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ISLAMIC UNIVERSITY OF TECHNOLOGY (IUT)
ORGANISATION OF ISLAMIC COOPERATION (OIC)

DEPARTMENT OF BUSINESS AND TECHNOLOGY MANAGEMENT

Semester Final Examination

Summer Semester, A. Y. 2021-2022

Course No. : BTM 4401

Time : 3 hours

Course Title : Legal Environment of Business

Full Marks : 150

Answer **all 6 (six)** questions. All questions carry equal marks. Marks of each question and corresponding CO and PO are written in the right margin with brackets.

1. a) Define the theory of 'Rule of Law'. "All are equal in the eyes of law"- Discuss. 5 (CO1)
(PO1)
- b) Explain the essential elements of a contract. "All agreements are not contracts, but all contracts are agreements"- Discuss. 10 (CO2)
(PO2)
- c) "An offer is made when, and not until, it is communicated to the offeree". Explain with illustrations. X offers to sell a house in Calcutta to Y for Rs. 50,000. The offer is communicated to Y in Bombay by an express lender. The letter is delayed in the censor's office. Before X's letter Y, Y receives a telegram from X revoking his offer. Advise Y. 10 (CO3)
(PO4)
2. a) Define consideration. "An agreement without consideration is void unless it is in writing and registered."-Explain. 5 (CO1)
(PO1)
- b) Distinguish between: Void, voidable and unenforceable contract. A buy a piece of ordinary cloth from B. A think erroneously that the cloth is of high quality. B knows that A is under a mistake but keeps quiet on this matter. When A realizes his mistake, he wants to set aside the contract on the ground that' B had knowingly committed fraud in not pointing out his mistake. Discuss if the contract is voidable 10 (CO3)
(PO3)
- (c) What is meant by undue influence? When is consent said to be free? Distinguish between coercion and undue influence. 10 (CO3)
(PO3)
3. a) Define 'goods' and state the different types of 'goods'. 05 (CO1)
(PO1)
- b) What is a contract of Sale of Goods? What are the distinctions between sale and agreement to sell? When are agreements to sell? When an agreement to sell becomes sale? Illustrate. 10 (CO2)
(PO2)
- c) On 1st March, A agrees to sell one particular horse to B for \$. 5.0110. According to the term of the agreement, the horse is to be delivered on 5th April when payment will be made. When does property in the horse pass from the seller to the buyer? 10 (CO3)
(PO4)

4. a) What are the essentials of a partnership? What are rights and liabilities of a minor who has been admitted to the benefits of a partnership? 05 (CO1) (PO1)
- b) "Sharing of profits is only prima facie evidence of partnership."- Discuss. X is the sole owner of a firm. He admits Y as a partner on the following terms; (i) Y is not to bring any capital; (ii) X is not to be responsible for any loss; (iii) Y is to receive \$ 200 p.m. in lieu of profits; and (iv) Y is to have all the powers of a partner. Discuss the legal position of Y in the firm 10 (CO2) (PO2)
- (c) What is meant by "dissolution of a firm"? What are the rights and obligations of partners after the dissolution of partnership? 10 (CO2) (PO2)
5. (a) What is private limited company? How can a private limited company be converted to a public limited company? 05 (CO2) (PO2)
- (b) What is Memorandum of Association? What are the differences between Memorandum of Association and Articles of association? 10 (CO1) (PO1)
- (c) State the methods of transfer of share in a company. 10 (CO1) (PO1)
6. (a) Define a 'Negotiable Instrument'. What is the effect of crossing a cheque with the words "Not negotiable" written across its face? 05 (CO1) (PO1)
- b) Discuss the provisions of the Factories Act, 1965 regarding employment of woman and children worker. 10 (CO1) (PO1)
- c) Discuss the provisions regarding holidays of workers as under the Factories Act 1965. 10 (CO2) (PO2)