

GM06/eGM06
BUSINESS LAW & CORPORATE GOVERNANCE

Time: Three hours

Maximum Marks : 100

Note : The paper is divided into three sections: Section A, Section B, Section C. There are seven questions in section A of 10 marks each. Attempt any four. Section B has 5 questions of 15 marks each. Attempt any three. All the questions of Section C (Case Study) are compulsory. This section is of 15 marks

SECTION A (10 marks)

1. "Law is for the guidance or conduct of persons –both human and artificial", but is to be imposed to be made effective? Comment on the above statement. (10)
2. Distinguish between Criminal law and Civil law? (10)
3. "An unenforceable contract is neither void nor voidable, but it cannot be enforced" Why ?Comment on this statement (10)
4. What are the Essentials of a Valid Contract? (10)
5. What are the main types of remedies for Breach of a contract? (10)
6. What is the meaning of Indemnity? What are the Rights of the Indemnifier? (5+5)
7. Write short notes on the following :
 - a) Duties of a Bailee
 - b) Rights of a Bailor (5+5)

SECTION B (15 Marks)

8. Give the definition of a Pledge? What are the Rights and Duties of a Pledgor and a Pledgee? (15)

9. State the Essentials of a contract of sale under the Sale of Goods Act, 1930? (15)
10. What are the features of bill of exchange and how is it different from a Promissory note? (15)
11. "The whole process of formation of a company may be divided into three parts: Promotion, Registration, Floatation". Explain the meaning of these three parts. (15)
12. Write short notes on the following :
 - a) Memorandum and Articles of Association
 - b) Preference shares and Equity shares
 - c) Cost Audit (15)

SECTION C (15 Marks) (Compulsory)

Case Study

13. a) A's wife forged his signature on 40 cheques drawn on M bank and cashed them. Upon his discovery of the forgeries, A did not at once inform the bank, but some months later when his wife informed him that she wanted more money for the purpose for which previous cheques had been drawn and cashed by her, he stated his intention of notifying his bank, with the result that the same night his wife committed suicide. A brought an action against the bank, claiming to be credited with the amounts of forged cheques.

Will he succeed? (5)
- b) A cheque payable to bearer is crossed generally and is marked 'not negotiable'. The cheque is lost and comes into the possession of B, who takes it in good faith and for value. B deposits the cheque into his own account and his banker collects the same.
 - i) Discuss the liability of collecting banker and paying banker. (5)
 - ii) Can B be compelled to refund the money to the true owner of cheque. (5)