



GL BAJAJ

Institute of Management & Research

Approved by A.I.C.T.E., Ministry of HRD, Govt. of India

Roll No.....

Plot No. 2, Knowledge Park-III, Greater Noida (U.P.)–201306

POST GRADUATE DIPLOMA IN MANAGEMENT (2018-20) MID TERM EXAMINATIONS (TERM -III)

Subject Name **Legal Environment of Business**

Time: **01.30 hrs**

Sub. Code **PG21**

Max Marks: **20**

Note:

- 1. Writing anything except Roll Number on question paper will be deemed as an act of indulging in unfair means and action shall be taken as per rules.**
- 2. All questions are compulsory in Section A, B & C. Section A carries 1 Case Study of 8 marks. Section B carries 3 questions of 2 marks each and Section C carries 2 questions of 3 marks each.**

SECTION – A

04+04 = 08 Marks

Q. 1: Case Study:

- i. Connecting Giants Limited** is a business and call center, for transportation of its employees, advertised in the newspapers informing interested persons to submit proposals for supplying two Innova cars on contract basis with drivers for a year. The interested persons were asked to submit the proposal on a sheet of paper the relevant details, including their address and the tender amount. Ten persons applied for the contract as per the advertisement. The proposals were opened and the details of the persons and the proposed amount was announced. The bid of Sriram travels Ltd was the lowest. Connecting Giants Limited officials changed their mind and awarded the contract to a very old and reputed travel agency.
 - a) Has an agreement been formed between Connecting Giants Limited and Sriram travels Ltd? Justify*
 - b) Can Sriram travels Ltd sue Connecting Giants Limited to award the contract in above mentioned case?*
- ii. Bharati Knitting** sent important original documents relating to an export consignment to a party in Germany with DHL. Only the original documents would have enabled the party in receiving the consignment. DHL lost the courier, causing losses to Bharati Knitting. Bharati Knitting was demanding the actual losses suffered by it. DHL made its customers sign a form containing the terms. Clause 5 of the terms of courier had limited the liability of the DHL in the event of loss of courier to \$100. It is apparent that the appellant (DHL) was negligent in not delivering the consignment and due to the deficiency in service, the consignment was lost. because of the negligence, loss has occurred to the complainant (Bharati).
 - a) Discuss the type of damage do you think in the case?*
 - b) The loss has to be restricted as per the terms of the contract. Discuss your point of view.*

SECTION – B

02×03 = 06 Marks

- Q. 2:** Why it is necessary for the managers to understand the Legal Environment of the Business?
- Q. 3:** A mail to a customer from a credit card company: “We are pleased to have sanctioned a loan of Rs.5000 to you. To avail the loan, kindly sign below and send it back to us. The amount would be credited to your credit card account.”. The customer signed the form and sent it back. Are the offer and acceptance express or implied?
- Q. 4:** Mr. X entered into the contract with Mr. Y for supplying 100 ton of coal within the period of one year. Mr. X failed to supply the coal because of the government restrictions on coal from collieries. But coal was available and could be purchased from in local market. Can Mr. X take an excuse that the contract stood discharged based on supervening impossibility?



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SECTION – C

03×02 = 06 Marks

- Q.5.** “Customs and usages are important sources of Business Law”. Comment on this statement
- Q.6.** “Ignorance of Law has no Excuse”. Give your views on this statement.