

Jagan Institute of Management Studies
End-Term Examination, September, 2016
Trimester I – PGDM 2016-18

Legal Aspects of Business
ET_PG_LAB_2309

Time: 3 Hrs.

M. Marks: 70

INSTRUCTIONS: Attempt any FIVE questions including Q1 & Q8 which are compulsory.

- Q 1** Comment upon any **FOUR** of the following:
- a) An offer cannot be withdrawn after it has been made.
 - b) Mistake of identity of a person is not same as mistake about his attributes.
 - c) All agreements are not contracts but all contracts are agreements.
 - d) A mere “Holder” of a negotiable instrument has all those rights which a “Holder in due course possesses.
 - e) Buyer of goods can never become the owner without delivery of goods to him.
 - f) A minor does have some liability towards the other person in some cases. **16**
- Q 2** Explain briefly any **FOUR** of the following:
- a) Bailee’s lien.
 - b) Doctrine of restraint of trade.
 - c) Legality of Object and Consideration.
 - d) Differences between Undue Influence and Coercion.
 - e) Main features of Negotiable Instruments.
 - f) Supervening Impossibility. **12**
- Q 3**
- a) Define negotiation. What are the different types of endorsement?
 - b) “Crossing of a cheque adds to its security”. Explain describing various methods of crossing. **12**
- Q 4**
- a) Describe the various Consumer Disputes Redressal Agencies.
 - b) Describe the terms given below used in the Consumer Protection Act,1986.
 - i) Consumer.
 - ii) Complaint.
 - iii) Unfair Trade Practices.
 - iv) Deficiency in services. **12**

- Q 5** a) “Consideration is an essential element of a contract”. Explain, and describe the cases when an agreement without consideration shall be enforceable.
- b) “A quasi-contract is not a contract but still is enforceable”. Explain, and give all the types of quasi-contracts under the Indian Contract Act. **12**
- Q 6** a) Define the term “condition” in contract of sale. Explain and describe the “Condition as to suitability of goods for a particular purpose of buyer” and “merchantability”.
- b) “The unpaid seller has certain rights against the goods”. Elaborate. **12**
- Q 7** Write short notes on any **FOUR** of the following:
- a) Features of the Information Technology Act (IT Act).
- b) Digital Signature Certificate and Computer Virus.
- c) Cyber offences.
- d) Contracts of Guarantee.
- e) Discharge of Negotiable Instrument.
- f) Agency by ratification. **12**
- Q 8** Attempt any **FOUR** of the following problems giving reason for your answer.
- a) Ram posts a letter of offer on March, 2016. Shyam posts the letter of acceptance on March 5, 2016. In the meantime Ram posts his letter of revocation of offer to Shyam on March 4, 2016 which is received by Shyam on March 6, 2016. Is there an enforceable contract in this case.
- b) In K’s factory, two machines need repairs. He makes a contract with G to get machine I of the two repaired. Before, the repair work could start, machine I is lost in a fire accident. K wants to treat it as a void contract now but G insists on repairing the machine II under the same contract. Decide.
- OR**
- After continuous quarrels and disagreement with his wife, a husband executed a registered document in favour of his wife. Through this, he promised to pay for her maintenance and residence as she was to live separate. On his failure to pay, the wife wants to file a case against him seeks your advice. Advise her.
- c) Suresh contracted to purchase a hot water bottle from a medical shop. He was not told that “the bottle would be able stand hot water but not boiling water”. When it was filled by Suresh with boiling water, it burst and injured his wife. He sues the seller for damages. Decide.
- d) Sonali paid cheque of Rs 30,000 to Sweety towards payment of her liability on 12th June 2014. Sweety presented the cheque in the bank for

encashment but the same was dishonoured by the bank giving the reason of “insufficiency of funds in the account” vide bank memo dated 17th June 2014. On 15th July 2014 Sweety gave notice to Sonali on dishonour. Thereafter Sweety filed a case against Sonali in a court under section 138 of the N.I. Act on 30th July 2014. Will the case be allowed?

- e) R takes a loan from J to be paid back on May 12, 2010. R defaults in return of loan. J fails to file a case against R till June 20, 2014 on which day R gives an oral promise to pay the loan. Is R liable?
- f) S and B make an agreement for the sale of some goods. They decide that the price shall be fixed by their friend T but later T refuses to fix the price. S insists on the continuation of the agreement. Does the agreement remain valid?

OR

Rakesh advances Rs. 200000/- to Rita, a married women to enable her to obtain a divorce from her husband. Rita agrees to marry Rakesh as soon as she obtained a divorce. Rita obtains the divorce from her husband but refuses to marry Rakesh. Can Rakesh recover the amount back?

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