company Documents, Memorandum of Association and Article of Association of a Public Limited Company? **(10 marks)**
- Q.9 Explain the Types of GST, Structure and rates under GST, GST Registration, process and who needs to register under GST? **(10 marks)**

PART – C (Compulsory)**[20 Marks]****Q. 10 Read the case study below and answer the question at the end**

Flipkart, one of India's largest e-commerce platforms, provides a good example of how the principles of the Sale of Goods Act 1930 apply to modern day business transactions, specifically regarding the transfer of ownership and delivery of goods. Flipkart operates by facilitating the sale of goods between sellers and buyers acting as an intermediary. A typical transaction on the platform involves the buyer purchasing goods, which are then delivered from the seller to the buyer. The transaction is governed by the Sale of Goods Act, particularly with respect to the point at which ownership of the transfers from the seller to the buyer, and when delivery takes place.

According to the Sale of Goods Act, ownership of goods is transferred when the goods are delivered, or when the buyer's intent to accept ownership is clear. However, in Flipkart's model the ownership transfer often happens much earlier in the transaction process. When a customer places an order, they are legally considered the owner of the goods even before the goods are delivered, as long as the goods are identified and agreed upon in the contract. The Seller, in this case, transfers the ownership rights to Flipkart when goods are handed over to the delivery service. The delivery service, representing Flipkart, is responsible for transporting the goods to the buyer's location.

The delivery process, however, becomes a crucial point for transferring ownership under the Sale of Goods Act. Ownership is transferred when the goods reach the buyer, provided they accept the goods without any issues. This means that if there is any damage or the goods are not as described, the buyer has the right to reject the delivery, potentially nullifying the transfer of ownership.

Flipkart also faces challenges related to delivery and transfer of ownership in the context of returned goods. If a customer orders an item and later returns it, the ownership of the goods technically reverts back to the seller, as the goods are returned to their original state. This dynamic illustrates the interplay between ownership transfer and delivery, especially in the case of disputes or returns. The rules under the Sale of Goods Act ensures that these situations are resolved legally, protecting both the rights of the consumer and the seller.

Additionally, the risk of loss or damage during transit is a critical consideration. Under the Sale of Goods Act, the risk associated with the goods typically transfers to the buyer once the ownership is transferred. However, if goods are damaged before delivery, Flipkart, as the intermediary, may be held accountable for the loss, depending on the terms of service and the contractual agreement with the seller.

QUESTIONS:

1. At what point is the ownership of goods transferred in Flipkart's e-commerce transactions under the Sale of Goods Act, 1930? **(7 marks)**
2. How does Flipkart manage the risk of goods being damaged or lost during delivery in relation to the Sale of Goods Act? **(7 marks)**
3. Give your independent view on this case study wrt transfer of ownership and delivery of goods? **(6 marks)**