

**MASTER of BUSINESS ADMINISTRATION
SECOND SEMESTER
LEGAL ASPECTS OF BUSINESS
MBA – 208**

(Use Separate Answer Scripts for Objective & Descriptive)

Duration : 3 hrs.

Full Marks : 70

(PART-A : Objective)

Time : 20 min.

Marks : 20

Choose the correct answer from the following:

1 × 20 = 20

1. Which of the following is not a characteristic feature of a Jointstock Company?
 - a. Artificial person
 - b. Separate property
 - c. Carry on a business for gain
 - d. Limited liability
2. The Board of directors cannot appoint
 - a. Additional directors
 - b. Casual directors
 - c. Alternate directors
 - d. Nominee director
3. Which of the following is not an essential element of a valid contract?
 - a. Offer and acceptance
 - b. Performance
 - c. Free consent and consideration
 - d. Lawful object
4. An illegal agreement taints and renders all the incidental transactions
 - a. Illegal
 - b. Void
 - c. Void and illegal
 - d. Valid
5. Which of the following is not a basic requirement to form a valid contract of sale?
 - a. Two parties
 - b. Delivery of goods
 - c. Transfer of property in goods
 - d. Consideration in price
6. Which of the following is not a presumption about negotiable instruments?
 - a. Consideration
 - b. Date
 - c. Absolute and good title to the transferee
 - d. Stamp
7. The Consumer Protection Act inter alia enshrines which of the following rights of consumers?
 - a. Right to safety
 - b. Right to be informed
 - c. Right to seek redressal
 - d. All of the above
8. Which of the following contracts is based on execution?
 - a. Express contract
 - b. Implied contract
 - c. Unilateral contract
 - d. Unenforceable contract

9. Which of the following is not a void agreement?
 a. Agreement in restraint of marriage
 b. Agreement in restraint of trade
 c. Agreement in restraint of legal proceeding
 d. Service rendered without mandate
10. Who among the following is not a competent authority to remove a director from his office?
 a. Shareholders
 b. Managing directors
 c. Central government
 d. NCLT(tribunal)
11. Which of the following duties is not a general duty of directors of a company?
 a. Duty of good faith
 b. Duty of care
 c. Duty to attend Board meetings
 d. Duty not to delegate
12. State which of the following is not a consumer for the purpose of goods?
 a. One who buys goods for private use
 b. One who uses such goods with the approval of the buyer
 c. One who buys goods for commercial purpose
 d. One who buys equipments for self employment
13. The maker, acceptor or endorser may be discharged from their liability to the holder by means of
 a. Cancellation only
 b. Release only
 c. Payment only
 d. Any of them
14. The maximum number of member is _____ in a private company
 a. 50
 b. 100
 c. 200
 d. 300
15. A company may be called as _____
 a. An unknown person
 b. An artificial person
 c. An ordinary person
 d. None of the above
16. A contract is _____ if the consent of a party is not free.
 a. Void
 b. Illegal
 c. Voidable
 d. Valid
17. The offer must be distinguished from _____
 a. Invitation
 b. Information
 c. Introduction
 d. Instruction
18. The person who promises to make good the loss is called _____
 a. Identifier
 b. Introducer
 c. Indemnifier
 d. Importer
19. Stamp is not essential for a valid _____
 a. Bill of exchange
 b. Hundi
 c. Promissory note
 d. Cheque
20. A district consumer forum is a _____
 a. One member bench
 b. Two member bench
 c. Three member bench
 d. Four member bench

(**PART-B : Descriptive**)

Time : 2 hrs. 40 min.

Marks : 50

[Answer question no.1 & any four (4) from the rest]

1. "A company is an artificial person and is distinct from those who create it." Justify the statement in the light of a leading case. 10
2. Memorandum of association is called the charter of a company. Do you agree? Mention its clauses. How can it be distinguished from Articles of Association? 2+3+5 =10
3. Write short notes on (*any two*): 5+5 =10
 a. Caveate Emptor
 b. Unpaid Seller
 c. Promissory Note
 d. Consumer Protection Act
4. Define contract. What are the essential elements of a valid contract? 2+8 =10
5. "No consideration no contract." Explain. What are the exceptions to the rule? Discuss. 5+5=10
6. What is a Contract of Sale? Distinguish between a Sale and an Agreement to Sell. 2+8 =10
7. What is Bill of Exchange? Mention the negotiable instruments which are covered under the N.I. Act. Who are the parties to a bill of exchange? 3+2+5 =10
8. What are the rights enjoyed by a consumer under the Consumer Protection Act? Discuss about the formation and jurisdiction of a District Consumer Dispute Redressal Forum? 5+5 =10

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