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**M.B.A. (Part - I) ( Semester –I) (New Course) Examination, 2012**  
**LEGAL FRAMEWORK OF BUSINESS (Paper – VII)**  
**Sub. Code : 48327**

Day and Date: Thursday, 12-1-2012  
Time: 10.30a.m. to 1.30 p.m.

Total Marks : 70

**Instructions :** i) *Q. No.1 and 5 are compulsory.*  
ii) *Attempt any two from Q. Nos. 2 to 4.*  
iii) *Support your answer with caselaw wherever necessary.*

1. Decide the following case :

**20**

Mr. Omar Shah is a big name in the metal industry and is very successful industrialist in Shirpur. Apart from being a successful industrialist, he is benevolent person having sympathy for poor people. He has started many welfare schemes for them and has given many donations for community development plans.

Mr. Omar Shah owing to his benevolent nature has promised to contribute to a fund, for construction of a Community Hall to be constructed at Shirpur. After promising to contribute Mr. Omar Shah went abroad on his business tour and has failed to make the payment of promised amount to fund.

Keeping faith in the promise of MR. Omar Shah, Mr. Gopalkrishna who was managing that fund and looking after the construction, had entered in to a works contract with the contractor for building Community Hall. As the work progressed and halfway complete Mr. Gopalkrishna fell short of funds. Hence Mr. Gopalkrishna made a request to Mr. Omar Shah for the payment of promised amount. But due to recession and unfavorable market conditions. Mr. Omar Shah couldn't contributed to the fund. As a result of this the construction stood staidstill in incomplete stage. Being repeatedly asked and requested, Mr. Omar Shah failed to pay promised amount to fund. Therefore, MR. Gopalkrishna filed a suit against Mr. Omar Shah holding

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him responsible for incomplete construction of Community Hall due to non payment of promised sum. Will Mr. Gopalkrishna succeed against MR. Omar Shah ?

Decide the case with reference to principle laid down in Kedarnath V. Gorie Mohamed ( 1866-I LR14 Cal.64) Relating to the constituent of consideration.

OR

1. A) Attempt the following problems giving appropriate reasons.

1) A by misrepresentation, Leads B erroneously to believe that 500 maunds of indigo are made annually at A's factory. B examines the accounts of the factory which show that only 400 maunds of indigo have been made. After this B buys the factory. Sometime later B sued A on the ground of voidable contract. Will B succeed in his suit.

2) X promises to obtain for Y an employment in the public service and Y promises to pay ₹ 1,00,000/- to A. Is this agreement valid and enforceable ?

B) Attempt the following problems giving appropriate reasons. **10**

i) The shareholders of a company duly called upon the Managing director to convene a meeting of the company at which they wanted to move a motion of removing the Managing Director from his post. The managing Director failed to oblige them, so the shareholders themselves met at a place other than the registered office of the company and by a resolution removed the Managing Director from his post. Is the resolution validly passed in the meeting ?

ii) A makes a note payable to 'B' who endorses to 'C' who takes it for value and in good faith. C sues A on the note and A proves that he made it for an illegal consideration. Can C recover the amount ?

2. 'All contracts are agreements but all agreements are not contracts'  
– Discuss

**15**

OR

Explain various remedies for breach of contract.

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3. Explain in brief various meetings of the members of a company. **15**

OR

Define Promissory Note and explain various essential elements of promissory note.

4. Define 'Industrial Dispute' and discuss the provisions of Industrial Dispute Act, 1947 relating to illegal strikes and lockouts in Public Sector utilities. **15**

OR

Explain composition, jurisdiction and procedure of state Commission and National Commission under Consumer Protection Act, 1986.

5. Write short notes on **(any four)** : **20**

- a) Consideration
- b) Minor's agreement
- c) Position of Director of company
- d) Evidentiary presumptions as to Negotiable Instrument
- e) Consumer
- f) Information Technology Act, 2000.

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