

**Sr. No. of Question Paper:**

Unique Paper Code: 61011504

Name of the Paper: Legal Aspects of Business

Name of the Course: Bachelor of Management Studies

Semester: V

Duration: 3 Hours

Maximum Marks: 75

**Instructions for Candidates**

1. Attempt **any 4** questions. **All** questions carry equal marks. (18.75)
  2. Quote relevant cases and sections wherever applicable.
  3. Parts of a question must be answered together.
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1. (a) Critically analyze the following statements/situations from legal point of view and give reasons.
    - (i) A voidable contract will always remain valid. (2 marks)
    - (ii) A company can be named as a director of another company. (2 marks)
    - (iii) Ramesh has a fleet of cars and wants to sell a particular Black car of Maruti, but Suresh the buyer understands it as a Black car manufactured by Hyundai. Do you think a contract can come into existence under this situation? (2.75 marks)
  - (b) An agreement in restraint of trade is void. Discuss the validity of this statement and state the exceptions with examples. (12 marks)
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2. (a) Critically analyze the following statements/situations from legal point of view and give reasons.
    - (i) A tailor who buys a sewing machine is not a consumer under Consumer Protection Act. (2 marks)
    - (ii) A contract will be void due to inadequacy of consideration. (2 marks)
    - (iii) An organization offers VRS Scheme to all its employees in order to reduce manpower. Raghav, a very talented employee, submits an

application under the Scheme and the organization refuses to accept the same. Do you think the organization can refuse to accept the application?

(2.75 marks)

(b) Explain how a minor is protected by the Indian Contract Act. Discuss briefly the laws relating to an agreement with the minor. (12 marks)

3. (a) Critically analyze the following statements/situations from legal point of view and give reasons.

(i) A void agreement can become a valid contract. (2 marks)

(ii) Consent can be obtained by detaining the property under fraud. (2 marks)

(iii) Ravish, a prominent citizen, promises to pay Rs. 50,000 to a school run by a charitable trust to support the handicapped students. The school wanted to upgrade the sports facilities for the students. The school, on the basis of this promise made by Ravish, called for tenders and took some steps to buy some equipment. Later, Ravish refuses to abide by the promise. Do you think the Ravish can enforce the payment? (2.75 marks)

(b) Distinguish between private company and public company. (8 marks)

(c) Briefly explain the significance of Certificate of Incorporation. (4 marks)

4. (a) Critically analyze the following statements/situations from legal point of view and give reasons.

(i) When an agreement is discovered to be void, the Principle of Restitution is not applicable. (2 marks)

(ii) A legal heir is bound to perform the contract which is personal in nature. (2 marks)

(iii) Mr X gives a guarantee to the creditor Z for the amount of Rs. 50,000 which he will lend to Mr. Y for a period of six months. Z, during the first month, gave a loan of Rs. 20,000. After one month, X revokes the guarantee. Do you think Z is discharged from his liability as surety for the amount of Rs. 20,000, if Y commits default?

(2.75 marks)

(b) Explain briefly the various implied conditions in a contract of Sale of Goods with examples. (12 marks)

5. (a) Critically analyze the following statements/situations from legal point of view and give reasons.

(i) Supervening impossibility includes the difficulty of performance. (2 marks)

(ii) A crossed cheque can be encashed at the counter of the bank. (2 marks)

(iii) Ravi gives his car to a friend Ravish to use it for four months. After one month, Ravi demands Ravish to give the car back. Can he do so?

(2.75 marks)

(b) Discuss briefly about the designated partner's role and their liabilities in running of the LLP. (6 marks)

(c) Write a brief note about the rights of a consumer as recognized by the Consumer Protection Act. (6 marks)

6. (a) Critically analyze the following statements/situations from legal point of view and give reasons.

(i) A public authority can deny the information sought under RTI Act due to the shortage of manpower. (2 marks)

(ii) An electronic record cannot be authenticated in the court of law. (2 marks)

(iii) A buys smuggled goods worth Rs. 50,000 from B and makes a payment by cheque. The cheque is dishonoured. Do you think B can file a suit and claim the amount?

(2.75)

(b) Discuss briefly the salient features of a promissory note. (6 marks)

(c) Distinguish between a Contract of Bailment and Pledge. (6 marks)