

**INDIAN INSTITUTE OF MATERIALS MANAGEMENT**  
**Post Graduate Diploma in Materials Management**  
**Graduate Diploma in Materials Management**

**JUNE-2010**

**Paper No. 6**  
**BUSINESS LAWS**

**Date : 17.06.2010**  
**Time : 10.00 AM to 1.00 PM**

**Max. Marks :100**  
**Duration :3 Hrs.**

**Instructions:**

1. From Part A: Answer all questions (compulsory). Each sub-question carries 1 mark. **Total marks = 32**
  2. From Part B: Answer any three questions out of 5 questions. Each question carries 16 marks. **Total marks = 48**
  3. Part C is a case study with sub-questions (compulsory). Read the case study and answer all the questions **Total marks – 20**
  4. Please read and follow the instructions given in the answer sheets carefully.
- 

**PART – A**

**Q.1. Select correct one.**

- (1) Law is essence of  
(a) Civilized society (b) Particular Society  
(b) Devide Society (d) Society as a whole
- (2) The Indian Contract Act 1872 extend to the whole of India except.  
(a) Goa (b) Dadara Nagar Haveli  
(c) Jammu & Kashmir (d) Daman
- (3) The purpose of Arbitration Act is to provide quick redressal by private Arbitration to  
(a) Public disputes (b) Commerical disputes  
(b) Private disputes (d) Criminal disputes
- (4) The maxim of Caveat Emptor means  
(a) Let the buyer beware (b) Let the seller beweer  
(c) Let the 3<sup>rd</sup> Party beware (d) Let the all persons beware
- (5) The Excise Duty is a type of a tax charged of goods produced.  
(a) Within the factory (b) Within the country  
(c) Within Union territory (d) Daman
- (6) If a partnership stated with the object of carrying on banking business the Number of members must not exceed.  
(a) Ten (b) Twenty (c) Seven (d) Eleven
- (7) The word "Average" in law of Insurance means.  
(a) Profit (b) Sale (c) Loss (d) Purchase
- (8) The biggest single source of revenue for the Government of India is  
(a) Income Tax (b) Central excise (c) Sales Tax (d) Vat

**Q.2. Expand the following abbreviations.**

- (1) IBA (2) ICA (3) CBEC (4) PAN (5) C & F Agent (6) VAT  
(7) N.I. (8) M.D.

**Q.3. State whether the following are True or False**

- (1) No Society can exist without a legal order.
- (2) Consideration should be furnished at the desire of the promisor.
- (3) Delivery means voluntary transfer of possession from one person to another.
- (4) A condition is a term essential to the main purpose of the contract.
- (5) Partnership firm is a legal entity.
- (6) Income Tax is indirect tax.
- (7) A Warranty is a term not collateral to the main purpose of the contract.
- (8) Vat is direct tax.

**Q.4 Fill in the Blanks.**

1. No one can have a right against \_\_\_\_\_
2. Law is a body of \_\_\_\_\_
3. Definition of contract is "an agreement enforceable by \_\_\_\_\_"
4. Buyer means a person who buys or agrees to buy \_\_\_\_\_
5. Consideration of the contract of sale is \_\_\_\_\_
6. The maxim Caveat Emptor means \_\_\_\_\_.
7. A partner does not take an active interest in the conduct of the business in called \_\_\_\_\_
8. The prospectus describes the \_\_\_\_\_ of the company.

**PART – B**

**Answer any three questions out of questions 5 to 9 as under.**

**Q.5. Distinguish between (Any two)**

- (1) Law and morality.
- (2) Public law and private law.
- (3) Offer and acceptance.
- (4) Sale and higher purpose.

**Q.6. Write short notes on any two.**

- (1) Proposal
- (2) Consideration
- (3) Quasi contract
- (4) Kinds of Partners

**Q.7. Discuss salient features of Arbitration Act.**

**Q.8. Discuss about Sale and agreement to Sale.**

**Q.9. Define partnership and enumerate mutual rights and liabilities of partner.**

### **PART – C**

**Q.10. Read the following case study and give answer to the questions given at the end.**

The purpose of Arbitration Act is to provide quick redressal to commercial dispute by private arbitration. Quick decision for any commercial dispute is necessary for smooth functioning of business and industry. Internationally, it is accepted that normally commercial dispute should be solved through arbitration and not through normally judicial system. The foundation of an arbitration is the arbitration agreement between the parties to submit to arbitration all or certain disputes which have arisen or which may arise between them. The Arbitral Tribunal should treat the parties equally and each party should be given full opportunity to present his case. Decision of Arbitral Tribunal is term as Arbitral award. Arbitrator can decide the dispute exaequo et bono (in justice and in good faith) if both the parties expressly authorize him to do so.

**Q.1. What is purpose of Arbitration Act ?**

**Q.2. What is necessary for smooth functioning of business and Industry ?**

**Q.3. What is the foundation of an arbitration ?**

**Q.4. Which is the term where decision of Arbitral Tribunal is known ?**

**Q.5. If both the parties expressly authorise Arbitrator to decide the dispute then how arbitrator can decide the dispute ?**