

Elements of Business Laws and Management 154

Roll No.

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 8

Total number of printed pages : 4

PART—A

(Answer Question No.1 which is compulsory
and any two of the rest from this part.)

1. (a) State, with reasons in brief, whether the following statements are true or false. Attempt **any five** :
- (i) In a contract of sale, the property in the goods sold passes to the buyer at the time of contract.
 - (ii) The company cannot sue a third party in its own name.
 - (iii) Mercantile law is related to the commercial activities of the people of the society.
 - (iv) Damages paid for direct consequences of breach of contract are known as special damages.
 - (v) An incoming partner is always liable to the third parties for any debt of the firm taken before he becomes a partner.
 - (vi) A public company must have minimum five directors.
- (2 marks each)
- (b) Re-write the following sentences after filling-in the blank spaces with appropriate word(s)/figure(s) :
- (i) As a general rule, an agreement without consideration is _____.
 - (ii) A negotiable instrument must be payable either to order or to _____.
 - (iii) A person of unsound mind _____ enter into a valid contract.
 - (iv) The auditor of a government company is appointed by the _____ of India.
 - (v) A cheque is said to be crossed when two parallel _____ lines are drawn on the left-hand side top corner of the cheque.
- (1 mark each)

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- (c) Aman and Ashish are working under a trade partnership. They execute a deed declaring that the partnership is dissolved with effect from 20th December, 2010. However, a public notice to this effect is not given. They continued the business. In January, 2011, Aman endorses a bill of exchange in the firm's name to Amit who is not aware of the dissolution. Is the firm liable on the bill ? Give reasons.

(5 marks)

2. Distinguish between *any three* of the following :

- (i) 'Sale' and 'agreement to sell'.
- (ii) 'Void agreement' and 'illegal agreement'.
- (iii) 'Offer' and 'an invitation to offer'.
- (iv) 'Contract of indemnity' and 'contract of guarantee'.

(5 marks each)

3. Attempt *any three* of the following :

- (i) What are the rights of an unpaid seller against the goods ?
- (ii) A promissory note was made without mentioning any time of payment. The holder added the words 'on demand' on the face of the instrument. Does this amount to a material alteration ? Give reasons.
- (iii) Can a minor be admitted to partnership ? If so, what will be his rights and liabilities during minority and after he has attained majority ?
- (iv) State the essential elements of a valid contract.

(5 marks each)

4. Attempt *any three* of the following :

- (i) Define 'memorandum of association'. Name the various clauses of memorandum of association.
- (ii) Ram wrote to Shyam to sell him apples at the rate of ₹150 per kg. On the same day, Shyam wrote to Ram to buy apples at the rate of ₹150 per kg. Their letters cross in the post. Shyam now requires Ram to sell him apples as there was an enforceable contract between them. Will Shyam succeed ? Give reasons.
- (iii) What is 'agency by ratification' ? State the conditions of valid ratification.
- (iv) "Sharing of profits is a *prima facie* evidence of partnership but not conclusive evidence." Discuss.

(5 marks each)

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PART—B

(Answer Question No.5 which is compulsory and any two of the rest from this part.)

5. (a) State, with reasons in brief, whether the following statements are true or false. Attempt *any five* :

- (i) Recruitment is described as a negative process as it involves rejection of some candidates.
- (ii) An effective leader is one who is able to force his will on his subordinates.
- (iii) Planning is the process of deciding in advance what to do, how and when.
- (iv) There are only two media of communication — words or pictures.
- (v) Delegation is must for decentralisation.
- (vi) Control pervades all levels of management.

(2 marks each)

(b) Re-write the following sentences after filling-in the blank spaces with appropriate word(s)/figure(s) :

- (i) _____ is the father of modern management.
- (ii) Theory-X is based on _____ assumptions about human nature.
- (iii) Making the budget from scratch is known as _____.
- (iv) Policies are _____ to objectives.
- (v) Direction function is performed at _____ levels.

(1 mark each)

(c) Discuss the various steps involved in the process of decision-making.

(5 marks)

6. Distinguish between *any three* of the following :

- (i) 'Motivation' and 'morale'.
- (ii) 'Planning' and 'forecasting'.
- (iii) 'Policies' and 'strategies'.
- (iv) 'Cooperation' and 'coordination'.

(5 marks each)

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7. Attempt *any three* of the following :

- (i) Write a note on 'matrix organisation'.
- (ii) Evaluate the uses and the abuses of committees in an organisation.
- (iii) What is 'grapevine' ? Explain the benefits and limitations of grapevine.
- (iv) Why is change resisted ? Discuss.

(5 marks each)

8. Attempt *any three* of the following :

- (i) Briefly explain the term 'control'. What are the essentials of an effective control ?
- (ii) Explain the principal barriers to communication.
- (iii) What is 'decentralisation' ? What factors affect the degree of decentralisation in an organisation ?
- (iv) What are the essentials of a sound motivational system ? Explain.

(5 marks each)

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