

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

**POST GRADUATE DIPLOMA IN MANAGEMENT (2024-25)**  
**END TERM EXAMINATION (TERM -II)**

Subject Name: Legal Environment of Business

Time: **02.00 hrs**

Sub. Code: PG 23

Max Marks: **40**

**Note: All questions are compulsory. Section A carries 12 marks: 5 questions of 2 marks each, Section B carries 18 marks having 3 questions (with internal choice question in each) of 6 marks each and Section C carries 10 marks one Case Study having 2 questions of 5 marks each.**

**SECTION - A**

Attempt all questions. All questions are compulsory.

**2×6 = 12 Marks**

Questions	CO	Bloom's Level
<b>Q. 1: (A).</b> Rajiv offered to sell his car to Neha for ₹5,00,000. Neha accepted the offer but added a condition that the payment would be made in installments. Is there a valid contract between Rajiv and Neha? Justify your answer.	CO1	L1
<b>Q. 1: (B).</b> Ramesh, a real estate agent, was authorized by his client to sell a house for ₹50,00,000. Without the client's approval, Ramesh sold it for ₹45,00,000. Can the client take legal action against Ramesh? If yes, under which principle?	CO2	L2
<b>Q. 1: (C).</b> Suresh entered into a contract with Mohan to supply 1,000 units of a product by August 10. Due to unforeseen circumstances, Suresh could deliver only 800 units. Can Mohan claim damages? What factors would determine the enforceability of this claim?	CO2	L2
<b>Q. 1: (D).</b> Aarav was coerced into signing a contract to sell his property. Later, he decided to challenge the contract in court. Under what conditions can this contract be considered voidable? Explain with reference to the Indian Contract Act, 1872.	CO1	L1
<b>Q. 1: (E).</b> Priya mistakenly delivered a parcel meant for Ankit to Rohan, who accepted and used the contents. Is Rohan legally obligated to compensate Priya for the value of the parcel? Which principle of contract applies here?	CO1	L1
<b>Q. 1: (F).</b> Sunil left his car at a valet parking service of a hotel. During his absence, the car was damaged due to negligence by the valet. Discuss whether the hotel is liable to compensate Sunil under the contract of bailment.	CO2	L2
<b>(Three questions each from CO1 &amp; CO2)</b>		

**SECTION – B**

All questions are compulsory (Each question has an internal choice. Attempt anyone (either A or B) from the internal choice)

**6 x 3 = 18 Marks**

Questions	CO	Bloom's Level
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months. However, XYZ Solutions failed to deliver the services as per the terms of the contract and only completed half of the integration work. As a result, ABC Technologies decided to terminate the contract and claim damages for breach of contract.

In a separate transaction, ABC Technologies took a loan from LMN Bank for ₹10,00,000 to expand its operations. As part of the agreement, Ravi, a director of ABC Technologies, stood as the guarantor for the loan repayment. After six months, ABC Technologies faced financial difficulties and was unable to repay the loan. LMN Bank demanded payment from Ravi as the guarantor. Ravi questioned his liability, stating that the company was facing financial hardship.

Additionally, ABC Technologies entered into an agreement with PQR Distributors to supply 1,000 units of software for resale. The software was sold to PQR Distributors with the promise of regular updates. However, after a few months, the software was found to have significant bugs, which prevented PQR Distributors from reselling the product as promised. PQR Distributors sought a refund for the defective products under the Sale of Goods Act, 1930.

Lastly, ABC Technologies had a clause in its contract with XYZ Solutions to indemnify XYZ Solutions in case of any legal claims arising from the use of the software. A third party sued XYZ Solutions, claiming that the software developed by ABC Technologies infringed upon their intellectual property rights. XYZ Solutions now seeks indemnity from ABC Technologies for any damages or legal costs incurred.

Questions:

**Q. 5: (A).** PQR Distributors discovered that the software supplied by ABC Technologies contained significant bugs and is now seeking a refund under the Sale of Goods Act, 1930. Discuss whether ABC Technologies is liable for providing defective goods and what remedies PQR Distributors can seek under the Sale of Goods Act, 1930.

**Q. 5: (B).** XYZ Solutions seeks indemnity from ABC Technologies after being sued for intellectual property infringement related to the software. Discuss whether ABC Technologies is obligated to indemnify XYZ Solutions under the indemnity clause of their contract and the extent of liability under Indian Contract Act, 1872.

(Entire Sec C to be assigned one CO. Both questions corresponding to the same CO)

**Kindly fill the total marks allocated to each CO's in the table below:**

COs	Question No.	Marks Allocated
CO1	1 (A, D & E)	3
CO2	1 (B, C & F)	3
CO3	2	6
CO4	3	6
CO5	4	6
CO6	5	10

**(Please ensure the conformity of the CO wise marks allocation as per your TLEP.)**

**Blooms Taxonomy Levels given below for your ready reference:**

**L1= Remembering**  
**L2= Understanding**  
**L3= Apply**  
**L4= Analyze**  
**L5= Evaluate**  
**L6= Create**