



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

PAPER ID : 270209

Roll No.

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M.B.A.

(SEM. II) THEORY EXAMINATION, 2014-15
BUSINESS LAWS

Time : 3 Hours]

[Total Marks : 100

Section A

Attempt all the questions

(20×1)

1 Capacity to contract means

- (i) The parties are financially sound to make contracts.
- (ii) The parties are physically able to enter into contracts.
- (iii) The parties are legally competent to enter into contracts.
- (iv) All of the above.

2 A minor

- (i) Ratify his agreement after attaining majority.
- (ii) Be directed by the court for specific performance of the contract.
- (iii) Always plead his minority
- (iv) Be held for cheques issues by him.

- 3 The agreement entered into with free consent is
- (i) Valid
 - (ii) Void
 - (iii) Voidable
 - (iv) Illegal.
- 4 _____ Means unfair use of one's superior power in order to obtain the consent of a person, who is in a weaker position.
- (i) Coercion
 - (ii) Undue influence
 - (iii) Fraud
 - (iv) Misrepresentation
- 5 Consideration and object of an agreement is unlawful if it
- (i) Would defeat the provisions of any law.
 - (ii) Is fraudulent
 - (iii) Creates injury to the person
 - (iv) All of the above.
- 6 When a person signifies to another, his willingness to do or to abstain from doing anything, with a view to obtaining the assent of the other to such act or abstinence, he said to
- (i) Enter into a contract.
 - (ii) Have entered into agreement
 - (iii) Make a proposal
 - (iv) Enter into agreement
- 7 A minor can be admitted to the benefits of _____ with the consent of all partners.
- (i) Registered firm only
 - (ii) Existing firm only
 - (iii) Unregistered firm only
 - (iv) New firm only

- 8 'Goods' under the Sale of Goods Act, includes
- (i) Money
 - (ii) Actionable claim
 - (iii) Growing crops, grass etc.
 - (iv) Personal use property.
- 9 The doctrine of Caveat Emptor does not apply in case of
- (i) Sale of sample.
 - (ii) Sale under a patent name
 - (iii) Sale under usage of trade
 - (iv) All of the above
- 10 The negotiable instruments includes
- (i) Promissory note. (ii) Cheque
 - (iii) Bill of exchange (iv) All of these
- 11 A cheque is said to contain a general crossing when two parallel lines are drawn across the face of the cheque
- (i) Without any words
 - (ii) With words 'not negotiable.
 - (iii) With words '& Co,'
 - (iv) In (i) and (ii) cases.

- 12 Any person aggrieved by an order of the National Commission can appeal against order of the National Commission to the
- (i) High court
 - (ii) Magistrate Court
 - (iii) Supreme Court
 - (iv) Any of the above as per person's choice.
- 13 The District Forum shall have jurisdiction to entertain complaints where the value of the goods or services and the compensation claimed does not exceed _____
- (i) Rupees 20,00,000
 - (ii) Rupees 25,00,000
 - (iii) Rupees 5,00,000
 - (iv) Rupees 1,00,00,000
- 14 In the MOA there are six clauses. We can alter all clauses except one clause. Which is that clause?
- (i) Objects clause
 - (ii) Association clause
 - (iii) Name clause
 - (iv) None of these.
- 15 Public Company must have at least _____ directors.
- (i) Three
 - (ii) Five
 - (iii) Two
 - (iv) Seven
- 16 The Information Technology Act is popularly known as _____
- (i) Cyber law
 - (ii) Electronic law.
 - (iii) Hacking law.
 - (iv) Security law.

- 17 _____ is the unique value for message or content.
- (i) Hash
 - (ii) Encryption
 - (iii) Message digest
 - (iv) Private key
- 18 The digital signature can be issued by _____
- (i) Central government
 - (ii) Certifying authority
 - (iii) State government
 - (iv) Controller
- 19 The transfer of shares in the company is
- (i) Restricted
 - (ii) Prohibited
 - (iii) Freely transferable
 - (iv) None of these.
- 20 The liability of members if the company is limited by shares
- (i) Unpaid value of shares
 - (ii) Unlimited liability
 - (iii) Guarantee amount
 - (iv) None of the above

Section B

Attempt all the question. All questions carry equal marks (15×2)

- 1 A's wife forged his signature on 40 cheques drawn on M bank and cashed them. Upon his discovery of the forgeries, A did not at once inform the bank, but some months later when his wife informed him that she wanted more money for the purpose for which the previous cheques had been drawn and cashed by her, he stated his intention of notifying the bank, with the result that the same night his wife committed suicide. A brought an action against the bank, claiming to be credited with the amounts of the forged cheques.

Will he succeed in the court? If Yes or No, state the reasons for it.

- 2 With the following persons be deemed to be the partners of the firm, on the ground that they are paid out of the profit earned by the firm?
- (a) The creditors, who supply goods to the firm on credit, or the bankers, who lend money to the firm to carry on (or to commence) its business, who are paid out of the profit earned by the firm.
 - (b) The employee, officers, servants, or agents, who receive their remunerations by way of share in the firm's profit;
 - (c) The widow or child of a deceased partner; who is paid as an annuity, out of the profit earned by the firm;
- Give reasons for your answer.

Section C

Attempt all the questions. All questions carry equal marks (4×12.5)

- 1 Define the term contract .Explain essentials of a valid contract.

OR

- 1 What is Quasi contract? Discuss the various types of quasi-contract with the help of suitable examples.

- 2 What do you mean by Memorandum of Association? What is the necessity of it in a company? Also explain the difference between Memorandum & Articles of Association.

OR

- 2 Who is the consumer under Consumer protection Act 1986 ? Describe the composition of the three tier redressal mechanism under Consumer protection act 1986.

- 3 Explain the meaning and definition of Negotiable Instruments. Discuss the characteristics of a Negotiable Instruments

OR

- 3 Define the term conditions and warranties. What are the implied conditions and warranties in a contract of sale?
- 4 Explain the rights and liabilities of a partner under the partnership Act.

OR

- 4 Describe the nature of Offences & Penalties Prescribed therefore under IT Act 2000.