

[This question paper contains 4 printed pages.]

Sr. No. of Question Paper : 168

Roll No.....

Unique Paper Code : 101632

Name of the Course : **Bachelor of Business Studies**

Name of the Paper : Legal Aspects of Indian Business

Semester : VI

Duration : 3 Hours

Maximum Marks : 75

**Instructions for Candidates**

Write your Roll No. on the top immediately on receipt of this question paper.

**PART A**

State whether the following statements are true or false with reasons.

1. A contract of buying a vehicle can be completed orally by payment of a cheque.
2. The communication of a proposal is complete against the acceptor even if the letter of proposal is lost in the transit.
3. An acceptance not conveyed in the manner prescribed by the proposer is not a valid acceptance.
4. A past consideration is not a valid consideration.
5. A contract to supply certain items of raw material to a customer can be avoided if there is a strike in the unit.

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6. A contract is voidable when there is a bilateral mistake.
7. In a contract of guarantee, surety is primarily liable for the payment of debt.
8. The contract of sale of goods comes into existence only when the goods are delivered.
9. There is no statutory limit as to the number of members in a public limited company
10. A statement "I owe you Rs. 8000" is a promissory note. (2×10=20)

### PART B

Discuss any **five** of following situations, quote the relevant case and sections and give your decision. (5×3=15)

1. Raju's car broke down near ITO and he contacted a helpline number of Maruti and a mechanic came to the spot and rectified the defect. Is Raju bound to compensate the mechanic for his services ?
2. In a telephonic conversation, A made an offer to sell readymade garments worth Rs. 5,00,000 to B, according to B's specifications. B accepted the proposal. Later, after 2 days, B refuses to abide by the contract and sends a letter of revocation. Is the revocation valid ?
3. Vikram, a lawyer, under the threat of murder, makes Virender sign a sale deed of an imported car. Advise Virender.
4. Ramesh owes a debt to Raghu, guaranteed by Rakshak. The debt becomes payable. Raghu fails to file a suit for a period of one year and Ramesh becomes insolvent. Is Rakshak liable as a surety for Raghu ?

5. Ajay hires a car from a car rental agency for his personal use, and uses the car as a taxi. The car meets with an accident. What is the remedy available to the car rental agency ?
6. X gives some cloth to a tailor for making a shirt of it. The tailor's charges are settled at Rs. 500. After the shirt is ready X tenders Rs. 500 for the charges but the tailor refuses to deliver the shirt till X pays an old debt of Rs. 200. Is the tailor entitled to do so ?
7. Y was shopping in a self service super market. He picked up a bottle of orange squash from a shelf. While he was examining it, the bottle exploded in his hand and injured him. Can Y claim damages for the injury ?

### PART C

Attempt any **five** questions. (5×8=40)

1. Discuss the salient features of a company form of organization.
2. "Only parties to the contract can enforce the rights and obligations against each other". Do you agree with this statement ? Discuss and state the exceptions to this rule, if any.
3. Explain the doctrine of Caveat Emptor and the exceptions to this rule.
4. Define bailment. Briefly discuss the salient features of the contract of bailment and duties of the bailor.
5. Explain the main feature and types of negotiable instruments.

6. What is undue influence and misrepresentation ? What is the effect of the contracts entered under these situations ?
  
7. What do you understand by legality of object ? When is an object is unlawful as per the Indian Contract Act ?