

Registration No. :

--	--	--	--	--	--	--	--	--	--

Total number of printed pages – 3

MBA
MGT 301

Third Semester Regular Examination – 2014

BUSINESS AND CORPORATE LAW

BRANCH : MBAR

QUESTION CODE : H 415

Full Marks – 70

Time : 3 Hours

Answer Question No. 1 which is compulsory and any five from the rest.
The figures in the right-hand margin indicate marks.



1. Answer the following questions :

2 × 10

(a) State with reasons if any contract is made in the following cases :

(i) You have invited your friend to lunch.

(ii) When you eat meals at a restaurant ?

(iii) When you board a public bus ?

(iv) When you put a coin in the slot of weighing machine ?

(b) Is a minor liable for necessities provided to him by a philanthropist ?

(c) What is a time barred debt ? If a promise is received for clearance of debt on such an instrument, can it be enforced under any condition ?

(d) Distinguish between a unilateral mistake and bilateral mistake with examples.

(e) Bhubaneswar Consumer Association has filed a complaint with the State Commission on behalf of Biswa Bhusan in regard to deficiency in service provided by XYZ Bank. The complaint has been opposed on the ground that the Bhubaneswar Consumer Association had no *locus standi* as Biswa Bhusan is not a member of the Consumer Association. Would the complaint succeed ?

(f) Explain the concepts of *right in rem* and *right in personam* with examples.

P.T.O.

- (g) State four important documents that need to be filled by a newly formed public company with the Registrar of Companies at the time of incorporation.
- (h) Can a person sell goods without being its owner? If so, write two situations when it would be possible.
- (i) Collateral transaction to an illegal agreement also becomes illegal. How? Explain with example.
- (j) What happens when there is destruction of the subject matter of bailment?
2. (a) M/s Girdhalal Purshottamdas and Co., based in Bhubaneswar, had made an offer from Bhubaneswar, by a long distance telephone call, to Kedia Ginning Factory and Oil Mills of Baroda, to purchase cotton seed cake. Kedia Ginning Factory, on the phone itself, had accepted the offer. Later, a dispute arose over the performance of the contract. The case could be filed only in the court of the area where the contract had been made. The question was whether the contract had been made in Bhubaneswar or Baroda. Explain : 2.5
- (i) What could be the other occasions where the place and moment of making of a contract could be of importance?
- (ii) When is the communication of an offer completed?
- (iii) When is the communication of an acceptance completed?
- (b) Asim visited an e-shop and liked a shirt listed with a picture and described as a 'sky blue, pure cotton shirt'. He put the shirt in his shopping cart and paid for it through his credit card. The shirt was delivered to him a week later. After opening the package, he noted that there was no declaration about the quality of the cloth, as usual, under the collar. Somewhere inside the shirt, there was a small label, which read 'cotton 70% polyester 30%'. He was unhappy and demanded that the shirt be taken back by the seller. The seller claimed that Asim was being too fussy. According to the seller, these shirts were very popular and better than pure cotton shirts. Decide if Asim could get refund if he proceeds to institute a legal action against the seller. 2.5
- (c) A person who deals with a company is entitled to assume that a company can do everything which it is expressly authorized to do by its MOA, and need not investigate the equities between the company and its shareholders." What are the consequences that are likely to arise once a company does an act which is ultra vires these provisions? 2.5

- (d) Whether a private Company having paid-up share capital Rs. 45 Lakhs and turnover of Rs. 20 Crores as per last audited balance sheet will be treated as small company or not? State the relevant provisions. 2.5
3. (a) Distinguish between right of lien and right of stoppage in transit. 5
 (b) Risk passes with ownership. Do you agree? Give the rules regarding this examples. 5
4. (a) Consumer Protection Act (COPRA) 1986 deals with defective goods inter alia but it does not define what is goods. Name the Act that provides the definition of goods relevant to COPRA 1986 and explain its application with two suitable examples. 5
 (b) The three tier machinery of consumer settlement disputes under COPRA 1986 confers right of appeal. Explain the appeal provisions against the order passed by these three tier machineries under Section 27 of the Act. 5
5. (a) Discuss the principle that emanates from the leading case Saloman Vs Saloman & Co. 5
 (b) Doctrine of constructive notice is opposite to doctrine of indoor management. Explain. 5
6. A contract can come to an end in various ways. Is it true? Explain at least four such ways it can be terminated. 10
7. The Ministry of Corporate Affairs has notified Section 135 and Schedule VII of the Companies Act 2013 as well as the provisions of the Companies (Corporate Social Responsibility Policy) Rules, 2014 in respect of CSR. Comments on the important CSR provisions contained in Companies Act 2013. 10
8. Write short notes on any two of the following : 5×2
 (a) Caveat emptor
 (b) Privity of Contract
 (c) Capital Account Transaction
 (d) Quasi contract.

