

(Following Paper ID and Roll No. to be filled in your Answer Book)

PAPER ID : 7111

Roll No.

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MBA

(SEM II) EVEN SEMESTER THEORY EXAMINATION, 2009-2010

BUSINESS LAW

Time : 3 Hours

Total Marks : 100

Note : (i) This Question Paper contains 3 parts.(ii) All questions are *Comulsory*.**PART-I**

1. This question contains 20 objective type questions. (20x1=20)
- (a) A contract becomes voidable if it has been caused by :
- (i) Coercion (ii) Fraud
(iii) Undue influence (iv) All of them
- (b) Acceptance of an offer is complete as against the offerer as soon as :
- (i) The offerer knows about it
(ii) The letter of acceptance is posted
(iii) The letter of acceptance is signed by offeree
(iv) The letter is handed over to a 'delivery' postman
- (c) Which of the following remedies is available to the unpaid seller for breach of contract by buyer :
- (i) Suit for price
(ii) Suit for interest
(iii) Suit for damages for repudiation of contract
(iv) All of these
- (d) Consideration may be in the form of :
- (i) A return promise (ii) An abstinence or forbearance
(iii) Doing of an act (iv) All of them
- (e) The presentment for sight is required in case of a :
- (i) Promissory note (ii) Cheque
(iii) Bill of exchange (iv) None of these
- (f) Which of the following elements does not affect the 'Free Consent' of the parties :
- (i) Undue Influence (ii) Coercion
(iii) Unsoundness of mind (iv) Misrepresentation

- (g) If a minor makes the other party to believe that he is a minor, the agreement in such a situation will be :
- (i) Valid
 - (ii) Voidable
 - (iii) Void
 - (iv) Illegal
- (h) Which of the following are ascertained goods :
- (i) Which are identified after the sale
 - (ii) Which stand identified at the time of sale
 - (iii) Which are possessed by seller at the time of sale
 - (iv) Which are to be procured from the market
- (i) Every partner is :
- (i) An executive of his firm
 - (ii) Principal of his firm
 - (iii) An agent of his firm
 - (iv) An agent as well as principal of his firm
- (j) Quasi contracts are :
- (i) Illegal
 - (ii) Void
 - (iii) Valid
 - (iv) Voidable
- (k) When the parties have to perform their promises simultaneously, such promises are known as :
- (i) Mutual and independent promises
 - (ii) Mutual and concurrent promises
 - (iii) Mutual and dependent promises
 - (iv) Mutual and exclusive promises
- (l) Maximum number of partners for the partnership firm is prescribed in :
- (i) Indian Companies Act
 - (ii) Indian Partnership Act
 - (iii) Indian Mercantile Law
 - (iv) English Law
- (m) Implied authority of a partner is derived from :
- (i) Conduct of parties
 - (ii) Law
 - (iii) Business Usage
 - (iv) All of them
- (n) A, B and C are partners sharing profits in the ratio of 1 : 2 : 3. On dissolution, the liabilities of the firm is at Rs. 60000. Its assets are at Rs. 42000. The goodwill is realized at Rs. 3000. There is a deficiency of Rs. 15000 which will be shared by the partners :
- (i) In the ratio of their capitals
 - (ii) As per the provisions of the relevant act
 - (iii) Equally by all the partners
 - (iv) In their profit sharing ratio
- (o) Any person who hires any services for a consideration is called _____ under The Consumer Protection Act.
- (p) A wrongly made statement is called _____.
- (q) An agreement in restraint of lawful trade is _____.
- (r) Ignorance of law is no excuse. **True/False**
- (s) An offer made to the world at large is called a specific offer. **True/False**
- (t) A contract with a minor is voidable at the opinion of the minor. **True/False**

PART-II

2. Answer any one :

(1x30=30)

Case Study I

X, Y and Z are partners in a business sharing profits and losses equally. X dies and the firm is dissolved. On the date of dissolution, the capitals of X, Y and Z were Rs. 20,000, Rs. 15,000, Rs. 1,00,000 respectively and the outside liabilities amounted to Rs. 65,000. The assets of the firm realized Rs. 15,000. The private estates and debts of each partner were as follows :

Partner	X	Y	Z
Private Estate	Rs. 1,00,000	Rs. 2,00,000	Rs. 3,00,000
Private Debts	Rs. 1,10,000	Rs. 1,90,000	Rs. 3,10,000

The outside creditors claim that the deficiency of Rs. 50,000 (i.e Rs. 65,000 – Rs.15,000) should be contributed by the partners out of their private estate which amounted to Rs. 6,00,000 because the partners are jointly and severally liable to pay firm's debts. Discuss the validity of their claim.

Case Study II

Ms. Rekha Nair aged 17 years daughter of Mr. S.K. Nair wanted admission in the MBBS course in response to an advertisement, which was published in "Hindustan Times" dated 10-8-2008 and earlier in the 'Hindustan' dated 7-7-2008 at Hyderabad for the year 2009-2010. The Management College was being run by Gandhi Mission and Mr. Mukund Patel was acting as its chairman. Mr. Surendra Mishra, was the director of the admissions maintaining his office at 204, Dr. D N Road, Churchgate, Mumbai. A bank draft of Rs. 75,000 bearing no. 169575 dated 9-9-2008 of Bank of India, Churchgate, Mumbai was drawn in favour of Gandhi Mission and it was the amount towards annual fee for the first year of the course of MBBS at Hyderabad. Another sum of Rs. 25,000 was demanded by Mr. Surendra Mishra and it was paid to him on 11-9-2008 in cash. Besides this another sum of Rs. 12,900 was handed over to Mr. Surendra Mishra at Mumbai by means of a cheque No. 554571 dated 4-11-2008 and it was also encashed. It has been alleged that the course did not start till mid November 2008 and the complainant became worried about the education and future of his daughter. Since the classes were not started at all and no reply was received from Mr. Surendra Mishra the present complaint has been instituted. The relief claimed is reproduced as under :

- (i) Refund of the money deposited by the complainant amount to Rs. 1,12,900 along with interest thereof @ 18% p.a. from the date of payment till the date of actual refund.
- (ii) An amount of Rs. 10,00,000 (Rupees Ten Lakh) as compensation for the wastage of one precious year of a brilliant young student.
- (iii) An amount of Rs. 1,00,000 (Rupees One Lakh) as compensation for immense physical harassment and mental agony suffered by the complainant, his wife, family members and the student herself.
- (iv) An amount of Rs. 11,000 towards Counsel's fee and litigation expenses.

Questions :

- (a) In which Consumer Dispute Redressal Forum complaint should be filed ?
- (b) Is Ms. Rekha Nair and/or her father (Mr. S.K. Nair) entitled to file a complaint ?
- (c) As a member of the Consumer Dispute Redressal forum give your decision.

Long Answer Questions :

(4x12½=50)

3. Define Contracts. Discuss the essentials of a valid contract. Who are the persons disqualified from entering into a contract ?

OR

Discuss the duties and rights of a Bailor and Bailee.

4. What are the goods ? What are kinds of goods ? How does the destruction of goods affect the validity of a contract ?

OR

Define Partnership. State its essentials. What is the doctrine of Implied Authority ?

5. What is a 'Negotiable Instrument' ? Explain the features and types of negotiable instrument.

OR

Define a Company. Explain what Registration of a Company and its Incorporation is.

6. What is a digital signature ? What are the provisions under the Information Technology Act for the same ? Explain.

OR

Discuss the important Provisions and Jurisdiction regarding the National Consumer Commission.