

**MBA – MARKETING/FINANCE/HR/
PRODUCTION & OPERATIONS
MANAGEMENT (MBABM)**

00484

Term-End Examination

December, 2014

MBM-017 : LEGAL ASPECTS OF BUSINESS

Time : 3 hours

Maximum Marks : 100

Note :

- (i) *Section I is **compulsory** and shall be of 30 marks.*
 - (ii) *Section II is for 70 marks. Answer any **five** questions.*
 - (iii) *Italicized figures to the right indicate maximum marks.*
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SECTION I

1. Answer the following :

- (a) A company dealing in Pharmaceutical products has advertised in some leading newspapers about the invention of a new vaccine which it claims is a remedy against Swine Flu. It states in the advertisement that if any person purchases the vaccine and uses it as per the directions mentioned in the instructions, he/she shall not contract Swine Flu. If, however, after purchasing the vaccine and using it as per the directions any person contracts Swine Flu, the Company shall pay compensation to that person of ₹ 10,000. In order to show its sincerity, the Company had deposited ₹ 1 Lakh with the State Bank of India, Pune Camp Branch. After going through the advertisement, Mr. Ashok purchases the vaccine and uses it as per the directions mentioned on the carton of the vaccine. He had purchased the vaccine from the Poona Drug House, Pune Camp for which he had obtained a cash memo from the chemist. He had nevertheless contracted Swine Flu as detected by Ruby Nursing Home, Pune, after conducting the various relevant diagnostic tests. He tells you about this incident, since he was very much upset and now he had decided to teach lesson to the Pharma Company. He wants to know from you as to what could be done in this case. Advise Ashok about his rights under the Indian Contract Act, 1872.

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(b) You have purchased a latest version of a Nokia mobile phone for ₹ 25,000. The Company has claimed that the mobile phone had some features which were not existing in other phones. After using the phone for about 15 days, you find that some of the features of the phone mentioned/claimed were not functioning. You, therefore, make a complaint to the dealer. The dealer makes some minor adjustments and tells you that the phone contains all the features and that there is nothing wrong with the phone. After using the phone for a few days, you find that no features as claimed by the Company or the dealer exist in the mobile. You get the same verified from another mobile dealer. You, therefore, come to the conclusion that the mobile phone purchased by you is a defective piece and hence approach the dealer once again and request him to replace the mobile with a fresh piece. The dealer refuses to comply with your request. What steps can you take under the Consumer Protection Act, 1986 to get the defective piece replaced ?

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SECTION II

2. Briefly explain the main features of the Constitution of India and distinguish between the Fundamental Rights and the Directive Principles of State Policy. 14
3. "All contracts are agreements, but all agreements are not contracts." Elucidate. 14
4. Define "Goods" under the Sale of Goods Act, 1932 and explain the difference between Sale and Agreement to Sell. 14
5. Define "Patents" under the Intellectual Property Laws and explain the procedure for obtaining a patent under the Patents Act. 14
6. The Consumer Protection Act, 1986 has taken away the rights enjoyed by the Sellers of goods on account of the principle of "Caveat Emptor". Examine this statement and explain the rights of Consumers under the Consumer Protection Act, 1986. 14
7. Who is an Unpaid Seller under the Sale of Goods Act, 1932 ? Examine the rights available to an Unpaid Seller under the Act. 14
8. Explain in detail the various ways by which a contract can be discharged. What are the remedies available to a person in case of breach of contract ? 14