

INDIAN INSTITUTE OF MATERIALS MANAGEMENT
Post Graduate Diploma in Materials Management
Graduate Diploma in Materials Management

Paper 6 (New) – June 2006 onwards
BUSINESS LAWS

Date: 14.06.2008
Time: 10:00 AM to 1.00 PM

Max Marks: 100
Duration: 3Hrs

Instructions:

1. From Part A: Answers all questions (compulsory). Each sub-question carries 1 mark.
Total marks = 32
2. From Part B: Answers any three questions out of 5 questions. Each question carries 16 marks.
Total marks = 48
3. Part C is a case study with sub-questions (compulsory). Read the case study and answer all the questions
Total marks = 20
4. Please read and follow the instructions given in the answer sheets carefully.

PART-A

Q.1. Choose the correct answer and write it on the answer sheet.

- 1) The term CIF applies in case of
 - a) Export of Goods
 - b) Indigenous Sale
 - c) Import of Goods
 - d) High Sea Sale
- 2) A company is know as
 - a) Legal Person
 - b) Individual Firm
 - c) Association of persons
 - d) Share holders' property
- 3) When person finds the lost goods, he becomes
 - a) Agent
 - b) Bailor
 - c) Principal
 - d) Bailee
- 4) The Caveat Emptor means
 - a) Left the seller beware
 - b) Caution Buyer
 - c) Sale of the goods
 - d) Purchase of the goods
- 5) The term consideration is used in the sense of "Quid pro Quo" – means
 - a) Something in return
 - b) Something after delivery
 - c) Something against delivery
 - d) something in advance
- 6) In FOB, F stands for Free, B stands for Board and O stands for
 - a) of
 - b) out
 - c) on
 - d) or
- 7) Under law of sales of goods it is stated that risk follows with
 - a) Ownership
 - b) Sale
 - c) Partnership
 - d) Purchase
- 8) Responsibility of finder of goods comes under
 - a) Void Contract
 - b) Quasi Contract
 - c) Illegal Contract
 - d) Valid Contract

Q.2. Match Column "A" and Column "B"

	A		B
1	A Company is	a	No contract
2	Acceptance must be	b	New Invention
3	The life of a cheque is	c	Absolute and un-qualified
4	No consideration	d	Agreement to Sale
5	Patent is given to	e	An Artificial person
6	Caveat Emptor means	f	6 months from the date of issue
7	Contract is	g	An agreement enforceable in Law
8	Sale	h	Buyer beware

Q.3. Expand the Following Abbreviations:

- a) F O B b) A G M c) B/E d) I T
e) R B I f) W T O g) D F h) S E B I

Q.4. Fill in the Blanks

- Business is the part of the total _____
- One of the classifications of law is public law and _____
- The important sources of law are custom, precedent and _____
- The agreement must be such which is _____ by law so as to become contract
- Contracts may be classified according to their validity (a) Valid (2) Voidable and _____
- The liability of each partner of the firm is _____ of the firm's debt.
- _____ is the consideration of the contract of sale.
- A Promissory note must be in _____

PART - B

Answer any three questions out of question no. 5, 6, 7, 8, & 9

- Q.5. What are the objectives of Consumer Protection Act and what is the nature of Protection provided by the Act.
- Q.6. Discuss the salient features of information Technology Act 2000.
- Q.7. Write short notes on any four
1) Minor as partner 2) Goods 3) Holder In due course
4) Doctrine of ultravires 5) Debenture
- Q.8. Distinguish between any four
a) Conditions and Warranties b) Sale and Agreement to Sale
c) Director & Managing Director d) Bill of Exchange & Cheque

Q.9. Discuss different kind of agencies and classification of Agents.

PART - C

Q.10. Read the following case study and answer the questions given at the end of case study.

M/s. R.S. Metal, Mumbai purchase Aluminum ingots worth Rs.10/- lacs from M/s. Indian Aluminum New Delhi to manufacturer Aluminum vessels at their manufacturing unit, Mumbai. For payment purpose M/s. R.S. Metal drawn a promissory note for Rs.10 Lacs, promissory note is an unconditional undertaking signed by R.S. Metal to pay Rs.10 Lacs to M/s. Indian Aluminum under Negotiable Instrument Act 1881, which came in to force on 1st March 1982. M/s. Indian Aluminum refused to accept the promissory note.

Subsequently M/s. R.S. Metal has drawn crossed cheque for Rs.10 Lacs. A cheque is the usual method of withdrawing money from a current / saving account with a Banker. By mistake cheque was prepared to "SELF" payment and also nature of payment was not mentioned in the cross on the cheque. M/s. Indian Aluminum Company returned the cheque with a request to prepare and send a fresh cheque for Rs.10 Lacs in favour of Indian Aluminum Co. with remark in the cross for accounts Payee only. This completes the procedure for payment through Bank.

Questions

1. What do you mean by Promissory Note?
2. Under provision of which Act the Promissory note can be drawn?
3. When Negotiable Instrument Act came into force?
4. What do you mean by cheque?
5. What is correct method of payment by cheque through Bank for safety purpose?
