



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 **PG-21**

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) Sigma Communications Limited**, a call centre, for transportation of its employees, advertised in the newspapers informing interested persons to submit tenders for supplying two Quails cars with drivers for a year. The interested persons were to type in, on a sheet of paper the relevant details, including their address and the tender amount. Six persons applied for the tender. The tenders were opened in front of everyone and the details of the persons and the tender amount was noted. The bid of Ramesh was the lowest. Sigma, however, changed its mind and awarded the contract to a reputed travel agency.
 - a) Has an agreement been formed between Ramesh and Sigma Communications Ltd.? Justify
 - b) What are the legal considerations?
 - c) Can Ramesh claim any damages in above mentioned case?
- (ii) Himalaya Private Limited** owns a shopping mall. It advertised in the newspapers for the interested persons to come to its office for an auction of the space for advertising. The auction was conducted by the Administrative Officer of the company. Several bids were made. The last bid was by Amit for Rs. 1.90 lakhs, followed by the striking of hammer by the Administrative Officer.
 - a) What kind of the offer is it? Who accepts it?
 - b) Discuss the type of acceptance.
 - c) When was the agreement formed?

SECTION - B

02×03 = 06 Marks

- Q. 2:** “Firms which systematically analyses and diagnose the environment are more effective than those which don’t”. Elucidate.
- Q. 3:** Mr. A had offered a prize of Rs.1 lac to anyone who finds his lost educational certificates. Mr. B, who was unaware of the prize, found the certificates and gave to Mr. A.
 - i) Can Mr. B thereafter claim the prize from Mr. A?
 - ii) What may be the legal implication?
- Q. 4:** A contracts to sell and deliver 500 bales of cotton to B on a fixed day, at a certain price to be paid on delivery. “A” breaks his promise and B having no cotton is obliged to close his mill.
 - i) State how A is liable for the loss caused B?
 - ii) What type of compensation B is entitled?

SECTION - C

03×02 = 06 Marks

- Q.5.** Kamal offers Surendra his Factory for Rs. 20 crore. Surendra replies 'I will pay Rs. 15 crore'. Kamal refused to sell at this price. Surendra then agreed for Rs. 20 crore to kamal, but kamal refused to sell his factory. Discuss the position of parties and validity of the contract.
- Q.6.** What do you understand by discharge of the contract? Also discuss the possible remedies for injured party?