

PARUL UNIVERSITY
FACULTY OF MANAGEMENT
MBA/IMBA winter 2019 -20 Examination

Semester: 3/9

Subject Code: 06200201

Subject Name: Legal Aspects of Business

Date: 25/11/2019

Time: 10.30 am To 1.00 pm.

Total Marks: 60

Instructions

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.
4. Start new question on new page.

Q.1 Do as Directed.

Multiple choice type questions/Fill in the blanks. (Each of 1 mark) (05)

1. An agreement made without consideration is

a) Valid	c) Illegal
b) Voidable	d) Void
2. Anticipatory breach of contract takes place

a) During performance of contract	c) At the time when performance is due
b) Before performance is due	d) At the time when the contract is entered
3. A specific offer can be accepted by

a) Any person	c) Any friend of offerer
b) The person whom it is made	d) Any friend of offeree
4. In which of the following situations could a bill of exchange not be negotiated?

a) The time to pay is not determinable	c) The promise to pay is conditional
b) The amount to be paid is "the amount owing an account"	d) All of the above
5. Apart from taking actual possession of the goods, how can the unpaid seller stop the goods in transit?

a) By informing the buyer that he must not accept delivery of the goods	c) By giving notice of his claim to the carrier who has possession of the goods
b) By obtaining an order of the court	d) By giving notice of his claim to the buyer's sub-buyer

B).Define the following. (Each of 1 mark) (05)

1. void ab initio
2. Indemnity
3. Negotiable instrument
4. Free consent
5. Patent and Copyrights

C).Direct questions. (Each of 1 mark) (05)

1. Define agreement & contracts
2. What is prospectus?
3. List out essentials of valid contract.
4. Define trademark.
5. What is cyber crime?

Q.2 Answer the following questions.

A). Define Bailment. State its characteristic and explain in brief the right and duties of bailor. (07)

B). State the power of Court and Central Government for the protection and improvement of environment? (08)

Q.3 Answer the following questions.

A).Under the IT act, who is certifying authority and how is it regulated? (07)

B).Define Memorandum of Association and its content. Distinguish it from Articles of Association. (08)

Q.4 Attempt any two questions. (Each of 7.5 mark) (15)

1. Harish purchased a medicine from Bhatia medical stores for his son, who had high fever. Even after giving the medicine his son's condition did not improve and he had to be hospitalized. Doctor informed Harish that medicine given to his son was spurious. Harish complaint about this to Bhatia Medical stores. As a result Bhatia Medical stores decided to file a complaint against the manufacturer in the consumer court. Can Bhatia medical stores do this? Give reason In support of your answer. Explain who Is consumer as per consumer protection act, 1986.
2. Mr. Parth obtains fraudulently from Hiren a cheque crossed 'Not negotiable'. He later transfers the cheque to Amin, who gets the cheque encashed from ABC Bank, which is not drawee bank. Hiren, on coming to know about fraudulent act of Parth, sues ABC bank for the recovery of money. Examine with the reference to the relevant provisions of the Negotiable instruments act, 1881, whether Hiren will be successful in his claim. Would your answer be the same in case Parth does not transfer the cheque and gets the cheque encashed from ABC bank himself?
3. A self service book store published the following advertisement in the local newspapers: Saturday 9 A.M. sharp, 3 Axel Calculators worth Rs. 900, First come First served for Rs. 50 each only..

Neil entered the store as soon as it opened, put three Axel calculators in his basket and reached the counter even before the counter clerk had switched on the computer. Undoubtedly, Neil was the first customer at the counter. He gave the three calculators and Rs. 150 to the clerk at the counter. The clerk asked Neil about his profession. Neil replied that he was working as an accountant in a company. The store refused to sell the calculators to Neil, stating that it was a 'store rule' that advertised goods be sold only to students. Neil claimed that he had a right to buy the advertised goods. The parties are in dispute about whether an agreement was formed between them or not. Decide.
4. Explain what the meaning of a 'holding company' and a 'subsidiary company'. Give example.