



INDIAN INSTITUTE OF MATERIALS MANAGEMENT

Post Graduate Diploma in Logistics & SCM
Post Graduate Diploma in Materials Management - 2 years
PAPER No. 6(enrolment code- PMM, PSM, CMM, CSM)
Business Law

Dec 2025

Date : 15.12.2025
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 right option (5 Marks)

- i. FEMA came in power in India?
(a) 1947 (b) 1956 (c) 1986 (d) 1999
- ii Which one of the following is also described as constitution of a Co?
(a) Article of Association (b) MoA (c) Certificate of Incorporation (d) None of these
- iii. To whom should the principal amount and interest due in an instrument, be paid?
(a) Maker (b) Holder (c) Drawee (d) Endorser
- iv. In case rate of interest is not mention on an instrument, what rate is applicable?
(a) 18% (b) 12% (c) 20% (d) 10%
- v. Which one of these, is not an essential of a valid contract?
(a) Free consent (b) Certainty (c) Unlawful Consideration (d) Lawful object

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

- a) For making an agreement, there must be _____ parties.
- b) A contract of sale of goods may be absolute or _____ according to the desire of buyer and seller.
- c) The promise in the Negotiable Instrument must be _____ any condition.
- d) A person who initiates the formation of a Company with the intention of starting a business on his idea, is termed as a _____.
- e) A person who is appointed by the parties themselves by their mutual consent to decide their dispute out of court is called _____.

Q.3 Write full form of the following? (5 Marks)

- a) UNCITRAL (b) IPO (c) GATT (d) LLP (e) CCI.

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

- a) According to GST rules, the input tax credit can be availed throughout the supply chain.
- b) Agreement between two or more firms that are operating at different stages of production are known as Horizontal agreement.
- c) The SEBI exercises power for the regulation of issues and transfer of the shares.
- d) Entrepreneurs usually fail to understand the importance of their intellectual property.
- e) After the bill is accepted by the Drawee and he/she becomes its holder, the bill need not be delivered to him/her.

PART - B

[30 marks]

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

- Q. 5 (a) Differentiate between Agreement to sell and Sale of goods? **(5 Marks)**
(b) Explain difference between a partnership firm and an LLP? **(5 Marks)**
- Q.6 (a) Which are other types of business entities than Partnership? **(5 Marks)**
(b) Details of rights and duties of a Seller? **(5 Marks)**
- Q. 7 (a) Explain rights of a Consumer? **(5 Marks)**
(b) Explain the parties to Negotiable Instruments? **(5 Marks)**
- Q.8 (a) Write in detail the Clauses of Memorandum of Association? **(5 Marks)**
(b) Explain powers and duties of Auditors of a Company? **(5 Marks)**
- Q.9 (a) What is Corporate Governance? Explain its guidelines? **(5 Marks)**
(b) Explain details of E-WAY Bill (EWB)? **(5 Marks)**

PART – C (Compulsory)

[20 Marks]

Q. 10 Read the case study below carefully and answer the question at the end

A deals in the Jewellery business. He sells a Ring to B, who is his close friend, at a low price. B Purchases the Ring from A, thinking that the Ring is made of real gold. A knows that B believes it to be of real gold and that B is not aware of the truth at the time of the purchase, but A does nothing to correct B's impression. After sometime, B discovers that the Ring is a mix of silver and gold. He now wants to cancel the contract.

However, B cannot cancel the contract. The role of "caveat emptor" applies here. The term "caveat emptor" means "let the buyer beware". It is not the part of the seller's duty to point out the defect of the goods that he offers for sale, rather it is the duty of the buyer to satisfy himself about the quality as well as the suitability of the goods being bought by him.

QUESTIONS:

1. Do you think that doctrine of caveat emptor facilitates no implied warranty or condition for the quality of goods on seller under the Contract of Sales Act?
2. What should be the expected duties of the Seller and Buyer in this case.