

Elements of Business Laws and Management

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Roll No.....

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 8

Total number of printed pages : 6

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 correct or incorrect.

Attempt **any five** :

- (i) Wagering agreements are nothing but ordinary betting agreements.
- (ii) The person who makes or executes a promissory note promising to pay the amount stated therein is called the 'maker'.
- (iii) All essential elements of a valid contract are not necessarily be present in a contract of sale.
- (iv) Law is not static.
- (v) A voidable contract may remain valid.
- (vi) A sub-partner is liable for the debts of the firm.
- (vii) A private company is required to hold a statutory meeting.

(2 marks each)

(b) Write notes on **any two** of the following :

- (i) Principal sources of Indian law
- (ii) Persons disqualified from entering into a valid contract
- (iii) Sleeping or dormant partner
- (iv) Agency by ratification.

(5 marks each)

2. (a) Explain the difference between 'fraud' and 'misrepresentation' under the Indian Contract Act, 1872.

(5 marks)

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- (b) Choose the most appropriate answer from the given options in respect of the following :
- (i) An agreement is valid under the Indian Contract Act, 1872, if –
 - (a) It creates rights of a party
 - (b) It is written on a prescribed paper and signed by the parties
 - (c) It creates legal and social obligations of the parties
 - (d) It creates legally binding rights and obligations of the parties to it.
 - (ii) The payment of negotiable instrument becomes due –
 - (a) At maturity
 - (b) Before maturity
 - (c) On 3rd day of maturity under the grace period
 - (d) After maturity.
 - (iii) The term 'goods' for the purpose of the Sale of Goods Act, 1930 does not include –
 - (a) Current money
 - (b) Actionable claims
 - (c) Immovable property
 - (d) All the above.
 - (iv) A partnership firm is compulsorily dissolved when –
 - (a) All the partners give their consent
 - (b) All the partners except one have become insolvent
 - (c) The business of the firm becomes illegal
 - (d) All the above.
 - (v) A negotiable instrument 'payable to order' can be negotiated –
 - (a) Only by mere delivery
 - (b) Only by endorsement
 - (c) Only by endorsement and delivery
 - (d) Only by registered post.

(1 mark each)

- (c) Re-write the following sentences after filling-in the blank spaces with appropriate word(s)/figure(s) :
- (i) Principle of *estoppel* _____ apply against a minor.
 - (ii) The liability of a surety is _____ with that of the principal debtor.

- (iii) If there is a breach of a condition in a contract of sale of goods, the other party gets a right to _____ the contract.
- (iv) Only an _____ can be appointed as a director of a company.
- (v) A cheque is either 'open' or _____.

(1 mark each)

3. (a) Amar offers by advertisement a reward of Rs.1,000 to any one who returns his lost bag. Bahadur finds the bag and brings it to Amar, without having knowledge of the offer of reward. Is Bahadur entitled to the reward? Give reasons.
- (5 marks)
- (b) Avdesh contracts to sell a piece of silk to Bupesh. Bupesh thinks it is Chinese silk. Avdesh knows that Bupesh thinks so, but Avdesh knows that it is English silk. Avdesh does not correct Bupesh's impression. Subsequently, Bupesh discovers that it is not Chinese silk. Can he repudiate the contract? Discuss.
- (5 marks)
- (c) Aman, Bhuvan and Chaman are partners in a partnership firm. Their firm is unregistered. After sometime, Aman and Bhuvan decide to get their firm registered. They request Chaman also to put his signature on the registration papers. Chaman refuses to do so. Now Aman and Bhuvan file a suit against Chaman for compelling him to join in the registration of firm. Will they succeed? Give reasons.
- (5 marks)
4. (a) Amrit's wife Barkha paid Rs. 5,000 to Chandan to be given as a bribe to a jailor for procuring the release of her husband from jail. The jailor failed to procure the release. Can Barkha recover the amount? Give reasons.
- (5 marks)
- (b) Explain the meaning of the term 'negotiable instrument' as per the Negotiable Instruments Act, 1881. What are its important characteristics?
- (5 marks)
- (c) Explain briefly the provisions of the Companies Act, 1956 regarding holding of an annual general meeting.

(5 marks)

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 correct or incorrect. Attempt **any five** :
- (i) Organisation is more a process than a function.
 - (ii) Planning is an intellectual process.
 - (iii) Functional departmentation is the best in a dynamic business environment.
 - (iv) Upward communication is more participative in nature.
 - (v) Delegation is dividing the work, authority and responsibility with the subordinates.
 - (vi) Coordination is the essence of managership.
- (2 marks each)
- (b) Write notes on **any two** of the following :
- (i) Social responsibility of business towards employees and government
 - (ii) Benefits and limitations of informal organisation
 - (iii) Principles of decision-making
 - (iv) Traits theory of leadership.
- (5 marks each)
6. (a) What is 'resistance to change' ? How can it be overcome by management ? Explain in brief.
- (5 marks)
- (b) Choose the most appropriate answer from the given options in respect of the following :
- (i) The environment of a business enterprise consists of several segments which may be classified as –
 - (a) Social and economic
 - (b) Political
 - (c) Technological
 - (d) All the above.
 - (ii) 'Line organisation' is related with –
 - (a) Grouping of industrial activities to six
 - (b) Vision and foresight
 - (c) Ability to accept unexpected changes
 - (d) Unity of command.

- (iii) For a good decision-making, in an organisation, committees are formed in relation to –
- (a) Written rules, regulations and official records
 - (b) Management information system
 - (c) Behavioural approach
 - (d) A democratic process.
- (iv) In a realistic sense, planning process does not comprise determination and laying down of –
- (a) Objectives and policies
 - (b) Unity of command, discipline and division of work
 - (c) Rules and regulations
 - (d) Programmes and budgets.
- (v) From the managerial point of view, policies are –
- (a) Guide to thinking in decision-making
 - (b) All the activities of management
 - (c) A series of steps to be taken
 - (d) The outlines of plan of work to be carried out in proper sequence.

(1 mark each)

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

- (i) Informal communication is called _____.
- (ii) Henri Fayol is the father of _____.
- (iii) Budgeting is the tool of both planning and _____ functions of management.
- (iv) Accountability denotes _____ for accomplishment of the task.
- (v) 'Authority' may be described as the right of a manager to command _____.

(1 mark each)

7. Write notes on **any three** of the following :

- (i) Maslow's hierarchy of needs theory of motivation
- (ii) Factors determining the morale
- (iii) Transactional analysis
- (iv) Matrix organisation.

(5 marks each)

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8. (a) Explain in brief the reasons for conflict between 'line' and 'staff' personnel in an organisation. (5 marks)
- (b) State the various steps to be taken in decision-making. (5 marks)
- (c) What do you mean by the term 'control' ? What are the essentials of effective control ? (5 marks)

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