

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES

End Semester Examination, May 2019

Course: Legal Aspects of Business
Program: MBA BA
Course code: DSBA8008

Semester: IV
Time: 03 Hours
Max. Marks: 100

- Instructions: 1. Attempt any **THREE** questions from Section-A
2. Attempt any **FOUR** cases from Section-B
3. Marks are indicated against each question.

SECTION A

Q. 1. Who are competent to enter into a contract? What is the effect of a contract entered into by persons who are not competent to enter into contract? **(10, 10)**

Q. 2. Distinguish between an unpaid seller's right of lien and right of stoppage of goods in transit. State the various rights, which an unpaid seller has against the goods by implication of law. **(10, 10)**

Q. 3 Under Company Act, there are two distinct Doctrine i.e. "The Doctrine of Constructive Notice" and "Doctrine of Indoor Management". Explain in brief and what are the exceptions if any to doctrine of indoor management? **(10, 10)**

Q. 4. Who is 'consumer' under Consumer Protection Act, 1986? Explain in brief the redressal machinery established for the settlement of consumer disputes. **(10, 10)**

Q.5. Explain briefly any **TWO** of the following:

- a) Doctrine of Caveat Emptor
- b) Difference between "Conditions" and "warranties"
- c) "No consideration No Contract"
- d) Winding up of the Company **(10,10)**

SECTION-B

Case no.1 Mohan sells by auction a horse to Ramesh, which Mohan knows to be unsound. The horse appears to be sound but Mohan knows about the unsoundness of the horse. Is this contract valid in each of the following alternative cases?

- i) X says nothing about the unsoundness of the horse to Y
- ii) If X says nothing about it to Y who is X's daughter who has just come of age
- iii) If Y says to X "if you do not deny it. I shall assume that the horse is sound X says nothing. **(10)**

Case 2. Suresh, a merchant of Delhi, delivered goods through a public carrier for delivery to Adarsh, the purchaser at Bombay. On arrival of the goods at Bombay, Adarsh paid the freight and left the goods with the carrier under the instructions to deliver it to Lalit, a purchaser of the goods from Adarsh. In the meanwhile, the carrier received a telephone message from

Suresh for stoppage of the goods in transit as Adarsh had become insolvent. Can the carrier refuse to deliver the goods to Lalit ? Decide. (10)

Case No. 3. Asha purchased a packet of bathing soap from D, a dealer in soap. Her face was abnormally sensitive and she had disclosed that fact to D. She suffered some face trouble as a result of using the soap, on the other hand her friend Sonia who was using the same soap for a long time had no such problem. Can Asha claim damages from D? (10)

Case No. 4 X a coolie (porter) in uniform carried Y's luggage from the railway platform to taxi without being asked by Y to do so. Y does not make any attempt to stop X from carrying the luggage. Is Y bound to make payment to X? (10)

Case no. 5 Akhil admitted his only infant son in a private nursing home. As a result of strong dose of medicine administered by the nursing attendant, the child became mentally retarded. He wants to make a complaint to the district forum seeking relief by way of compensation on the ground that there was deficiency in service by the nursing home. Does this complaint give rise to a consumer dispute and who is a consumer? (10)

Case No.6: A minor falsely representing himself to be of age, entered into an agreement to sell his house to B and received an advance of Rs.50, 000/-. Out of this sum, minor bought a motor cycle for Rs.30, 000/- and spent the rest of the money on pleasure trip to a hill station. After the minor has attained majority, B sued him for conveyance of the property or refund of Rs.50, 000/- and damages. Will he succeed? (10)