



INDIAN INSTITUTE OF MATERIALS MANAGEMENT

Post Graduate Diploma in Supply Chain Management & Logistics

Post Graduate Diploma in Materials Management - 2 years

2019

PAPER No. 7

Business Law

Date : .2019

Max. Marks : 100

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

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 20 marks. **Total : 60 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

Total 20 marks

(compulsory- each sub-question carries one mark)

Q1. State whether the following are True or false. [5 marks]

- a. Judicial precedents are another important source of law.
- b. The Industrial dispute arises among employees.
- c. To be called as a major one must be 16 years and above.
- d. An authorised dealer can deal in Foreign Exchange.
- e. Offer and acceptance binds into contract.

Q2. Fill in the blanks. [5 marks]

- a. The purpose of Arbitration Act is to provide speedy _____ to disputes.
- b. If there is no _____ the agreement becomes a Gift Deed.
- c. FERA was replaced by _____
- d. Communication of acceptance is complete when it comes to the knowledge of _____.
- e. EXIM Policy is normally has validity of _____.

Q3. Expand the following: [5 marks]

- a. IGST
- b. HSN
- c. BOM
- d. MOU
- e. C & F

Q 4. Match the following.

[5 marks]

	Column A		Column B
1.	Discharge of Contract	a.	Is a Direct Tax
2.	Business Law.	b.	Ministry of Commerce
3.	Income Tax	c.	Is an indirect tax
4.	Service Tax	d.	By operation of Law.
5.	DGFT come under	e.	Frame work within which business activities should be carried out.

PART B

[Total 60 marks]

Answer any THREE out of the following five questions : (20 Marks each)

Q.5 Write Short Notes on any 4. [4 x5 = 20 marks]

- a. Power of Attorney.
- b. Minimum Wages Act.
- c. Competition Commission of India.
- d. Ad valorem Duty.
- e. Parties to a Cheque.
- f. Rights of a Consumer.

Q 6. Explain the term “ Breach of Contract” What are the available remedies for Breach of Contract ? **[20 marks]**

Q 7. What is a Trade Mark ? What are the different functions of Trade Mark. **[20 marks]**

Q. 8. Distinguish between any Two.(2 x 10 = 20 marks)

- a. Conditions and Warranties.
- b. Offer and Invitation to Offer.
- c. Internal auditor and Statutory Auditor.
- d. FERA and FEMA.

Q 9 a) Explain at least five important features of a company.

[10 marks]

b) Explain the doctrine of ultra vires.”

[10 marks]

PART C

[Total : 20 Marks]

[Compulsory]

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

HIGHLAND ENGINEERING COMPANY. SRI LANKA.

1. Highland Engineering Company, Sri Lanka, had placed an order for 1 No special purpose Smoothing & Honing Machine on M/s. Delta Corporation, Dubai. Both firms had agreed to a firm price of \$2 000 per machine on FOB Dubai basis. In the contract, the Highland Engg. Co., designated Colombo Air cargo Movers, for Air Lifting and M/s. Delta Corporation, returned a signed acknowledgment copy without changing any of the terms and conditions. M/s. Highland Engg. Co., covered the insurance since the terms are FOB, Dubai basis and the machine has many fragile components.
2. Three months later, M/s. Delta Corporation sent the machine through ship Valkenberge by paying freight charges, since Air Cargo Movers were on indefinite strike. At the time of acceptance of order an invoice was mailed to the M/s. Highland Engg Co., who paid the invoice immediately to avail 2% discount.
3. While loading the cargo at Dubai Sea Port the box containing the machine was dropped accidentally from about 5 meters and the contents were destroyed beyond usage. This was known only after the consignment received at Sri Lanka, on investigation.
4. M/s. Highland Manufacturing Co., on contacting M/s. Delta Corporation, was told that the delivery terms were FOB Dubai basis and their responsibility end when once the goods are delivered to the carrier. Secondly, due to Air strike and since Highland Manufacturing Co., expressed great urgency, they sent the consignment through sea route which is cheaper mode of transport. They said that they even paid the freight charges by themselves although terms are FOB and not even claimed from the Highland Manufacturing Co, They also said that they have received the payment and there ends the matter with them.
5. They told that it is your responsibility to work out to seek the adjustment for the loss directly and Delta Corporation is not involved.

Questions: (4 x 5 = 20 marks)

1. If you are the Purchase Manager of Highland Engg. Co., what will be your action plan?
2. What is the significance of FOB point ?
3. How do you protect the interest of Highland Engg Co.,
4. Offer any other comments relevant.
