

MBAC 1004

M.B.A. DEGREE EXAMINATION, JUNE 2015.

First Semester

General/Marketing/Finance/IB/HRM/RM/Tourism

BUSINESS ENVIRONMENT AND LAW

(2012 – 2013 Batch Onwards)

Time : Three hours

Maximum : 100 marks

PART A — (5 × 6 = 30 marks)

Answer any FIVE Questions out of Eight questions.

1. What are the different components of business environment?
2. Write short note on recent changes in environment business in India.
3. What are the documents required to submit regarding the incorporation of a company?
4. List and explain the contents of memorandum of association.
5. State the statutory conditions prescribed for the employment of young person and women.

6. Is striking work a legal right on the part of the worker? Comment.
7. "No consideration is No Contract" — Comment the statement with its exceptions.
8. What are the different types of crossing the cheque? Explain.

PART B — (5 × 10 = 50 marks)

Answer any FIVE Questions out of Eight questions.

9. What are the precautionary steps required to prevent Air and Water Pollution?
10. Explain the different types of environment and how they affect the success of a business.
11. "All contracts are agreement but all agreement is not contract" do you agree? Justify your answer with legal rules.
12. Discuss the consequences of Mis-Statement in prospectus.
13. "Company management is based on the majority rule". Discuss and also state its exceptions.
14. Briefly explain the provisions relating to health and safety of workers in the Factories Act.

15. What are the different kinds of disablements and compensation payable for each?
16. Enumerate the remedies for breach of contract.

PART C — (1 × 20 = 20 marks)

Case Study (Compulsory)

17. K. K. Legume, Incorporated is a reputable and popular sweater manufacturer. Based upon Legume's reputation and popularity, Arrow Stores, L. L. C. enters into a contract with Legume. The contract is a "requirements" contract, stipulating that Arrow will purchase whatever number of "Arctic Ice" brand 100% wool sweaters it needs for a one-year period, at a "per-unit" price of \$ 12.00. Two developments result in litigation between Legume and Arrow.

First, due to an unanticipated sheep shortage, with substantially fewer sheep to shear, the price of wool skyrockets 1,000 percent.

Second, due to an unexpected "cold snap," consumer demand for wool sweaters increases dramatically, resulting in a 500% increase in Arrow's wool sweater orders to Legume, compared to order averages over the previous ten years (the parties have a long-standing business relationship.)

Legume implores Arrow to increase its per-unit purchase price to \$ 36.00, but Arrow refuses to modify the price term stipulated in the contract.

When Arrow refuses to pay a higher price for the sweaters, Legume ceases delivery, claiming that it would be bankrupted by continuing to fill Arrow orders; further.

Legume claims that based upon the longstanding business relationship between the parties, Arrow has at least an ethical obligation to pay a higher price.

Who wins? Does Arrow have an ethical obligation to pay a higher price, based upon such an unanticipated change in circumstances?
