#### K.S.R. COLLEGE OF ENGINEERING (Autonomous)

R 2018

#### SEMESTER - I

BA18115

#### **LEGAL ASPECTS OF BUSINESS**

L T P C 3 0 0 3

Objective(s):

- 1. To know the fundamentals of Business contract
- 2. To Understand the concept related to sale of goods act and its remedial measures.
- 3. To know the various elements of Company act 1956.
- 4. To understand the factory's act and payment of Bonus act.
- 5. To explain the recent legal systems in India.

#### UNIT - I THE CONTRACT ACT 1872

[09 Hrs]

Agreements and Contracts – Classification of Contracts – Essential Ingredients of a Valid Contract – Offer and Acceptance – Consideration – Free consent- Competence to contract – Quasi contract - Performance of contract – Discharge of contract – Various Modes of Discharge of Contract – Remedies for Breach of Contract-Negotiable Act 2017.

#### UNIT - II SALE OF GOODS ACT 1930

[09 Hrs]

Contract for Sale of Goods – Goods and Classification of goods – Essentials of a contract of sale – Sale of Goods and Agreement to Sell – Sale and Hire Agreements – Conditions and Warranties – Transfer of Property or Ownership – Performance of Contract of Sale – Rights of Unpaid Seller – Remedial Measures – GST – Objectives-Benefits.

#### UNIT - III THE COMPANIES ACT 2013

[09 Hrs]

Indian Companies Act 1956 – Definitions – Kinds of companies – Formation – Memorandum of Association – Articles of Association – Prospectus - Statement in Lieu of Prospectus – Misstatements in Prospectus - Shareholder's Rights – Company Management – Meetings and Resolutions – Winding-up-Modes of Winding-up – Case study.

#### UNIT - IV FACTORIES ACT 1948

[09 Hrs]

An Overview of Factories Act: Health-Safety, hazardous processes, welfare, working hours of adults, holidays - Payment of Wages Act: definitions - rules for payment of wages, deductions from wages, inspectors. Payment of Bonus Act: object of the act, eligibility, determination of bonus.

#### UNIT - V LAW RELATED TO GENERAL PUBLIC

[09 Hrs]

Consumer Protection Act – Consumer rights, Procedures for Consumer Grievances Redressal, Types of Consumer Redressal Machinaries and Forums, Cyber Crimes, IT Act 2008 and 2016, Cyber Laws, Introduction of IPR – Copy Rights, Trade Marks, Patent Act, Right to Information Act, Environmental (Protection) Act-Income Tax Act 2017-18.

Total (L: 45 T: 0) = 45 Periods

#### Course Outcomes: On completion of this course, the student will be able to:

- 1. Understand the role of Indian contract Act in India
- 2. Understand the Knowledge about Hire purchase business and sale of goods act1932
- 3. Understand and learn the company creation and related rules and regulation in India.
- 4. Understand various provisions related to Bonus issue, wages, and salary administration.
- 5. Analyze various case studies and different kind of new business rules and regulation.

#### Reference Books :

- 1. N. D. Kapoor, Elements of Mercantile Law, Sultan Chand and Sons, India, 2015.
- 2. Kapoor N.D., Business Law, Sixth Edition, Sultan Chand and Sons, New Delhi, 2016
- 3. Akhileshwar Oathak, Legal Aspects of Business, Third Edition, TataMcgraw-Hill, New Delhi, 2017.
- 4. P.C. Tulsian, Business Law, Second Edition, Tata Mcgraw Hill, New Delhi, 2015
- 5. Basava, K.D, Business Law, Tenth Edition, Vidyavahini Prakashan, New Delhi.2016

Chairman (BoS)

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KSRCE - Curriculum and Syllabi (R 2018)

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# K.S.R. COLLEGE OF ENGINEERING (AUTONOMOUS), TIRUCHENGODE – 637 215 DEPARTMENT OF BUSINESS ADMINISTRATION (MBA)

NAME : Mr. K. SELVARAJU

CLASS : I MBA

SUBJECT : BA18115 - LEGAL ASPECTS OF BUSINESS

# <u>Unit – I</u> 2 MARKS

#### 1. What is Law?

Law is those principles applied by the state in the administration of justice.

# 2. Write short note on business law?

Business law refers to those rules and regulation which govern the formation and execution of business deals made by various people in the society.

#### 3. What do you understand by mercantile law?

Mercantile law is that branch of civil law dealing with rights and obligations of mercantile persons arising out of mercantile transactions in respect of mercantile property.

#### 4. Define commercial law?

Commercial law can be defined as, "the rights and obligations of commercial persons who deals with commercial transactions in respect of commercial property".

# 5. What is meant by valid contract?

A contract is an agreement, enforceable by law, made between at least two parties by which rights are acquired by one and obligations are created on the part of another.

# 6. What are void Agreements?

It is an agreement which is not enforceable by law.

- i. An agreement made without consideration is void.
- ii. An agreement, the consideration of which is unlawful is void.
- iii. An agreement in restraint of marriage of any person, other than a minor is void, etc.

#### 7. Define contract?

A contract is an agreement enforceable at law, made between two or more persons, by which rights are acquired by one or more, to act on the part of the other.

#### 8. List out the formation of a contract?

The following are the essential parts of formation of a contract.

- a. Offer and acceptance
- b. Consideration
- c. Competency to contract
- d. Free consent
- e. Lawful object

# 9. State the meaning of performance of contracts?

'Performance' of contract means the carrying out of obligations under it. The parties to contract must either perform or offer to perform their respective promises unless such performance is dispensed with or excused under the provisions of the Indian Contract Act, or some law

# 10. What do you understand by Breach of contract?

The term breach means violation or contravention with regard to fulfillment of the terms and conditions incorporated in an agreement. A contract is said to have been discharged by

breach when the parties to the agreement fail to discharge their respective obligations or when parties act contrary or in contravention to the terms and conditions contained in the contract.

#### 11. What are the remedies for breach of contract?

- 1. Rescission of the contract
- 2. Suit for damages
- 3. Suit upon Quantum merit.
- 4. Suit for specific performance of the contract.
- 5. Suit for Injunction.

## 12. Discuss about Quasi contracts?

A quasi-contract has been defined as "a situation in which law imposes upon one person on grounds of natural justice, an obligation similar to that which arises from a true contract although no contract, express or implied has in fact been entered into by them.

## **12 MARK**

- 1. Explain the various kinds of agreements.
- 2. Explain the essential elements required for a contract with suitable illustrations.
- 3. Discuss in detail the various essential features of a valid contract
- 4. What are the legal rules as to an offer
- 5. What are the various ways in which a contract may be discharges?
- 6. List out the essential elements of Contingent Contract
- 7. Describe the historical development of Indian Legal System.
- 8. What are the various branches of Law?
- 9. Explain the classification of Contacts.
- 10. No Consideration no contract' Critically examine.

#### Unit – II

#### **2 MARKS**

#### 1. What is contract of sale?

Section 4 defines a contract of sales as "a contract whereby the seller transfer or agrees to transfer the property in goods to the buyer for a price".

#### 2. Discuss about transfer of title?

The main purpose of a contract of sales is the transfer of ownership of the goods from a seller to a buyer. When the ownership of the goods is transferred to the buyer, he becomes the owner of the goods and the seller ceases to be the owner of such goods.

## 3. What are the condition and warranty in sales contract?

A condition is a term which is essential to the main purpose of the contract and hence is the foundation of the contract.

A warranty is a term which is collateral to the main purpose of the contract and hence is only a subsidiary promise.

# 4. Define performance of sales contracts?

It is the duty of the seller to deliver the goods and of the buyer to accept and pay for them, in accordance with the terms of sales contracts.

## 5. Who is an unpaid seller?

A seller of goods is an unpaid seller when

- i. The whole of the price has not been paid or tendered.
- ii. A bill of exchange or other negotiable instrument has been received as conditional payment and the condition on which it was received has not been fulfilled by reason of the dishonor of the instrument or otherwise.

#### 6. Differentiate Sale from Hire purchase agreement.

1. In a sale, property in the goods is transferred to the buyer immediately at the time of contract, whereas in hire-purchase, the property in the goods passes to the hirer upon payment of the last installment.

In a sale, the position of the buyer is that of the owner of the goods but in hire purchase, the position of the hirer is that of a bailee till he pays the last installment.

The contract by returning the goods to its owner without any liability to pay the remaining installments.

## 7. Explain the rules pertaining to auction sale.

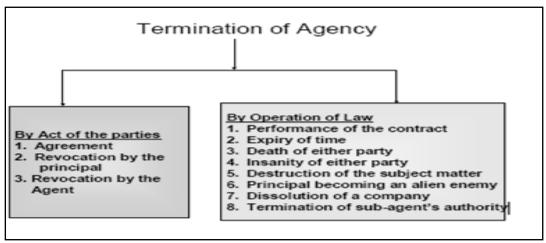
- Believe nothing and check everything
- Understand the 'quoting' lies
- Tell the agent nothing of importance
- Know the true value
- Get legal advice
- Do not bid too soon
- Keep your highest price a secret

# 8. Brief the express and implied conditions and warranties by law in a contract for the sale of goods.

Express and implied conditions and warranties

- In a contract of sale of goods, conditions and warranties may be express or implied.
- Express conditions and warranties are those, which are expressly provided in the contract.
- Implied conditions and warranties are those, which the law implies into the contract unless the parties stipulate to the contrary.

# 9. How is an agency terminated?



#### 10. Define sale.

The term sale is defined in Sec.4(3) of Sale of Goods Act, Which reads as under: "Where under a contract of sale, the property in the goods is transferred from the seller to the buyer, the contract is called a sale.

#### 11. What is mean by goods?

Goods means every kind of movable property other than actionable claims and money; and includes stock and shares growing crops, grass, and things attached to, or forming part of the land which are agreed to be severed from the land before sale or under the contract of sale.

#### 12. What is mean by Future Goods?

Future Goods means goods to be manufactured or produced or acquired by the seller, after making the contract of sale.

#### 13. Define Price.

Price as the money consideration for a sale of goods. The price must be expressed in terms

#### 14. What is sale by sample?

A contract of sale is a contract for sale by a sample where there is a term in the contract, express / implied, to that effect.

#### 15. Define Auction sale.

Where sale is made to a public and the goods are sold to the person who is eilling to pay the highest price, it is known as "Auction sale".

#### **12 MARK**

- 1. What are the rights of the unpaid seller, under the Sale of Goods Act 1930?
- 2. What is quasi-contract? Explain its types?
- 3. Describe the rules regarding effective delivery of goods
- 4. Discuss the rights and privileges of a holder in due course
- 5. Briefly explain the condition and warranties implied by law in a contract on sale of goods
- 6. Explain the various types of goods
- 7. What are the rights to the unpaid seller under the sale of goods act 1930.
- 8. Differentiate sale of goods and agreement to sell.
- 9. What is meant by damages? Explain its types
- 10. When does the Doctrine of 'Caveat Emptor' not apply to the sale of goods?

# Unit III 2 MARKS

# 1. Define a 'company'?

The word 'company' is used generally to mean an association of persons having common objectives. Every association however is not a company in the eye of law.

# 2. Classify the companies on the basis of liability?

- 1. Limited companies
  - a. Companies with limited liability.
  - b. Companies limited by guarantee
- 2. Unlimited companies.

#### 3. State any four differences between a public company and a private company

Private company	Public company	
1. Minimum paid-up capital is Rs. 1,00,000	1. Minimum paid up capital is Rs. 5,00,000	
2. Minimum number of persons required to form is 2 and maximum number of members is 50	2. Minimum number of persons required to form a public company is 7 and maximum is no restriction	
3. The right to transfer shares and debentures is restricted by the article.	3. The shares and debentures are freely transferable	

#### 4. List out the formation of a company

The whole process of formation of a company may be roughly divided, for convenience, into three parts. These are:

- Promotion
- Registration
- Floatation

#### 5. Describe the meaning of memorandum of Association:

The memorandum of Association of a company is its charter which contains the fundamental conditions upon which alone the company can be incorporated.

## 6. What are articles of Association?

The articles of association of a company and its bye laws are regulations which govern the management of its internal affairs and the conduct of its business. They define the duties, rights, powers and authority of the shareholders and the directors in their respective capacities and of the company and the mode and form in which the business of the company is to be carried out.

# 7. Give any two differences between memorandum and Articles:-

Memorandum		Articles	
1.	It is the charter of the company and	1.	They are the regulations for the
	defines the company's relationship with		internal management of the
	outside world.		company
2.	If defines the scope of the activities of	2.	They are the rules for carrying
	the company, beyond which the actions		out the objects of the company
	of the company cannot go		as set out is the memorandum.

# 8. What is the 'Prospectus'?

A prospectus has been defined in sec. 2 (36. of the Act as "any document described or issued as a prospectus and includes any notice, circular advertisement or other document inviting deposits from the public or inviting offers from the public for the subscription or purchase of any shares in or debentures of a body corporate".

# 9. What is meant by director?

A person is said to be occupying the position of a director if he has been charged., with the responsibility of managing the affairs of a company and as such, performs the duties and functions of director specified at random in the companies Act.

# 10. State the provisions of the companies Act regarding the mode of appointment of directors of a company?

- 1. First Director
- 2. Appointment by the company
- 3. Appointment by directors
  - a. Additional directors
  - b. In a casual vacancy
  - c. An alternative director.
- 4. Appointment by third parties
- 5. Appointment by proportional representation
- 6. Appointment by the central government.

## 11. State the modes of Removal of Directors

A director of a company is removed from his office through the following modes:-

- 1. By share holders
- 2. By central Government
- 3. By Tribunal

# 12. What are the provisions regarding powers of director?

- 1. Powers Exercisable at Board's meetings only
- 2. Powers exercisable with consent of General meeting
- 3. Power Exercisable under Articles.

#### 13. List out the provisions regarding liabilities of directors?

The liabilities of directors may be discussed under the following four heads:

- 1. Liability to third parties
- 2. Liability to the company
- 3. Liability for breach of statutory duties. 4. Liability for acts of his co-directors.

## 14. Define 'Winding up of a company'

Winding up of a company is the process whereby its life is ended and its property administrated for the benefit of its creditors and members.

# 15. What are the modes of winding up?

There are three modes of winding up of a company. These are;

- Compulsory winding up by the court
- Voluntary winding up by members well as creditors of the company.
- Winding up under the supervision of the court.

# 16. Who can present petition for winding up?

An application to the court for the winding up of a company shall presented.

- i Petition by company
- ii Petition by creditors
- iii Petition by contributories
- iv Petition by register
- v Petition by central Government.

## 17. What is voluntary winding up?

Where a company is wound up by its members or creditors without inference by the court, it is known as voluntary winding up. A company may be wound up voluntary either by passing an ordinary resolution or by passing a special resolution.

## 18. State the types of voluntary winding up?

A voluntary winding up may be a

- Members voluntary winding up or
- Creditors voluntary winding up.

## 19. What are the consequences of winding up?

- 1. Consequence as to share holders.
- 2. Consequence as to creditors
- 3. Consequences as to servants and officers.
- 4. Consequences as to proceeding s against the company
- 5. Consequences as to costs.

#### 20. What is a defunct company?

A company is said to be 'defunct' when it is not carrying on business or when it is not in operation. If a company has ceased to carry on business, the Registrar of companies may strike it off the Registrar as defunct company in accordance with section-560.

# 21. What do you understand by 'Caveat emptor'? Does it have any exceptions?

Caveat emptor is a *latin* phrase which in English is translated as *Let the buyer beware* which in simple words mean that it is the responsibility of the buyer himself to be aware of the goods (or subject matter. involved in the transaction and the other part i.e. the seller, has no specific responsibility to *disclose* anything about the goods even if the seller knows or doubts that the goods are not of the quality or nature as buyer has **perceived** them to be AND the perception is based completely on buyer's own knowledge

#### 12 MARKS

- 1. Describe the characteristics of each type of companies with illustrations.
- 2. Discuss the types and procedures involved in winding up of companies
- 3. What are the characteristics of a company?
- 4. Discuss the exceptions to the doctrine of indoor management
- 5. Explain the various kinds of Companies which are recognized by the Companies Act, 1956.
- 6. What are the different methods of winding up of public company? Explain each in brief.
- 7. What are the special privileges of a private company? Discuss, what is a corporate veil? When is it pierce? Explain
- 8. Discuss the scope of the doctrine of indoor management. To want extent has the doctrine been incorporated in the Companies Act, 1956?
- 9. Briefly explain the provisions of Companies act with regard to winding up subject to the supervision of the court
- 10. What are the powers, duties and liabilities of directors of a registered private limited company?
- 11. Elaborate the process of winding up of companies
- 12. What are the contents of Articles of Association?

# Unit – IV 2 MARKS

# 1. What is a factory?

A factory is a premises where on 10 more persons are engaged if power is used, or 20 or more persons are engaged if power is not used, in a manufacturing process.

## 2. Give any three objectives of factories Act?

- To regulate working conditions if factories.
- To ensure that basic minimum requirements for the safety, health and welfare of the factory workers are provided.
- To regulate the working hours, leave, holidays, overtime, employment of children, and young persons, etc.

#### 3. Define the term 'worker' used in factories Act?.

'Worker' means a person employed directly or by or through any agency with or without the knowledge of the principal employer, whether for remuneration or not on any manufacturing process, or in cleaning any part of the machinery or premises used for a manufacturing process, or in any other kind of work incidental to or connected with, the manufacturing process, or the subject of the manufacturing process but does not include any member of the amended forces of the union.

#### 4. Write short note on the word 'Occupier' as defined under factories act.

'Occupier' of a factory means the person who has ultimate control over the affairs of the factory.

#### 5. What are the provisions of the factories act, 1948, Relating to Health of workers?

- 1. Cleanliness and disposal of wasted and effluents
- 2. Ventilation, temperature and Humidity.
- 3. Prevent Dust and fumes
- 4. Avoid overcrowding
- 5. Lighting and Drinking water
- 6. Latrines urinals and spittoons

## 6. List out the provisions of the factories act regarding the employment of Young persons.

- 1) Prohibitions of employment of Young children
- 2) Non-adult workers to carry tokens
- 3) Certificate of fitness.
- 4) Time of work
- 5) Working hours and notice of period of work for children.
- 6) Register of child workers
- 7) Power to require medical examinations.
- 8) Safety provisions for young persons.

# 7. State the provisions of the factories act regarding the employment of women.

- 1. Expose the women to risk in any injury from any morning part.
- 2. Separate cotton –opener and partitioned free and
- 3. Suitable rooms.
- 4. Working hours
- 5. Restriction on employment of women
- 6. Certificate of fitness
- 7. Dangerous operations.

## 8. Define 'Wages' as per the payment of wages act?

"Wages" means all remuneration expressed in terms of money or cables of being so expressed which would/ if the terms of employment, express or implied, were fulfilled, be payable to a person employed in respect of his employment or work done in such employment.

# 9. State any four objectives of payment of wages Act.

- To ensure regular and timely payment of wages to the employed person
- To prevent the evils of withholding wages to the employed persons
- To avoid delays in paying wages
- To prevent unauthorized deductions from wages

#### 10. What are the medium of payment of wages?

- 1. All wages shall be paid in current coin or currency notes or both.
- 2. Payment of wages in kind is not permitted
- 3. The employer may offer obtaining the written authorization of the employed person, pay him the wages either by cheque or by crediting the wages in his bank account.

## 11. What are the payments to the employees which are not considered a "wages"?

- Any bonus
- The value of any house accumulation
- Contribution to any pension or provident fund
- Any traveling allowance
- Any gratuity payable on the termination of the employment
- Any sum paid to the employed person to defray special expenses entailed on him by the nature of his employment

## 12. List out the time of payment of wages

- 1. Wages to be paid before 7<sup>th</sup> day of the following months is less than 1000 persons are employed
- 2. Wages to be paid before 10th day of the following month if more than 1000 persons are employed

- 3. If any person is terminated from his employment, his wages to be paid before the expiry of the 2<sup>nd</sup> working day from the day on which his employment is terminated.
- 4. All wages shall be paid on a working day

## 13. Who is eligible for bonus?

Every employee receiving salary or wages upto RS. 3,500 p.m. and engaged in any kind of work whether skilled, unskilled, managerial, supervisory etc. is entitled to bonus for every accounting year if he has worked for at least 30 working days in that year.

## 14. Differentiate lockout and layoff.

lock out is when the employer refuses to give employment to workers because of closing of place of employment or suspension of work, layoff employers refuses to give employment because of shortage of coal, power and raw material.

lockout is for not accepting the demand of employer, layoff is the trade reasons beyond the control of employer

lockout due to dispute and work continue during the period of dispute, layoff concerned with the disputes with the workmen.

## 15. Define "Manufacturing process" under the Factories Act.

"Manufacturing Process" means any process for- · making, altering, repairing, ornamenting, finishing, packing, oiling, washing, cleaning, breaking up, demolishing or otherwise treating or adapting any article or substance with a view to its use, sale, transport, delivery or disposal

# 16. State any four permissible or authorized deductions under the payment of wages act.

- a. Lines
- b. Deductions for absence from duty
- c. Deduction for damage to or loss or goods or for loss of money
- d. Deduction for house accommodation.

#### 17. What are the limit on deductions?

The total amount of all categories of deductions from the wages of any employed person in any wage – period, should not exceed the following limits prescribed by section 7(3)

- i) 75% of wages payable in case where such deductions are wholly or partly made for payment to co-operative societies under section 7(2) j. of the Act.
- ii) 50% of the wages payable in any other case

#### 18. Describe the meaning of the word 'Bonus'

The term 'bonus' is not defined in the payment of Bonus Act, 1965 or in any other enactment. However, it means an annual payment obligatory on the employers to employees on the basis of profits or on the basis of production or productivity.

#### 19. State the objectives of the Bonus Act.

The objectives of the payment of Bonus Act is to maintain peace and harmony between labour and capital by allowing the employees in recognition of their right, to share in the prosperity of the establishment reflected by the contributions make by capital, management and labour.

#### 20. What is minimum Bonus?

A minimum bonus of 8.33 percent of the wage or salary (up to Rs. 1600. of an employee (Rs. 60 in case of employees below the age of 15 years is payable irrespective of the fact whether the establishment has made a profit or loss

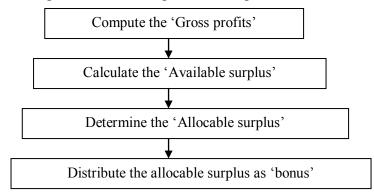
# 21. Define an 'Employee' in the Bonus Act?

An 'employee, means any person employed on a salary or wage not exceeding 3500 rupees per mensem in any industry to do any skilled or unskilled, manual, supervisory,

managerial, administrative, technical or clerical work for hire or reward, whether the terms of employment be express or implied.

# 22. State the "Bonus formula" given in the payment of Bonus Act, 1965.

The following schematic view gives the simple 'bonus formula



# 23. Define 'Industry' in industrial disputes Act?

'Industry' means any business, trade, undertaking, manufacture or calling of employers and includes any calling, service, employment, handicraft or industrial occupation or avocation of workmen.

# 24. What is an "Industrial Dispute"?

An "Industrial dispute" means any dispute or difference between employers and employers, or between employers and workmen, or between workmen and workmen, which is connected with the employment or non-employment or the terms and conditions of employment of any person.

# 25. What are the modes of settlement of disputes under the Industrial dispute Act?

- 1. Voluntary settlement and conciliation
  - Works committee
  - Conciliation officers
  - Boards of conciliation
  - Courts of Inquiry
- 2. Adjudication Machinery
  - Labour courts
  - Industrial Tribunals
  - National Tribunals
- 3. Arbitration

#### 26. What is 'lock – out'?

Lock – out means the temporary closing of a place of employment, or the suspension of work, or the refusal by an employer to continue to employ any number of persons employed by him.

#### 12 MARKS

- 1. Elaborate the provisions of Factories Act regarding Health, safety and Welfare of the employees.
- 2. Identify the various possibilities of industrial disputes in an Industry. What are the settlement machineries used to resolve these disputes?
- 3. Explain the conditions on which strikes and lockouts are prohibited.
- 4. Discuss the provisions regarding the health of workers.
- 5. State and explain the provisions of the Factories Act, regarding the employment of young persons and women in the Industries.

- 6. Explain the various machineries that exist under the Industrial Disputes Act, for the prevention, settlement and adjudication of Industrial disputes
- 7. Enumerate the important provisions of Payment of Bonus Act.
- 8. An employee was dismissed from service for an act of misconduct. The company did not pay any bonus to the dismissed employee for the accounting year in which the dismissal took place. Is the action of the company justified?
- 9. Describe the machineries provided under the Industrial Disputes Act for investigation and settlement of industrial disputes
- 10. Keerthi Ltd., is in the process of reorganizing its business. It is likely to result in some labour being rendered surplus. It has proposed retrenchment of economic dead weight. Can the company do so?
- 11. Briefly explain the Consumer Disputes Redress Commission (the State Commission. as to its composition, jurisdiction, and procedure to be followed to it.
- 12. Critically examine the Industrial Dispute Act provisions in Today's context
- 13. State and explain the provisions of Factories Act, regarding the employment of young person and women in the industries
- 14. Explain the rules for payment of Wages Act
- 15. What is the condition for the eligibility of Bonus? When is an employee disqualified from receiving bonus?
- 16. Differentiate between lay-off and lock out?

# UNIT -V 2 MARKS

### 1. Define Consumer protection Act?

The Consumer protection Act, 1986 attempts to provide an inexpensive, Simpler and quicker access to redressal of consumer grievances. The Act has provided machinery where by consumer can file their complaints against defective goods or deficient service with consumer forums.

## 2. Sate any two objectives of consumer protection Act?

- \* To provide an inexpensive, simpler and quicker access to redressal of Consumer grievances.
- \* To provide a machinery against defective goods or deficient services with Consumer forums.

# 3. What are the various rights of consumers recognized under the consumer protections Act?

- 1. Right to safety
- 2. Right to Information
- 3. Right to Choose
- 4. Right to be Heard
- 5. Right to seek Redressel against Exploitation
- 6. Right to consumer Education

#### 4. Who is consumer?

'Consumer means' any person who buys any goods for a consideration which has been paid or promised or partly paid and partly promised, or under any system of deferred payment, and includes any person who uses such goods with the approval of the buyer.

# 5. What do you meant by patents?

Patents are the exclusive rights granted by the Government enabling the holder to control the use of an invention.

# 6. Define Consumer Dispute

"Consumer dispute" means a dispute where the person against whom a complaint has been made denies or disputes the allegations contained in the complaint.

# 7. What are the rights of consumers to be protected by central council?

- 1. Right to safety
- 2. Right to information
- 3. Right to Choose

- 4. Right to be heard
- 5. Right against exploitation 6. Right to education

# 8. Discuss about consumer disputes redressel agencies.

The Consumer protection Act, 1986 provides for a three –tier remedial machinery for speedy redressel of consumer disputes namely

- 1. District forum
- 2. State commission and
- 3. National Commission

# **9.** State the powers of the consumer forums?

1. Power similar to those of civil court (Rule 10) 3. Power to issue order.

2.Additional power of the consumer forums

## 10. Define cyber crime.

Cybercrime is a term for any illegal activity that uses a computer as its primary means of commission. The U.S. Department of Justice expands the definition of cybercrime to include any illegal activity that uses a computer for the storage of evidence

## 11. Define Cyber Laws

The expression "Cyber law" encompasses all the cases. Statutes and constitutional provisions that affect persons and institutions who control the entry to cyberspace, provide access to cyberspace create the hard ware and software which enable people to access cyberspace or use their own devices to go 'Online' and enter cyberspace.

# 12. Define information Technology (IT)

The term information technology' generally applied to broad area of activities and technologies associated with the use of computers and communication. It is an application of computers to create store, process and use of information particularly in the field of commerce.

## 13. What is Information Technology Act 2000?

The law relating to 'information' technology' is contained in the Information Technology (IT. Act. 2000, Which came into force on 17<sup>th</sup> October, 2000. It is the first Cyber Law in India. It governs the processing and dissemination of information electronically.

# 14. Give any two objective of IT Act 2000.

- To give boost to electronic commerce e-transactions, associated with commerce and trade
- To facilitate electronic governance Co-governance by means of reliable electronic records.

#### 15. Define the term 'Electronic Commerce'

The Term Electronic Commerce (e-commerce) refers to the business transacted electrically the term refers to trading of goods over the Interest. It is online sale and purchase of goods and services for value by using internet technologies such as internet processing e-mail and world wide web (www)

#### 16. What is meant by Electronic Governance?

The term Electronic Governance refers to the application of information technology to the processes of Government functioning in order to bring about Simple, Moral, Accountable, Responsive and Transparent (SMART) Governance.

## 17. What is Digital Signature?

The expression digital Signature has been defined in section 2(1. (P. of the Act to mean authentication of any electronic record by a Subscriber, i.e., a person in whose name the "Digital Signature certificate" is issued by means of an electronic method or procedure in accordance with the provisions of section3.

#### 18. Define Electronic record?

It means data, record or data generated, image or sound stored, or sent in an electronic form [sec 2(1. (r.) or microfilm or computer generated microfiche.

#### 19. What do you understand by electronic form

With reference to information, 'electronic from' means any information generated, sent, received or stored in media, magnetic, optical, computer memory, microfilm, Computer generated micro fiche or similar device.

# 20. State any five provisions of electronic governance?

- 1. Legal Recognition of Electronic Records
- 2. Legal Recognition of Digital Signatures
- 3. Retention of Electronic Records
- 4. Public of Rules Regulations etc, in Electronic Gazette
- 5. Central Government empowered to make Rules

# 21. What are the regulations under IT Act

- 1. Role of Controller of certifying Authorities (CCA) in Regulating Certifying Authorities.
- 2. Role of Controller of Certifying Authorities (CCA) n Regulating flow of Information.
- 3. Role of cyber Regulations Appellate Tribunal (CRAT) as an Appellate Tribunal.
- 4. Role and constitution of Cyber Regulation Advisory Committee (CRAC).

# 22. What do you understand by Consumer protection councils?

The Consumer protection councils are established at center State and District level. These Councils work towards the Promotion and protection of the rights of the Consumers.

## 23. Write short note on Copy rights

Copyrights are the exclusive rights to reproduce and sell literary, musical and artistic works.

#### 24. Give any two examples of unfair Trade Practice

\*Making false statements that the goods are of particular standard, quality, quantity, grade, composition, style or model.

\*Making false statements that the Service is of a particular standard quality or grade.

## **12 MARKS**

- 1. Explain the rights protected by the Consumer Protection ACT 1986. What are the different types of consumer councils can be utilized for consumer awareness?
- 2. Discuss the various cyber applications need to be governed in the present Information Technology scenario.
- 3. Trace the history of consumer protection act and its relevance today.
- 4. Who is a consumer under the Consumer Protection Act? What are the rights of the consumer?
- 5. Discuss the important provisions of Cyber Law.
- 6. Discuss whether the available cyber laws are sufficient to curb the cyber crimes. Why? Why not?
- 7. Consumer protection act provisions are toothless do you agree?
- 8. Explain the rights protected by the Consumer Protection ACT 1986. What are the different types of consumer councils can be utilized for consumer awareness?

#### **CASE STUDY**

1. Husband and Wife, Niraj and Seema Mishra, based in Mumbai, are forming a company. They want a short name for the company with their surname in it. The company is being formed to run a restaurant. They project they would need Rs.20 lakhs as the capital of the company. Right way, the husband would contribute Rs.200000 to share capital of the company and the wife Rs.10,00,000 Mr. Mishra hopes to find others, after the company has been formed, to take the shares of the company. They also contemplate occasionally hiring out the car they would buy for the company.

#### **Question:**

- 1. Develop a memorandum of association for the company.
- 2. Mr. Radhey Shyam appointed as Machine Operator on probation for a period of 6 months. After completion of 6 month, the management took a test in which Mr. Radhey Shyam could not qualify and his probation period was extended for another 6 months. Again a test was organized but again the employee could not qualify. Hence his services came to an end on the basis of conditions stipulated in appointment letter. Employee challenged the termination.

#### TERMS OF APPOINTMENT:

- 1. You are being appointed as Machine operator trainee for a period of 6 months provided that employer may in his discretion extend the period of training for giving his services as trainee for such further period not exceeding one year.
- 2. The employer may terminate this agreement at any time without prior notice.
- 3. The candidate shall diligently pursue the course of his training and abide the rules for time being in force relating to the conduct of training and pass the described test.

#### **Ouestion:**

**1.** As a Personnel Manager, write the legal course of action. Give reference of case law and sections of related acts.

#### **ASSIGNMENT TOPIC**

- 1. What are the remedies available to an aggrieved person in case of breach of a contract?
- 2. Explain the special rules for cheques and drafts.
- 3. Explain the various clauses in the Memorandum of Association of a company.
- 4. Give a brief overview of the Factories Act, 1948
- 5. What are the provisions for prevention of strikes and lockouts?
- 6. Industrial Disputes Act and the disputes solving machineries maintain the industrial Harmony and productivity" comment.