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Total No. of Pages : 02

Total No. of Questions : 06

**MBA (PIT) (Sem.-3)**  
**CORPORATE LEGAL ENVIRONMENT**

Subject Code : MBA-303

M.Code : 51199

Time : 3 Hrs.

Max. Marks : 60

**INSTRUCTIONS TO CANDIDATES :**

1. SECTION-A contains SIX questions carrying TWO marks each and students has to attempt ALL questions.
2. SECTION-B consists of FOUR questions each carrying TEN marks each and student has to attempt ALL questions.
3. SECTION-C is carrying EIGHT marks.
4. All Questions are Compulsory.

**SECTION-A****1) Write short notes on :**

- a) Distinguish between Fraud and Misrepresentation.
- b) What is law regarding time and place for performance of Contract?
- c) Distinguish Unpaid Sellers' right of lien and stoppage in transit.
- d) Discuss the term Income under Income Tax Act.
- e) Discuss 'Capacities of part' to a negotiable instrument?
- f) What are the types of Voluntary Winding up?

**SECTION-B**

2. What is a condition? Explain the various implied conditions in the Sale of Goods Act. When the breach of implied condition can be treated as a breach of implies warranty?

3. *“There are no certainties or guarantees in life. There is no guarantee that the business will not suffer an unexpected loss or damages”*. In the context of this statement explain the concept, nature and functions of insurance.
4. Distinguish between ‘Holder’ and ‘Holder in due course’? Explain the special privileges granted to Holder in due course under the Negotiable Instruments Act.
5. *“A company is an artificial person created by law with a perpetual succession and a common seal”*. Explain this statement and point out the basic features of a company.

### SECTION-C

#### 6. Case Study :

John agrees to build an extension to Chen’s house. At the time they enter the agreement, the price of building materials is increasing week by week. John is reluctant to set a price for the work until he knows how much it is going to cost. Chen agrees in the contract that he will pay John “the purchase price of materials as at the date of completion plus \$6000 for labour”. The parties also agree that the work must be completed by the end of June, as Chen’s family is coming to visit him at that time. Before the work begins, there is an unexpected increase in labour costs and an equally unexpected drop in the price of building materials. John tells Chen that he will need to increase the labour component to \$10,000 or not do the job at all. Chen is anxious that the work be completed by the end of June so reluctantly agrees to the change. John builds the extension but does not finish it until the middle of July. Because of this, Chen had to pay for his family to stay in a hotel for three weeks at a total cost of \$3000. Chen is now refusing to pay John more than the price of materials plus \$6000 for labour. In addition, he wants John to compensate him for the money he had to pay for the hotel.

**Required: Answer the following questions. In each case, give reasons for your answers.**

- a) Is there a valid enforceable contract between Chen and John?
- b) What arguments could Chen use to support his refusal to pay John more than the original agreed price?
- c) What arguments could Chen use to support his claim for compensation for the hotel?

**NOTE : Disclosure of Identity by writing Mobile No. or Making of passing request on any page of Answer Sheet will lead to UMC against the Student.**