

**JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA**

PGDM/ PGDM (SM)/ PGDM (M)

4<sup>th</sup> Trimester (Batch 2016-18)

*Re-* **END TERM EXAMINATIONS**

(September, 2017)

Course Name	Legal Aspects of Management	Course Code	GM402
Max. Time	120 minutes	Max. Marks	40

**Instructions:** Attempt all questions.

**Section A**

- Q.1. Write a short note on “Agency” with suitable example. (Marks 05)
- Q.2. Define the term “Arbitration” with suitable example. (Marks 05)
- Q.3. Difference between Sale and Agreement to sell with suitable example. (Marks 05)
- Q.4. Write a short note on “Trade secrets” with examples. (Marks 03)
- Q.5. Write essential elements of valid Consideration and free consent (Marks 06)

**Section B**

Q.6. As per L.I.C salary saving scheme the employer was to deduct the premium from the salary of the employee and deposit with L.I.C. All the related procedures were the responsibility of the employer. Upon death of the concerned employee, the heirs found the employer had defaulted in payment causing policy to lapse. L.I.C relied on a clause in the acceptance letter by the employer which said he would act not as the agent of L.I.C but as an agent of his employees.

**CONTENTIONS:**

L.I.C: As the policy was in the name of individual employee, in the event of non-payment of premium either by employee or employer, would result in lapse of the policy.

ISSUE: Whether the employer can be treated as the agent of the L.I.C despite the express agreement to the contrary? (Marks-06)

Q.7. Appellant (N) issued a tender notice for collection of toll on a part of a highway. For this purpose two types of securities were to be furnished, bank guarantee and performance security by way of a bank guarantee. One of the clauses provided that the bid security could be forfeited if the bidder

withdrew his bid during the period of bid validity; or if the successful bidder failed within the specified period to furnish the required performance security and sign the Agreement. Another clause provided that the bid would remain valid for 120 days after the last date of bid submission. The respondent firm (G) gave its bid and furnished an 'on-demand bank guarantee'. G later withdrew its bid and did not furnish performance guarantee, following which N encashed the bank guarantee, already furnished. G filed a petition in HC for refund of the amount.

**ISSUES:**

- Whether forfeiture of security deposit was without authority of law and without binding contract b/w parties and contrary to Indian Contract Act.
- Whether writ petition was maintainable in a claim arising out of contractual breach.

**(Marks 06)**

**Q.8.** The respondents manufactured and sold biscuits in tins. In respect to the biscuits sold in Bombay and its suburbs, the assessee (respondents) charged only for the price of the biscuits. With regards to the tins, the respondents took a refundable deposit (which was 20% more than the actual cost of the tin), with the stipulation that if the tins were returned within a period of three months and in a good condition, the refundable amount would be returned. The assessee however, did not adhere to this, in practice, and accepted tins even after three months. As per its accounting practice the assessee wrote off 50% of the outstanding unrefunded deposit for the assessment year 1967-68 and treated 20% of the deposit amount as profit. The Assessing auth. treated this amount as sale price of unreturned tins and included the same in the taxable turnover of the assessee.

Whether there was an obligation upon the purchaser to return the tins or was it a case where the return or non-return of the tins lay within the discretion of the purchaser?

**(Marks 04)**