Roll No. | | | | | | | | | | | | | Total No. of Pages : 03

Total No. of Questions : 10

MBA / MBA (IB) / MBA (Fintech) (Sem.–2)

LEGAL ENVIRONMENT FOR BUSINESS

Subject Code : MBA-202-18

M.Code : 76154

Date of Examination : 06-05-2025

Time : 3 Hrs. **Max. Marks : 60**

INSTRUCTIONS TO CANDIDATES :

1. **SECTION-A contains EIGHT questions carrying TWO marks each and students has to attempt ALL questions.**
2. **SECTION-B consists of FOUR Subsections : Units-I, II, III & IV. Each Subsection contains TWO questions each carrying EIGHT marks each and student has to attempt any ONE question from each Subsection.**
3. **SECTION-C is COMPULSORY carrying TWELVE marks.**

SECTION - A

1. **Write a short note on the following :**

a. Define a valid contract.

b. What is free consent in contract law?

c. Differentiate between sale and agreement to sell.

d. What are negotiable instruments? Give two examples.

e. What is the concept of corporate veil?

f. Define the memorandum of association.

g. What are the essential elements of a partnership?

h. Explain the rules regarding the dishonor of a cheque.

SECTION – B

UNIT - I

2. Discuss the legal intricacies involved in the enforceability of an agreement without consideration. Under what circumstances can such an agreement are deemed valid?

3. ***'The concept of free consent is pivotal to contract formation'.*** Critically analyze the elements of coercion and undue influence in determining the validity of a contract.

UNIT - II

4. Discuss the rights and duties of an unpaid seller as per the Act.

5. What is meant by sale by Sample? What are the conditions implied in such a sale?

UNIT - III

6. Describe the various rights and duties of partners in a partnership firm. How do these rights change in a limited liability partnership?

7. What are the different types of crossings on a cheque? Explain the significance and legal implications of each type.

UNIT - IV

8. What is the importance of Articles of Association in company management? Discuss the process of amending the Articles of Association.

9. Describe the appointment and removal procedures of directors in a company as per the Companies Act, 2013.

SECTION - C

10. **Case study**

    Sunrise Technologies, a software development firm, entered into an agreement with Green Future Enterprises, a startup specializing in renewable energy solutions. As per the verbal discussions and email exchanges, Sunrise Technologies was to design a custom Enterprise Resource Planning (ERP) system for Green Future Enterprises to streamline its supply chain and logistics. The estimated cost of the project was Rs.50 lakhs and it was agreed that the payment would be made in three installments - 30% in advance, 40% upon partial completion and the remaining 30% after the final deployment of the software.

Although both parties had been communicating frequently through emails and informal meetings, no formal written contract was signed. Sunrise Technologies, relying on the mutual understanding, started working on the project, dedicating significant resources and manpower. After three months of development, Sunrise Technologies submitted the first phase of the software and requested payment of Rs.15 lakhs (30% advance). However, Green Future Enterprises refused to make the payment, arguing that no legally binding contract existed since no formal document was signed.

Sunrise Technologies, feeling aggrieved, took legal action against Green Future Enterprises for breach of contract, claiming that there was a valid agreement based on mutual consent, offer and acceptance and consideration. On the other hand, Green Future Enterprises defended itself, stating that the lack of a written contract meant no legal obligation existed on their part.

The case was brought before the court, which had to determine whether a valid contract existed based on the essential elements of a contract as defined under the **Indian Contract Act, 1872.**

Based upon the case answer the following Questions :

a. Analyze whether a valid contract existed between Sunrise Technologies and Green Future Enterprises, considering the essential elements such as offer, acceptance, consideration, free consent and legal enforceability.

b. Is a written agreement necessary for a contract to be legally binding? Can an oral contract or email exchange constitute a valid agreement under contract law? Discuss with relevant legal precedents.

c. What legal remedies are available to Sunrise Technologies if the court finds that a valid contract existed? Can they claim compensation for damages?

d. What lessons can businesses learn from this case regarding contract formation? Suggest best practices that companies should follow to ensure clarity and enforceability in contractual agreements.

NOTE : Disclosure of Identity by writing Mobile No. or Making of passing request on any page of Answer Sheet will lead to UMC against the Student.