

[This question paper contains 4 printed pages.]

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Your Roll No.

BFIA / II Sem. – 2012 (NS)

FINANCIAL AND INVESTMENT ANALYSIS

Paper 201 – Legal Aspects of Business – I

Time : 3 hours

Maximum Marks : 75

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

*Attempt all questions.
Quote the decided cases.*

PART A

1. State whether the following statements are true or false, with reasons.
 - (a) A contract of buying immovable property can be completed orally by the payment of cheque.
 - (b) The communication of acceptance is not complete against the proposer if the letter of acceptance is lost in transit.
 - (c) A stranger to consideration cannot maintain a suit.

P.T.O.

- (d) If the offeree does not accept the offer according to the mode prescribed by the offerer, the offer lapses automatically.
- (e) A commercial contract will become void when the profit level is reduced to nil.
- (f) Implied agency includes agency by estoppel.
- (g) Undue influence involves use of physical pressure.
- (h) A contract of guarantee presupposes the existence of liability enforceable by law.
- (i) In an agreement to sell, if the goods are destroyed, the loss falls on the buyer.
- (j) Carrying on business is the necessary characteristic of partnership. (2×10=20)

PART B

1. A's car broke down near ITO. B, a mechanic who had a shop nearby, came to the spot and rectified the technical defect, and claimed his professional charges. Is A bound to compensate him?

2. In a telephonic conversation, A made an offer to sell 20 copies of a particular book at 20% discount and B accepts the offer. Later, A revokes his proposal by a letter. Decide whether the revocation is valid.
3. Rajesh, a boss, makes Ravish a subordinate to sell his flat for Rs. 50 lakh, when the market value of the flat was Rs. 1 crore. What is the remedy available to Ravish?
4. Ramu became a surety to Shyam for the payment of loan by Laxman. Without Ramu's consent, Shyam agrees to extend the period of repayment of loan. State whether Ramu is liable as a surety.
5. An agent forged the signature of principal and withdrew some amount from the bank. Subsequently, can the principal ratify the act of withdrawing the money. (3×5=15)

PART C

1. An individual cannot acquire the rights under a contract, of which he is not a party. Discuss. Are there exceptions to this rule?

2. Explain briefly the rights and duties of a bailee.
3. Explain the Doctrine of Caveat Emptor. What are the exceptions to this doctrine ?
4. Define partnership. Explain the salient features of partnership. (10×4=40)