



INDIAN INSTITUTE OF MATERIALS MANAGEMENT

June 2024

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

PAPER No.7 (enrolment code –CPM, CPS)

PAPER No. 6(enrolment code- PMM,PSM, CMM,CSM) [OFFLINE EXAM]

Business Law

Date : 08.06.2024

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.)

Q1. Choose the appropriate option:

(5 marks)

- i. Year of the Indian Contract Act:
(a) 1947 (b) 1930 (c) 2014 (d) None of these
- ii. The year of Indian Partnership Act:
(a) 1872 (b) 1932 (c) 1956 (d) 2001
- iii. Which is not the essential of a valid contract?
(a) Free Consent (b) Lawful object (c) Un-certainty (d) Capacity of parties.
- iv. What is the maximum limit for number of Members of a Pvt Ltd Company?
(a) No Limit (b) 1000 (c) 500 (d) 50
- v. The minimum fine that is imposed on a Public Ltd Co for not filing Annual Return?
(a) Rs.50000/- (b) 100000/- (c) Rs.500000/- (d) 10% of its Capital

Q.2. Fill in the blanks with appropriate word:

(5 marks)

- a) The Article ____ & ____ of the Constitution of India addresses the Competition law.
- b) The minutes of meeting of a Company should be recorded within ____ days.
- c) The dividend declared by the Board of Directors in between the year is called ____.
- d) The Foreign Exchange Management Act was enacted to regulate the flow of ____.
- e) In a Pledge, only the possession of goods is ____ to the Pledgee.

Q.3. Expand the following

(5 marks)

- (a) UTGST (b) CII (c) CCI (d) FPO (e) GATT

Q.4. State whether True or False

(5 marks)

- a) An Agent has to commence business according to the direction of principal.
- b) Immovable goods can be covered under bailment.
- c) Proposal and acceptance is not essential for a valid contract.
- d) Business Law is not different from Mercantile Law.
- e) An LLP is a corporate body, which may be set by any two or more persons.

PART B

[Total 30 marks]

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

Q.5. Explain the following

- a) Difference between a Partnership Firm and an LLP. **(5 marks)**
- b) Rights and duties of a Bailee. **(5 marks)**

Q.6. Explain in detail the following

- a) Types of Contract with essentials of valid Contract. **(5 marks)**
- b) Transfer of ownership and delivery rules of goods. **(5 marks)**

Q.7. Explain the following

- a) Meaning, features & Types of Negotiable Instruments. **(5 marks)**
- b) Various Consumer Protection Councils & procedure of complaint. **(5 marks)**

Q.8. a) Mode of Registration/Incorporation procedure of a Company- Explain?

(5 marks)

- b) What is Memorandum of Association, its clauses and how to alter it?

(5 marks)

Q.9. Write short notes on the following

- (a) The Foreign Exchange Management Act 1999? **(5 marks)**

- (b) Pollution Control and Environmental Protection Act? **(5 marks)**

PART C [Compulsory]

[20 Marks]

Q.10 Read the case study below and answer the questions:

Mr. Yuvi is a Director of ABC Limited and was appointed on 1st April 2013. The terms and conditions of his appointment held that in case of absence of profits or inadequacy of profits of the Company in a particular financial year, Mr. Yuvi shall be paid remuneration in accordance with schedule V of the Company's Act 2013. ABC Limited incurred heavy losses during the financial year ending 31st March 2017. The effective capital of the company stands at Rs.150 crores. Although the company was not in a position to pay remuneration to the Directors, Mr Yuvi was paid a remuneration of Rs.50 Lakhs for that financial year as it was paid to the other Directors of the Company.

The Accountants of the Company held that the remuneration payable to the managerial personnel is linked to the effective capital of the ABC Limited, in accordance with Section II of Part II of Schedule V to the Companies Act 2013. In case during the tenure of service of a managerial personnel, a Company has no profits or inadequate profits, it can without the approval of the Central Government, give managerial remuneration not exceeding Rs.120 Lakhs if the effective capital of the Company is Rs.100 crores and above but less than Rs.250 crores. The Accountants considered the payment of Rs.50 Lakhs to be accurate on the ground that Mr. Yuvi was entitled to a remuneration of Rs.120 Lakhs during the financial year, and the payment of remuneration in accordance with Schedule V was also provided in the terms of his employment.

QUESTIONS:

- 1 Is the Central Govt approval required in the given case ?
- 2 Was the payment of managerial remuneration valid?
- 3 Give your views on payment of Dividend to Shareholder in this case.
