

GUJARAT TECHNOLOGICAL UNIVERSITY

MBA. Sem-III Regular Examination January 2011

Subject code: 830002

Subject Name: Legal Aspects of Business

Date: 04 / 01 / 2011

Time: 10.30 am – 01.00 pm

Total Marks: 70

Instructions:

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

Q.1 (a) A contract is not voidable merely because it was caused by one of the parties to it being under a mistake as to a matter of fact.- Explain the statement giving illustrations **07**

(b) All contracts are agreements but all agreements are not contracts – Explain **07**

Q.2 (a) Explain who is an unpaid seller. State his rights **07**

(b) State what is the real test for agency. Also state the provisions relating to sub agents **07**

OR

(b) Explain briefly the provisions relating the prevention of deterioration of quality of air under the Air (protection) Act. **07**

Q.3 (a) A contracted to pay B Rs. 1 lakh on a specified day through a promissory note in lieu of the goods sold to him. A did not pay the money on the appointed day. B in consequence of not receiving the money on that day is unable to pay his debts and is totally ruined. What damages if any would you award **07**

(b) Define Managing Director, and state the statutory provisions regarding his appointment and remuneration **07**

OR

Q.3 (a) A draws a cheque in favour of B. A's clerk forges B's endorsement and negotiates the cheque to C, who takes it in good faith and for value. C receives payment on the cheque. Discuss the rights of A and C. **07**

(b) Explain who can become a Certifying Authority under the Information Technology Act 2000. What is the scope of activities of the same? **07**

Q.4 (a) Explain the scope of different consumer dispute redressal agencies **07**

(b) "Copyright is protection in Form and not in Idea" – Discuss **07**

OR

Q.4 (a) Explain the criteria for patentability set under the Indian Patents Act **07**

(b) You are a banker. A new customer has asked you to explain the effect of the following crossing on cheques: (a) two parallel lines across the cheques with words '&co.', (b) the same as in (a) with the addition of the words 'not negotiable'. Give him a clear explanation **07**

Q.5 (a) X co. Ltd., wants to make a contract with a partnership Firm. Four of the five directors of the company are partners of such partnership. Can the contract be executed? If yes then how? **07**

- (b) A, B and C as sureties for D enter into three several bonds, each in a different penalty of A Rs.1000, B in that of Rs. 2000 and C in that of Rs.4000 conditioned for D's duly accounting to E. D makes a default to the extent of Rs. 4000. State the liability of A, B and C **07**

OR

- Q.5** (a) The shareholders at an annual general meeting passed a resolution for the payment of dividend at a rate higher than that recommended by the Board of Directors. Examine the validity of the resolution **07**
- (b) A person saw a Plasma Television in the showcase of a shop. A label below the television mentioned the price as Rs.45000. He had been looking for that model of television for a long time. He approached the shop to one such television. However he was told that the shop did not have that model in stock. The shopkeeper also said that he could not promise him one later either, as the manufacturing company of that television was facing financial difficulties and it was being closed down. The person insisted that he had a right to buy the one kept in the showcase. - comment **07**
