

M.B.A. DEGREE EXAMINATIONS: DECEMBER 2009

First Trimester

MBA506: LEGAL ASPECTS OF BUSINESS

Time: Three Hours

Maximum Marks: 100

Answer ALL the Questions:-

PART A (1 x 20 = 20 Marks)

Case Study:-

- (a) Mr. R is a manufacturer of light bulbs. He advertises in the trade press that in future the retail price of his bulb will be Rs.4 and that proceedings will be taken against any dealer not observing this price. Mr. T buys a quantity of bulbs from Mr. X a wholesaler. Although Mr.T had originally read the advertisement, he forget its content and retails the bulb at Rs.4.25. Can Mr.R take action against Mr. T. You are expected to discuss the case with relevant provisions of the Contract Act.
- (b) The member of a company appointed A to be the liquidator in a creditors voluntary winding up. At the meeting of creditors it was proposed that B be appointed liquidator. Seven creditors representing Rs.90000 of the debts voted for appointment of B and 10 creditors representing Rs.60000 of the debts voted against his appointment. Who will be the duly appointed liquidator? Present your arguments with relevant provisions of Companies Act?

PART B (10 x 2 = 20 Marks)

2. Define contract.
3. What is quasi contract?
4. Differentiate sale and hire purchase.
5. What are the remedies for breach of contract of sale?
6. Explain the types of Negotiable instruments.
7. What is payment in due course?
8. Explain the essentials of relationship of agency.
9. What are the liabilities of pretended agent?
- 10 Explain the term "limited liability."
11. What is the Golden Rule for framing prospectus?

PART C (4 x 15 = 60 Marks)

12. (a) Briefly discuss the essential elements of a valid contracts.

(OR)

(b) What are the various classifications of contracts?

13. (a) (i) What are the essentials of a contract of sale?

(ii) Distinguish sale and agreement to sell.

(OR)

(b) (i) What are the various classifications of goods which form the subject of a contract sale?

(ii) What is the effect of destruction of goods?

14. (a) (i) Explain the characteristics of a negotiable instrument.

(ii) Explain the types of negotiable instruments.

(OR)

(b) (i) What are the requisites of a valid ratification under contract of agency?

(ii) What are the duties of an agent?

15. (a) (i) Explain the special characteristic features of a company.

(ii) When a corporate veil can be lifted?

(OR)

(b) (i) Explain the memorandum of association and its content.

(ii) What are the privileges available for a private company?

1. Case Study
(a) Discuss
(b) A small
adjoining

(i) Draw a
(ii) Tabulate
(iii) Find the
(iv) Tabulate