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	M.B.A. (Sem. IV) (Main & Back) Examination, May/June - 2011	
	M-403 Business Laws	

Time : 3 Hours]

[Total Marks : 70

[Min. Passing Marks : 28

The question paper is divided in two sections. There are sections A and B. Section A contains 6 questions out of which the candidate is required to attempt any 4 questions. Section B contains short case study/application base 1 question which is compulsory.

All question are carrying equal marks.

Use of following supporting material is permitted during examination.
(Mentioned in form No. 205)

1. _____ Nil _____

2. _____ Nil _____

SECTION - A

- 1 Define 'consideration'. State exceptions to the rule that 'an agreement without consideration is void.'
- 2 Examine the scope of a 'contract of Indemnity'. Distinguish it from a contract of 'Guarantee'.
- 3 'The fundamental feature of corporate personality is that a company is a legal entity distinct from the members' Comment.
- 4 Write short answers the following :
 - (a) Nominee directors
 - (b) Redemption of securities
 - (c) Legitimate expectations and oppression and mismanagement.



- 5 What are the rights of an outgoing partner. Examine the duties of various partners in a partnership firm to regulate the relationship amongst partners.
- 6 What are the different types of Quasi-contracts under the Indian Contract Act, 1872 ? Explain.

SECTION - B

7 Application based problems :

You are required to suggest answers alongwith legal provisions pertaining to problems given as under :

- (a) 'Savoy Limited' has eight (08) members at the time of incorporation within two (02) months, two (02) of the members transferred their shares to one of the existing member. By the end of the year, the company went into liquidation. The creditors sought to recover their dues from the shareholders. The shareholders having paid full value of the shares, accepted no liability. Advise on the legal position
- (b) 'A' bought 200 shares in a company from 'B' on the faith of a share certificate issued by the company. 'A' tendered to the company a transfer deed, duly executed, alongwith B's share certificate for transferring the shares in his name. The company, later, discovered that the certificate in the name of 'B' has been fraudulently obtained and hence refused to register the transfer. Advise 'A' as to whether he is entitled for the transfer of shares in his name.



(c) 'ACE' an automobiles limited is engaged in the manufacturing of cars. The company's investments in the shares of other body corporates and the loans made to other body company's exceeded 60% of its paid up share capital and free reserves and also 100% of its free reserves. The company obtained a term loan from the industrial credit and investment corporation limited. The ACE company proposes to increase its investment in the equity shares of ACE Forging Limited from 60% to 70% of the equity share capital of ACE Forging Limited by purchase of shares from the forging collaborator. Identify the legal requirements ACE company must comply with in this regard.