

M.B.A. (Semester—III) Examination

BUSINESS LAW

Paper—MBA/301

Time : Three Hours]

[Maximum Marks : 70

Note :—(1) Attempt **ALL** questions.

(2) Figures to the right indicate marks.

SECTION—A

1. (A) Define company and explain the various characteristics of company under the Companies Act, 1956. 14

OR

- (B) Explain the term winding up and various kinds of winding up. 14

SECTION—B

2. (A) Who is an unpaid seller ? What are his rights ? 7
(B) A purchased a car for Rs. 50,000 from B who had no title for it. A used the car for seven months when the true owner of the car spotted it and demanded it from A. Can the true owner get back his car and can A recover the money from B or not ? 7

OR

- (C) Distinguish between a sale and an agreement to sell. 7
(D) A woman, with abnormally sensitive skin, bought a Harris tweed coat and got rashes through wearing it. Can the woman claim the damage under the Sale of Goods Act, 1930 ? Justify. 7
3. (A) State the essential characteristics of a negotiable instrument. 7
(B) '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'. 7

OR

- (C) Explain the meaning of dishonor and state the reasons for dishonor of cheque. 7
(D) 'A' signs as the maker, a blank stamped paper and gives it to 'B' and authorises him to fill it as a note for Rs. 2,000, it being the amount of advance made by 'B' to 'A'. 'B' fraudulently fills it up as a note for Rs. 3,000 and then for consideration, endorses it to 'C'. Can 'C' enforce the instrument ? 7

SECTION—C

4. (A) “All agreements are not contracts but all contracts are agreement.” Examine this statement. 7
- (B) What is free consent ? When a consent will not be considered free ? 7

OR

- (C) Explain the various remedies for breaches of contract. 7
- (D) State the various quasi contracts as recognised by the Indian Contract Act. 7

SECTION—D

5. Life Insurance Corporation (LIC) formulated a scheme called ‘salary saving scheme’ under which employees of an organisation could buy an insurance policy. Premium due on each policy was collected by the employer from the salary of the employees and did not deposit the money in LIC. When the widow of the deceased employee made a claim to LIC on the death of her husband, the LIC repudiated the claim on the ground that four instalments of premium had not been paid. The widow has approached the Consumer Forum for redressal.

Questions :

- (1) Analyse the case. 5
- (2) Is the LIC liable for deficiency in service ? Discuss in detail. 9