



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

Graduate Diploma in Materials Management

Paper No. 6

BUSINESS LAW

July 2019

Date : 21.07.2019

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 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. The special auditor has to report to
 - a. Central Government.
 - b. State Government
 - c. Board of Directors
 - d. Company's auditors

2. Private law includes
 - a. Constitutional law
 - b. Law of tort
 - c. Administrative law
 - d. Criminal law

3. An authorized person under FEMA is authorized by which of the following to deal in foreign exchange
 - a. Exim bank
 - b. SEBI
 - c. RBI
 - d. None of the above

4. Agreement to sell is
 - a. Executed contract
 - b. Contingent contract
 - c. Quasi-contract
 - d. Executory contract

5. DGFT office is attached to the Ministry of
 - a. Home
 - b. Finance
 - c. Home
 - d. Commerce

6. An agreement by way of wager is
 - a. Voidable
 - b. illegal
 - c. void
 - d. None of the above

7. The minimum notice of AGM to be given to a member is
 - a. 18 days
 - b. 21 days
 - c. 15 days
 - d. 5 days

8. the minimum no. of persons required to form a public company is
 - a. seven
 - b. Three
 - c. Nine
 - d . five

Q.2. State whether the following are true or false:

8 marks

- a The Central Government can file a complaint under the Consumer Protection Act
- b The Competition Act extends to Jammu and Kashmir.
- c The ownership of a house is a proprietary right.
- d In no case non-owner of goods may confer a good title on the transferee..
- e Public company can issue share warrants..
- f There are no exceptions to the rule “ no consideration ,no contract”
- g The members of the Competition Commission are appointed by the Central Government.
- h Agreement to sell is an executed contract..

Q3. Expand the abbreviations-

8 marks

- a . MAI
- b. MLFPS
- c. MDA
- d. TUFS
- e. CIC
- f. EGM
- g. CCI
- h. PMLA

Q4. Fill in the blanks with appropriate words:

8 marks

- a. All agreements in restraint of trade are -----
- b The types of damages are ordinary, special, punitive and -----
- c A contract of guarantee may either be specific or -----
- d. A finder of goods is treated like the -----of the goods.
- e The minimum number of persons required to form a private company is-----
- f. The number of parties to a contract of guarantee is-----
- g. The term of office of the Chairman and other members of the Competition Commission is ---
-----years.
- h Transmission of shares is the result of operation of -----

Part-B

48 Marks

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

Q 5. Distinguish between (any four)

(4x4= 16 marks)

- a) Civil law and Criminal law
- b) Public law and Private law
- c) FERA and FEMA
- d) Void and voidable contract
- e) Sale and Agreement to sell
- f) Memorandum of Association and Articles of Association.

Q6. Write short notes on(any four) -

(4x4= 16 marks)

- a) Essentials of law
- b). Finder of lost goods
- c). Winding up of companies
- d).Restrictive trade practice
- e) Competition commission of India
- f) Environmental protection Act

Q7 a) Discuss the important elements or characteristics of law

16 Marks.

b) Discuss the important characteristics of ownership

Q 8 a) Discuss the rights of an unpaid seller of goods.

16 Marks.

b) Describe any six rights of agent towards principal .

Q 9 a) Explain the rights of consumers under the Consumer Protection Act,1986

16 Marks

b) Who can file a complaint under the Consumer Protection Act?

PART -C
(compulsory)

20 marks

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

A Patent Medicine company advertised that it would give a reward of Rs.10,000 to any person who contacted influenza using the smoke balls of the company for a certain period according to the printed directions. Ms.Patel purchased the advertised smoke ball and contacted influenza in spite of using the same according to the printed directions. She claimed the reward of Rs.10,000. The company resisted the claim on the ground that the advertisement was only an invitation to offer. They argued further that no offer was made to her, and that in any case she had not communicated her acceptance assuming the advertisement was an offer. She filed a suit for the recovery of the reward.

Questions:

1. Can the advertisement be held to be a specific offer to Ms. Patel? How? .
2. Can the advertisement in such type of cases be held to be a general offer? Why?
3. Was Ms.Patel required to communicate her 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?
