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Brainware University
398, Ramkrishnapur Road, Barasat
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BRAINWARE UNIVERSITY

Term End Examination 2023

Programme – BBA-2018/BBA-2019/BBA-2020

Course Name – Legal Aspects of Business

Course Code - BBA502/BBAC502

(Semester V)

Full Marks : 60

Time : 2:30 Hours

[The figure in the margin indicates full marks. Candidates are required to give their answers in their own words as far as practicable.]

Group-A

(Multiple Choice Type Question)

1 x 15=15

1. Choose the correct alternative from the following :

- (i) Explain: delegatus nonpotest delegare
- a) Delegate can delegate further b) Delegate may delegate
c) Delegate may not delegate d) Delegate cannot further delegate
- (ii) Compare a contract of guarantee with that of pledge on the basis of the number of contracts.
- a) The former has two contracts whereas the latter has three b) The former has three contracts whereas the latter has one
c) The former has one contract whereas the latter has three contracts d) There is no distinction
- (iii) M sold his house for a certain sum of money due to pressing financial needs. Determine whether he can recover his house on the plea that consideration was inadequate.
- a) Yes, he can because adequate consideration is essential b) No, he cannot as consideration need not be adequate
c) Depends on the circumstances of the case d) Cannot be determined
- (iv) X bought a set of denture from Y, a dentist. But the set was not fit. X claimed the refund of price. Employ the principles of relevant legislation to determine the nature of breach.
- a) It is a breach of warranty as it was merely collateral to the purpose of the contract b) It is a breach of condition as the only purpose for which he wanted set was not fulfilled
c) It is neither a breach of warranty nor condition d) It is a breach of both warranty and condition
- (v) Complete the following: The party to whom the order to pay is made is called ____.
- a) Drawer b) Drawee
c) Payee d) Endorser
- (vi) Rama executes a promissory note in the following form, 'I promise to pay a sum of Rs. 10,000 after three months. Report on whether it is a valid promissory note.

- a) It is an illegal instrument
 c) It is legal instrument
- b) It is a valid instrument
 d) It can be enforced
- (vii) A counter offer amounts to rejection of original offer. Analyse the statement and state whether it is true or false.
- a) The statement is false
 c) The statement may be true
- b) The statement is true
 d) The statement may be false
- (viii) Test the following on the concept of undue influence and identify the presumption: A student sold his brand new bike to his teacher much below the purchase price alleging the use of undue influence.
- a) Mental Distress
 c) Fiduciary relationship between the parties
- b) Unconscionable transaction
 d) Dominance of will
- (ix) X owes Rs. 10,000 to Y under a contract. It is agreed between X, Y and Z that Y shall henceforth accept Z as his debtor instead of X for the same amount. Old debt is discharged and a new debt from Z to Y is contracted. Assess the mode of termination of contract.
- a) Alteration of contract
 c) Rescission of contract
- b) Novation of contract
 d) Change in contract
- (x) Predict the probable outcome of the following case: A supplies B, a lunatic, with necessaries suitable to his condition in life.
- a) A is not entitled to any compensation from B
 c) A is entitled to be reimbursed
- b) A cannot sue B for expenses
 d) Act of A was a gratuitous act
- (xi) Examine the options and select which correctly defines 'conditions'.
- a) Essential to the main purpose of the contract
 c) Either a or b
- b) Collateral to the main purpose of the contract
 d) Neither a nor b
- (xii) Quote the maximum number of partners in a partnership firm.
- a) Fifty (50)
 c) Hundred (100)
- b) Seventy-five (75)
 d) No prescribed limit
- (xiii) The persons who sign the Memorandum of Association of a company are called _____.Name.
- a) Shareholders
 c) Subscribers to Memorandum to Association
- b) Directors
 d) Promoters
- (xiv) Propose the name for a person who for consideration became possessor of a promissory note, bill of exchange, cheque etc.
- a) Holder
 c) Holder in due course
- b) Bearer
 d) Payee
- (xv) Validate that a company enjoys more benefits as compared to partnership.
- a) Company is a separate legal entity
 c) Both a and b
- b) Company enjoys the benefits of incorporation
 d) Neither a nor b

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Group-B
 (Short Answer Type Questions)

3 x 5=15

2. Summarize the essentials of a valid acceptance.
3. Determine the type of company: i. Company where the right to transfer shares is restricted (3)
 ii. There is no limitation on the maximum number of members (3)
 iii. Company is incorporated outside India
 iv. Company which controls another company
 v. Company which is controlled by another company
 vi. Company in which not less than 51% of the paid-up share capital is held by the State/ Central government
4. All contracts are agreements but all agreements are not contracts. Analyse. (3)
5. Write down the modes of dissolution of a partnership firm. (3)

6. Compile an explanatory note on the doctrine of intention to create legal relations as an essential condition of a valid contract. (3)

OR

- Compose the points of difference between a promissory note and bill of exchange. (3)

Group-C

(Long Answer Type Questions)

5 x 6=30

7. A seller cannot convey a better title to the buyer than he himself has. Analyse the statement and cite exceptions, if any. (5)
8. i. Explain the consequences of omission and mis-statement in a company's prospectus. ii. Classify the modes of winding up of a company. (5)
9. Identify the modes of dissolution of a partnership firm. (5)
10. Discuss the rule of caveat emptor with exceptions under the Indian Contract Act, 1872. (5)
11. 'The Memorandum of Association is the fundamental law or charter defining the objects and limiting the powers of a company'. Establish the correctness of the statement. (5)
12. A fair dealing with an author's work will not amount to infringement. Validate by referring to the provisions of Copyright Act, 1957. (5)

OR

- A contract caused by unilateral mistake may be valid, voidable or void. Justify. (5)
