

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: **1.00 hr.**

Sub. Code: **PG23**

Max Marks: **20**

Read the case and answer the questions

Ravi, a 17-year-old graphic design enthusiast from India, is known for his impressive talent. His skills attracted the attention of Pixel Works, a start-up in need of logo and branding design. Seeing his potential, Pixel Works offered Ravi a freelance contract for a project worth ₹50,000, to be paid upon successful completion. Eager to build his portfolio and earn money, Ravi readily accepted the offer and signed the contract. Committed to delivering high-quality work, he invested ₹5,000 from his savings into purchasing new design software.

Ravi worked diligently on the project, which he completed to the company's satisfaction. However, when it was time to receive payment, Pixel Works appreciated his work but refused to pay the agreed amount. They argued that, as a minor, Ravi could not legally enter into a binding contract, making the agreement unenforceable under Indian law. Ravi, disappointed and confused, reached out to a legal advisor to understand his options.

Ravi faces a complex situation that brings up essential questions related to contract law, particularly regarding agreements made by minors.

1. Discuss the validity of this contract by highlighting fulfilment of each of the essentials of valid contract? (CO1)
2. According to Indian contract law, does a minor have the legal capacity to enter into a binding contract? Would the contract Ravi signed be legally enforceable? (CO1)
3. Since Ravi invested ₹5,000 in software specifically for this project, can he claim reimbursement from Pixel Works for his expenses? What legal arguments could support his case? (CO2)
4. How can companies protect themselves when contracting with minors? (CO2)

COs	Question	Marks Allocated
CO1	1, 2	10 Marks
CO2	3, 4	10 Marks

(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