

K.J. Somaiya Institute Of Management Studies & Research
Vidyavihar (E), Mumbai - 400 077
Program: PGDM(FS) (2018 – 2020) Batch TRIM-II
Subject: Legal Aspects Of Business
End Term Examination

Total Marks: 50

Duration: 3 Hours

Date: 18/01/2019

Note: 1. Substantiate your answers with reasons.

2. Question 1 is compulsory and attempt any four of the remaining questions

3. Each question carries 10 marks

Q.1. Write explanatory notes on **any three** of the following:

- a) Foreign Company
- b) Insider Trading
- c) Revocation of Trust
- d) Board of Directors
- e) Quasi Contract

Q.2. A lady named Jenny received a pamphlet from Angel Beauty Hair Salon. It had advertised massage and manicure for Rs.1,000. Jenny was pleasantly shocked when she saw the deal. She realized that it was a lucrative deal. However, she was not surprised since they had newly opened and wanted to attract new customers. When Jenny arrived at the salon, she was told that there was a mistake in the pamphlet and the amount would be Rs.2,500 and not Rs.1,000. The Manager of the salon explained that this was still a good price because normally a massage and a manicure would cost Rs.3,000.

Jenny was livid as it had taken her 30 minutes to drive down, the cost of which when added to the manicure and massage cost would be more than Rs.2,500. As a lawyer give legal advice to Jenny.

Q.3. P hired a godown from D for a specific period of 12 months and paid the whole rent to him in advance. After six months the godown was destroyed by fire and P claimed a refund of a proportionate amount of the rent. Is the claim valid?

Q.4. The shares of MNC Ltd. were listed on a Recognized Stock Exchange. The Stock Exchange delists the shares of the company. Referring to the provisions of the Securities Contracts (Regulation) Act, 1956, advise the company on the remedies available to the company against the order of the Stock Exchange

Q.5. The persons (not being members) dealing with the company are always protected by the

doctrine of Indoor Management, explain. Also, explain when doctrine of Constructive Notice will apply.

Q.6. Mr. Basu desires to draw foreign exchange for the following purposes:

- a) Payment related to “call back services” of telephones.
- b) USD 1,20,000 for studies abroad on the basis of estimates given by foreign university
- c) USD 25,000 for sending a cultural troupe on a tour of Europe.

Advise him, whether he can get foreign exchange and, if so, under what conditions.
