

Jagan Institute of Management Studies
End-Term Examination, December, 2016 – January, 2017
Trimester V – PGDM (IB) 2015-17

Legal Aspects of Business
ET_IB_LAB_2712

Time: 3 Hrs.

M. Marks: 70

INSTRUCTIONS: Attempt any FIVE questions including Q1 & Q7 which are compulsory.

- Q 1** Ram had sent a letter proposing for the sale of 100 kgs of wheat on 01/01/2016 to Shyam. The letter was received on 03/01/2016 by Shyam. Shyam had kept the letter in the drawer without reading it. But after two days he thought of reading and sent the reply showing his willingness to purchase the wheat. He posted the letter of his willingness on 05/01/2016 which was duly received on 08/01/2016 by Ram. But the same day of posting the acceptance Shyam had changed his mind revoked the acceptance and sent a telegram of revocation. The telegram of revocation was received by Ram simultaneously at the same time as acceptance. But he had read the letter of acceptance first. Considering the above facts decide the following.
- a) Whether there was any concluded contract between the parties if so on which date?
 - b) Can a contract bind only one party in some cases?
 - c) When Shyam had forgotten once for all about the letter would there be any communication of offer or not?
 - d) When there is receipt of both acceptance and revocation at the same time it amounts to?
 - e) What difference it makes on the conclusion of the contract had the letter of acceptance lost due to fire or lost by postal authorities and is never received by Ram?
 - f) When the communication of acceptance is complete as against Ram? **14**
- Q 2** One of the business forms in India is partnership. Elucidate the concept of partnership. Does it require compulsory registration and what are the ill effects of non-registration of partnership? Can a minor be a partner if yes up to what extent and if not the reason thereof. When a minor becomes a major during a subsistence of partnership does it make him a partner automatically? **12**

- Q 3** One person visits a showroom for a purchase of a cell phone. He is not having any knowledge about the intrigues of a cell phone. Upon his own skill he buys a cell phone from the seller which ultimately turns out not of a good quality. Does this entitle the buyer to repudiate the contract and get back the consideration of the contract? Would it have made any difference had the buyer relied on the seller's skill and judgement in purchasing the phone? **12**
- Q 4** Consent basically triggers what can be said to be a "lighted matchstick to train of gun powder". But there are exceptions where the party can be allowed to somersault and declare the contract as void? Elucidate. **12**
- Q 5** In this era it is often said consumer is the king but the road to the throne is cumbersome. Highlight this statement with recent problems their solutions and the forums to counter them and get the relief? **12**
- Q 6** The concept of unlimited liability has been a bottleneck for new start-ups. But the same can be answered by different business forms. Elaborate what business form can be adopted in light of the participation of the persons in them. **12**
- Q 7** **Attempt ant TWO of the following:**
- a) The intangible properties also have a great value. Elucidate its types and whether they can be infringed by the use of electronic form?
 - b) A person can agree to sell immediately or may agree to sell in future. Elucidate the statement with all the highlights of such contracts?
 - c) What can be the rights of an unpaid seller?
 - d) A used force and makes B sign a contract. Whether any contract is made out or not? What would happen to the contract if both A and B conspire to use force against C and share the proceeds of the loot amongst themselves? **20**
