

**II Sem. M.B.A. (Day) Examination, July/August 2006**  
**(Updated Scheme)**  
**2.7 : BUSINESS LAW**

Time: 3 Hours

Max. Marks: 75

**SECTION – A**

Answer **any six** questions. Each question carries **two** marks. (6×2=12)

1. a) What do you mean by Contract of Indemnity ?
- b) List out the various clauses of Memorandum of Association.
- c) Define prospectus.
- d) What is a share warrant ?
- e) What is Ecomark scheme ?
- f) What do you mean by hostile take over ?
- g) What are TRIMs ?
- h) What is Trade Effluent ?
- i) What are Turnkey Projects ?

**SECTION – B**

Answer **any four** questions. Each question carries **5** marks. (4×5=20)

2. State the objectives of Information Technology Act 2000.
3. What do you mean by Intellectual Property Rights ?
4. Examine the comparative theory of International Trade Theory.
5. What are unfair and restrictive trade practices ?
6. Highlight the implications of Uruguay Agreement on business in India.
7. Distinguish between a private and public company.

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### SECTION – C

Answer any three questions. Each question carries 10 marks.

(3×10=30)

8. Define Business law and explain the domestic and international sources of business laws.
9. Bring out the salient features of FEMA and examine its impact on the economic development of India.
10. Describe the various stages in the formation of a company.
11. Critically evaluate the operations and controlling of multinational corporations in India.
12. What are the liabilities of a surety ? Under what circumstances surety can be discharged from his liability ?

### SECTION – D

#### Case

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13. Read the following and analyse the issues.

- 1) ABC Co. sells to Life Co. 500 bags of sugar each containing 100 kgs. It is agreed that Life Co. shall get two months credit and the price per bag of sugar at Rs. 1,500. Life Co. allows the sugar to remain in ABC Co.'s warehouse. In the meantime, because of huge unaccumulated losses, Life Co. becomes insolvent before the expiry of two months. Official Receiver demands the delivery of the sugar from the ABC Co. without offering to pay. What are the rights of ABC Co. ?
  - 2) 'A' offered to sell his house to 'B' for Rs. 1,00,000. 'B' accepted the offer by post. On the next day 'B' sent a telegram revoking the acceptance which reached 'A' before the letter. Is the revocation of acceptance valid ? Would it make any difference if both the letter of acceptance and the telegram of revocation of acceptance reach 'B' at the same time ?
  - 3) 'A' drew cheques in favour of 'B'. A's clerk forged B's endorsement and negotiated the cheques to 'C' who took them in good faith and for value. 'C' received payment of the cheques. 'A' claims to recover the amount from 'C'. Will he succeed ?
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