DEPARTMENT OF MANAGEMENT
SCHOOL OF MANAGEMENT &BUSINESS STUDIES
JAMIA HAMDARD

Even Semester Examination (Online) June 2021

MBA [Semester IV]

Paper Name: Legal Aspects of Business MM: 75

Paper Code: MBA-OUE-24 Time: 03Hours

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Note:

- Students have to submit the **Scanned hand written solutions** to the Examiner, Assistant Superintendent of Examination and Dean on the email ids as mentioned above.
- Students shall use **ruled white paper & blue ink** to write the solution. Each page must have a **serial number and the signature** of the student.
- An additional ½ an hour will be given to the examinees to scan the answer sheets, convert it into single PDF and upload it on the id's given on the question papers.
- If any two copies are found to be similar then both the copies shall be cancelled. Such students will be considered/ tried for unfair means.
- The attached PDF shall be named as follows –
  Full Name-Enrollment Number-Course-Semester-Subject Abbreviation (Example: Rabia Shaheen-2017-334-032-MBA-IV-QTM) and students shall also mention the same in subject line of the email & his/her answer copy also.
- Answer All Questions, each carry equal marks.

Q1:

a) P employs A as his agent to sell 100 bags of sugar and directs him to sell at a price not less than Rs. 120 per bag. A sells the entire quantity as Rs 110 per bag whereas the market rate on the date of sale was Rs. 115 per bag. Is P entitled any damages and if so, at what rate? (7.5)

b) A real estate agent agrees to sell a certain flat to Ravi. It turns out that the house had been destroyed by fire before the time of the bargain though neither party was aware of the fact. Ravi insists on the possession of the house. Would he succeed? Give reason for your answer. (7.5)

Q2:

a) J, the owner of a maruti car, wants to sell his car. For this purpose, he hands over the car to P, a mercantile agent for a sale a price not less than Rs. 90,000. The agent sells the car for Rs 80,000 to A, who buys the car in good faith and without notice of any limitation on P's authority. P misappropriated the money also. J sues A to recover the car. Decide giving reasons whether A would succeed. (6)

b) In the following examples, give justification for your answer –

i. X has sold a good to Y and Y became insolvent before he pays for the good. What X can do? (3)

ii. X has agreed to sell his car to Y and later on Y breached the contract. What X can do? (3)

iii. X agreed to sell his flat to Y and accepted the payment in installment. Later on y found it difficult to pay. Can Y terminate the contract? Discuss. (3)

Q3:

a) Pawan gives a loan to Lalit on 12th February and Lalit goes to bank on 25th April. By that time the bank had gone into liquidation. Lalit demands payment of the cheques from Pawan. Would he succeed? Give reasons for your answer. (6)

b) D draws a bill of exchange on A, payable to P. Who is liable to P (i) until acceptance is made by A; (ii) If A does not accepts the bill of exchange; (iii) A accepts the bill of exchange? (9)

Q4: A, B, C & D wanted to start a partnership firm. A is the most enthusiastic one and can give all his time and resources to this partnership. B has already his own existing set up and ready to join the partnership firm but cannot commit on his time and availability. C is a big name and has agreed to give his name to the firm. D has given his consent to become a member and but do not want to disclose his name to outsiders and third parties.

Suggest them what type of partners they can become? What would be their liability in the firm? And what type of partnership firm they can start? Explain. (15)

Q5: X & Y wanted to start a company. Explain them the procedure of incorporation of a company. (15)