

(b) Mr. Ramesh was an employee of XYZ Ltd. He retired from the company after completing 25 years of continuous service. He applied to the company for the payment of Gratuity within the prescribed time. The company refused to pay the Gratuity and contended that due to stringent financial condition the company is unable to pay the Gratuity. Mr. Ramesh applied to the appropriate authority for the recovery of the amount of Gratuity.

- (i) Whether Mr. Ramesh is eligible for Gratuity?
- (ii) Examine the validity of the contention of the company and also state the provisions of law to recover the gratuity under the Payment of Gratuity Act, 1972.

## H 1040

M.B.A. DEGREE EXAMINATION, JUNE 2014.

First Semester

Marketing/Finance/IB/HRM

BUSINESS ENVIRONMENT AND LAW

Time : Three hours                      Maximum : 100 marks

PART A — (5 × 6 = 30 marks)

Answer any FIVE questions.

1. Define 'Business environment'. Explain the microenvironment of business.
2. What is meant by social responsibility? Discuss the social responsibility activities of business.
3. Explain the types and significance of foreign investment. What are the alternative modes of market entry?
4. Explain the essential elements of a valid contract.
5. Define the term 'negotiable instrument'? Explain its characteristics.
6. Discuss the different types of company meetings.

7. Differentiate between strike and lock-outs.
8. What are the welfare measures provided under the Factories Act? Discuss.

PART B — (5 × 10 = 50 marks)

Answer any FIVE questions.

9. Write a detailed note on the Macro Economic factors and their impact on business decisions.
10. Define 'Globalization'. Discuss the benefits and drawbacks of Globalization.
11. Explain the terms offer and acceptance. Discuss the rules for a valid Offer and Acceptance.
12. Explain the meaning and characteristics of insurance contract.
13. Differentiate between Memorandum of Association and Articles of Association.
14. (a) Define the terms Winding up and Dissolution. What are the different modes of Winding up of a company?  
(b) What are the powers of an official liquidator?

15. Explain how the minimum wages are fixed. What are the components of minimum wages?

16. Discuss the concepts of Lay-off and Retrenchment. State the differences between the two.

PART C — (1 × 20 = 20 marks)

17. Case study : compulsory.

Read the cases given below and answer the questions given at the end : (10)

(a) ABC Limited was incorporated with the equity share capital of Rs. 60 lakhs. The company received the certificate of incorporation on 19<sup>th</sup> April 2010. The company issued the prospectus inviting the public to subscribe for its equity shares. Meanwhile, the company intended to commence its business.

(i) Whether ABC Ltd. is entitled to commence its business without obtaining the certificate to commencement of Business?

(ii) Advise the company stating the conditions to be fulfilled for obtaining the certificate to commencement of business from the Registrar of Companies under Companies Act, 1956.