



**ENGINEERING & MANAGEMENT EXAMINATIONS, DECEMBER - 2008**  
**BUSINESS LAW**  
**SEMESTER - 1**

Time : 3 Hours ]

[ Full Marks : 70

**GROUP - A**

**( Multiple Choice Type Questions )**

1. Choose the correct alternatives for any *ten* of the following : 10 × 1 = 10
- i) Business Law is also known as
- |                   |                   |                          |
|-------------------|-------------------|--------------------------|
| a) Mercantile law | b) Industrial law |                          |
| c) Corporate law  | d) Civil law.     | <input type="checkbox"/> |
- ii) Voidable contract is
- |  |  |                          |
|--|--|--------------------------|
| a) illegal                                     |  |                          |
| b) not valid ab imitio                         |  |                          |
| c) void at the option of either of the parties |  |                          |
| d) none of these.                              |  | <input type="checkbox"/> |
- iii) "No consideration, no contract" is not valid for agreement arising out of
- |                                    |  |                          |
|------------------------------------|--|--------------------------|
| a) natural love and affections     |  |                          |
| b) voluntary part services         |  |                          |
| c) promise to pay time barred dept |  |                          |
| d) unregistered agreement.         |  | <input type="checkbox"/> |
- iv) Minor is a person who has not completed
- |            |            |                          |
|------------|------------|--------------------------|
| a) 18 yrs. | b) 14 yrs. |                          |
| c) 21 yrs. | d) 22 yrs. | <input type="checkbox"/> |

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- v) Contract cannot be discharged by
- |                   |                   |                          |
|-------------------|-------------------|--------------------------|
| a) performans     | b) consent        |                          |
| c) cross contract | d) lapse of time. | <input type="checkbox"/> |
- vi) "Careal Empter" relates to
- |                    |                        |                          |
|--------------------|------------------------|--------------------------|
| a) Law of Contract | b) Sale of Goods       |                          |
| c) Law of Agency   | d) Law of Partnership. | <input type="checkbox"/> |
- vii) A private company cannot have more than
- |                         |                  |                          |
|-------------------------|------------------|--------------------------|
| a) fifty members        | b) seven members |                          |
| c) twenty seven members | d) five members. | <input type="checkbox"/> |
- viii) Sweat Share is issued under Section ..... of the Companies Act.
- |         |          |                          |
|---------|----------|--------------------------|
| a) 78   | b) 79    |                          |
| c) 79 A | d) 79 B. | <input type="checkbox"/> |
- ix) Managerial Remuneration of a company should not exceed in a financial year
- |                      |                      |                          |
|----------------------|----------------------|--------------------------|
| a) 11% of net profit | b) 5% of net profit  |                          |
| c) 10% of net profit | d) 1% of net profit. | <input type="checkbox"/> |
- x) Restriction regarding political contribution is prescribed under Section ..... of the Companies Act.
- |                 |  |                          |
|-----------------|--|--------------------------|
| a) 293 (A) (2)  |  |                          |
| b) 293 (A) (1)  |  |                          |
| c) 293 (A) (3). |  | <input type="checkbox"/> |
- xi) The claim under C.P. Act to be preferred before the District Forum should not exceed
- |                |                 |                          |
|----------------|-----------------|--------------------------|
| a) Rs. 25 lakh | b) Rs. 20 lakh  |                          |
| c) Rs. 15 lakh | d) Rs. 50 lakh. | <input type="checkbox"/> |

**GROUP - B****( Short Answer Type Questions )**Answer any *three* of the following.

3 × 5 = 15

2. When is an offer completed ? How and when may an offer be revoked ?
3. State the difference between sale and agreement to sell.
4. Write notes on Caveat Emptor.
5. Distinguish between public company and private company.
6. Define promissory note and mention its essential features.

**GROUP - C****( Long Answer Type Questions )**Answer any *three* of the following questions.

3 × 15 = 45

7. a) State concisely the essential features of an Instrument which make it Negotiable.
- b) What are the Rights of an unpaid seller against the goods under the Sales of goods Act ?
- c) D drew a bill on A in favour of P. The bill was payable on demand. When the payee sought to present the bill for acceptance and payment, he discovered that no such person as A existed. How will this affect the validity of the bill ? To whom should P go for the money ?  
4 + 6 + 5
8. a) Enumerate different steps to be taken by the Promoters from the formation of a company to the commencement of business.
- b) Discuss the circumstances in which a company may be wound up by the Tribunal.
- c) A take proceedings against the Directors of a company of which he is a member to compel them to make good losses instead by owing to their fraud. Will he succeed ?  
5 + 5 + 5



9. a) What is the procedure for filling Appeals under the Consumer Protection Act ?
- b) Who can file a complaint and where ?
- c) A customer's cheque was dishonoured by a bank inspite of the sufficient balance in the account. Is the bank liable under the Consumer Protection Act ? Decide the issue with the help of a Leading case. 6 + 4 + 5
10. "All contracts are agreement but all agreements are not contract." Critically examine the statement.
11. Write short notes on any *two* of the following :  $2 \times 7\frac{1}{2}$
- a) Patents
- b) Memorandum of Association
- c) Breach of contract
- d) Fair Trade Practice
- e) Shops and Establishment.

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END