Seat No.: _____ Enrolment No._____

GUJARAT TECHNOLOGICAL UNIVERSITY

MBA – SEMESTER (3) – EXAMINATION – WINTER 2016

Subject Code: 2830002 **Date: 31/12/2016**

Subject Name: Legal Aspects of Business (LAB)

Time:02:30 pm to 05:30 pm **Total Marks: 70**

Instructions:

1. **Attempt all questions.**
2. **Make suitable assumptions wherever necessary.**
3. **Figures to the right indicate full marks.**

6

Q.1 (a) A contract is a

1.
A. Legally binding agreement
B. Mutual understanding between two parties
C. Verbal understanding between any party
D. Written agreement between two or more parties

2. An essential part of a contract is that
A. There should be a valid offer and valid acceptance
B. There should be a physical product to transact
C. Both parties should live in Sri Lanka
D The agreement entered should be certified by an Attorney at Law

3. One of the statements is wrong as to the duties of the buyer.
A. To accept the delivery of goods when the seller is willing to make the delivery as per the contract
B. To pay the price in exchange for possession of the goods
C. To apply for the delivery of goods
D. Demand delivery of the goods at any time

4. Consumers Protection Act provides
A. Protection to Consumers, Traders and Manufacturers
B. Protection to Consumers and Traders
C. Protection to Consumers only
D. Protection to consumers who buy Fast Moving Consumer Goods (FMCGs)

5. One of the implied conditions as to Title in Sale of Goods ordinance is
A. The seller has the right to sell the goods if it is a sale
B. The goods should be in merchantable condition
C. The goods should match the sample
D. The goods should match the sample as well as the description

6. One of the statements is incorrect as to “Fit for purpose” implied condition is considered. Underline that statement

A. The buyer makes known to the seller the particular purpose the goods are required

B. The buyer has to show a sample of the product he wants to buy

C. The buyer relies on the seller's skill or judgment

D. The supplier ordinarily supplies such products in his normal course of business

Q.1 (b) i) What is Consideration? **04**
ii) Give the meaning of Mistake.
iii) What is Service under CPA?
iv) Who is a 'Pardha Nishin' woman?

Q.1 (c) What is the doctrine of ultra vires**?** **04**

Q.2 (a) How is a sale contract made? Briefly state the formalities of such a contract with examples. **07**

(b) What is Indemnity and Guarantee? What are their characteristics? **07**

OR

(b) What is Suretyship? Explain the rights and liabilities of a surety. **07**

Q.3 (a) Discuss the clauses of the MOA and AOA of a company. **07**

(b) A general meeting took place in December 1994. Then the meeting was held in March 1995. Subsequently, the meeting was held in February 1997. Can the company be liable for any irregularity? Explain. **07**

OR

Q.3 (a) Explain the concept of intellectual property rights? What are Trade Related Intellectual Property Rights? **07**

(b) Explain the legal position of a Director. What are the powers of the Board of Directors? **07**

Q.4 (a) What are the objects of the Consumer Protection Act? Explain the rights of a consumer under the Act **07**

(b) What do you understand by the term "crossing a Cheque"? State the different types of crossings. **07**

OR

Q.4 (a) "I promise to pay Payal or bearer a sum of Rs.5000 less charges involved in documentation of accounts" – Signed Mahesh. Is the instrument valid? Explain. **07**

(b) Explain 'digital signature' and 'digital signature certificate'? Who can issue digital signature certificates? **07**

Q.5 Read the Case and answer the questions given at the end. **14**

Vikram is setting up an industry. Towards this end, he has to hire the services of an industrial engineering consultant. Rajesh is one such consultant. The two come together.

Explore the following four different agreements between them.

Agreement 1: Rajesh agrees to prepare a project report for a fee of Rs.1 lakh. Vikram gets a perfectly fine report from Rajesh but pays him only Rs.70,000.

Agreement 2: Rajesh is Vikram's tenant. Rajesh agrees to

prepare a project report for Vikram and in return, Vikram promises not to file a suit for evicting Rajesh from the house. Vikram gets a perfectly fine report from Rajesh, but despite this, he files a suit to evict Rajesh from his property.

Agreement 3: Vikram agrees to accept a project report from Rajesh and implement it, but he demands Rs.50,000 from Rajesh for trying out an untested idea. Vikram collects Rs.50,000 from Rajesh, but does not use the report.

Agreement 4: Vikram tells Rajesh, "One should not do business with friends. I know you are in great financial difficulty. You are a friend. I will give you Rs.1 lakh any way." Within a week of this, the stock market crashes and Vikram loses a lot of money. He feels vulnerable. He refuses to give Rs.1 lakh to Rajesh. Rajesh is demanding the money.

Discuss the following questions:

1. Identify the consideration for each of the parties in the above agreements.
2. Which among the above agreements are contracts?

OR

Q.5 Read the Case and answer the questions given at the end. **14**

After a tiring search in the city market place, Mahesh finally saw an electric iron in the showcase of a shop. A label below the iron mentioned the price as Rs.600. He had been looking for that model of electric iron for a long time.

He approached the shop to buy one such iron. However, he was told that the shop did not have that model in stock. The shopkeeper also said that he could not promise him one later either, as the manufacturing company of that iron was facing financial difficulties and it was being closed down. The person insisted that he had a right to buy the one kept in the showcase.

You decide a solution.

Who offers and accepts when:

1. We go into a shop;
2. A shop advertises its goods with a price list;
3. Some bargaining as to the price of the goods being sold takes place.

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