

POKHARA UNIVERSITY
Faculty of Management

Legal Aspects of Business and Technology

Model Question Paper

Candidates are expected to answer the questions in their own words as far as practicable. The figures in the margin indicate full marks.

Section A

Attempt all the questions. Give your answer in few lines.

*(10*2=20)*

1. State two important features of business law.
2. Akash makes an offer to sell 100 pieces of shirts to Dinesh through email. Dinesh has already sold his business to Mahesh. Mahesh accepts the offer in place of Dinesh without disclosing the fact. Is this a valid contract? Give two reasons for your answer.
3. Mr. Rasik gives a piece of cloth to a tailor for stitching a shirt. This is a special type of contract. Identify and give its definition.
4. Pledge is a kind of bailment. How does it differ from bailment? State two differences.
5. Contract of indemnity differs from contract of guarantee. State two important differences.
6. Mr. A sells a pen to Mr. B for Rs 20. State two important features of sale.
7. Agency is based on two important rules. What are they?
8. Company is popular form of organization for doing business. Give two important reasons based on its definition.
9. State two important advantages of arbitration.
10. Define intellectual property rights.

Section B

Descriptive Answer Questions

Attempt any six questions.

*(10*6=60)*

11. a) Discuss briefly the five sources of business law. 5
b) Arbitrator is a neutral person appointed to settle dispute between contracting parties as per arbitration agreement. State five important duties of arbitrator. 5
12. a) Memorandum of Association is the soul of a company. Why is it important? State five major reasons. 5
b) Doctrine of ultra vires protects the interest of a company. Discuss the doctrine. 5
13. a) Mr David appoints Mr. Arun, as his agent for the sale of his goods. State five duties which Mr. Arun should be aware of as an agent. 5
b) Who is surety in a contract of guarantee? State rights of surety against principal debtor. 5
14. a) Mr. Sudip pledges some gold ornaments and borrows Rs 20,000 from a goldsmith. Is 5

- goldsmith pledgor or pledgee? State five duties of the goldsmith.
- b) Who is a bailor? Discuss four important rights of a bailor. 5
15. State major differences between sale and agreement to sale. 10
16. a) What are the three important negotiable instruments used in business? State four 5
important features of negotiable instrument.
- b) Define foreign investment. State four important provisions of Foreign Investment and 5
Technology Transfer Act, 2049.
- 17 Discuss any two:
- a) Trade mark
- b) Contingent contract
- c) TRIPS

Section C Case/Situation Analysis

18. *Read the case situation given below and answer the questions that follow. (20)*

Akhil Trading Co. is an old business firm in Kathmandu dealing in ready-made garments. It has many suppliers who regularly supply the garments as per its specification. It entered into a contract with Mahima Garments Pvt Ltd, a garment industry located in Hatauda for the supply of 5000 T-shirts to be delivered to Mr. Ramesh, an exporter on December 31, 2016. This was informed to Mahima Garments at the time of making the contract. Mahima Garments Pvt Ltd, however, failed to supply the shirts on the due date as promised under the contract. It's Managing Director informed Akhil Trading Co. that only 3500 T-shirts have been finished due to shortage of raw material and promised to send the remaining shirts within a week.

Akhil Trading Co. refused to take the delivery of 3500 T-shirts and alleged Mahima Garments of breaching the contract. Akhil Trading Co, then, demanded the return of the advance money paid to the Mahima Garments. Mahima Garments refused the request saying that it is unreasonable.

Mr. Ramesh, then, claimed Rs 50,000 from Akhil Trading Co. as per the contract for failure to supply the shirts, which Akhil Trading paid without any objection. Based on this case answer the following questions:

- a) As Mahima Garments Pvt Ltd has finished 3500 shirts and promised to send the rest of the order within a week, do you think it is a breach of contract as claimed by Akhil Trading Co.? (2)
- b) What is breach of contract? Explain in detail. (2)
- c) Name the remedies under the Contract Act 2063 for breach of contract. (2)
- d) Which remedy do you think Akhil Trading Co should seek against Mahima Garments? (2)
- e) Explain the remedy that you suggest in detail. (6)
- f) Is Mahima Garments liable to return the advance money to Akhil Trading? Give reason. (2)
- g) Can Akhil Trading Claim Rs 50,000 which was paid to Mr. Ramesh from Mahima Garments? Give reason. (2)
- h) Is Mahima Garments Pvt Ltd liable to compensate Rs 50,000 to Akhil Trading Co? Give reason for your answer. (2)