

DEPARTMENT OF MANAGEMENT
School of Management & Business Studies
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EVEN Semester Examination June 2022

MBA IV Semester

Subject Name: Legal Aspects of Business

MM: 75

Subject Code: MBA-OUE-24

Time: 03Hours

Attempt any five questions. Each question carries 15 marks.

- Q1. A.** Explain the concept of 'misrepresentation' in matters of contract. Sohan induced Suraj to buy his motorcycle saying that it was in a very good condition.
- B.** After taking the motorcycle, Suraj complained that there were many defects in the motorcycle. Sohan proposed to get it repaired and promised to pay 40% cost of repairs. After a few days, the motorcycle did not work at all. Now Suraj wants to rescind the contract. Decide giving reasons.
- Q2. A.** What are the effects of perishing of specific goods?
- B.** There was a contract for the sale of a parcel containing 700 bags of chinese groundnuts of different qualities. Unknown to the seller, 109 bags had been stolen at the time of contract. The seller delivered the remaining 591 bags and on the buyer's refusal to take them, brought an action for the price. Can he do so? Give reasons for your answer.
- Q3. A.** What are the duties and liabilities of promoters of company?
- B.** A syndicate of person was formed to buy a property called 'Olympia'. Later on they resell this Olympia to the new company. The syndicate first bought the debenture of old olympia company at discount. Then they bought the company itself for \$1, 40,000. Out of this money, provided by themselves the debentures were repaid in full and profit of \$ 20,000 made thereon. They promoted a new company and sold olympia to it for \$ 1, 80,000. The profit of 80,000 was revealed in the prospectus but not the profit of \$ 20,000. Do you think there action is valid? Give reason for your answer.

Q4. What do you mean by 'Holder in due course'? What are the essential conditions to become "Holder in due course"? What are the rights and privileges of Holder in due course?

Q5. What do you mean by 'Transfer of ownership'? What is its significance? What are the situations where non-owner can transfer the ownership? Discuss with the help of example.

Q6. What do you mean by 'Agreement against public policy'? What are various agreements which are put under this category? Discuss with the help of suitable examples.

Q7. Suppose Rajiv has given a loan of Rupees Ten Thousand to Sameer, which Sameer has to return. Now, Rajiv also has to give some money to Tarun. In this case, how Rajiv can make a document directing Sameer to make payment to Tarun? What is the name of a document? Explain the document in detail.

Q8. What are the essential elements of partnership? Discuss the various types of partnership.