

Roll No.....

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 8
Total number of printed pages : 7

PART—A

(Answer Question No.1 which is compulsory and any two of the rest from this part.)

1. (a) State, with reasons in brief, whether the following statements are correct or incorrect. Attempt *any six* :
 - (i) Besides minors and persons of unsound mind, there are others too who are disqualified from contracting by law.
 - (ii) A contract to contract is not a contract.
 - (iii) A continuing guarantee can be revoked as to the past transaction by giving notice to the creditor.
 - (iv) An auctioneer can refuse to accept the highest bid.
 - (v) A preference shareholder does not have a right to vote on every resolution of the company.
 - (vi) The liability of a sleeping partner is limited.
 - (vii) Order instrument can be negotiated by delivery only.
 - (viii) A firm cannot be appointed as a director of a company.

(2 marks each)
- (b) Write short notes on *any two* of the following :
 - (i) Certificate of incorporation
 - (ii) Anticipatory breach of contract

(iii) Irrevocable agency.

(4 marks each)

2 (a) Distinguish between *any two* of the following :

(i) 'Condition' and 'warranty'.

(ii) 'Partnership' and 'Hindu Undivided Family'.

(iii) 'Private company' and 'public company'.

(4 marks each)

(b) Choose the most appropriate answer from the given options in respect of the following :

(i) A void agreement is one which is :

(a) Valid, but not enforceable

(b) Enforceable at the option of one party

(c) Enforceable at the option of both the parties

(d) Not enforceable in a court of law.

(ii) Which of the following does not constitute valid acceptance ?

(a) It has been communicated

(b) It is absolute and unqualified

(c) It has been presumed from silence of offeree

(d) The offer has been accepted by the proper person.

(iii) The liability of a surety :

(a) May be less than that of debtor

(b) May be more than that of debtor

(c) Always remains the same as that of debtor

(d) Depends upon the judgement of court.

(iv) The term 'goods' under the Sale of Goods

Act, 1930 does not include:

- (a) Harvested crops
- (b) Actionable claims
- (c) Grass
- (d) Stocks and shares.

(1 mark each)

- (c) Re-write the following sentences after filling-up the blank space with appropriate word(s) so as to convey the correct meaning :

- (i) The document containing the constitution of a company is known as _____.
- (ii) A sale by auction is complete when the auctioneer announces its completion by the fall of the _____ or in any other customary manner.
- (iii) Every company must in each calendar year hold an annual general meeting provided that not more than _____ months shall elapse between two annual general meetings.

(1 mark each)

3. (a) What are the effects of non-registration of a partnership firm ?

(5 marks)

- (b) Who is an 'unpaid seller' ? State the rights of an unpaid seller.

(5 marks)

- (c) Ajay found a defective video camera lying in a park. He pledged it with Vijay for Rs.3,000. Mohan, the real owner, came to know about it. Mohan sued Vijay to recover his camera. Vijay had incurred Rs.500 on repair to make the camera operational. Can Mohan recover his camera ?

(5 marks)

4. Attempt *any three* of the following :

- (i) Explain the term 'Secretary' under the Companies Act, 1956. State whether every company is required to appoint a whole-time Company Secretary.

(5 marks)

- (ii) Explain the position of a minor in a partnership firm.

(5 marks)

- (iii) A, B, C, D and E are partners in a firm. They decided to dissolve the firm from 1st January, 2006 but failed to give a public notice of its dissolution and continued the business of the firm even after that date. D died on 5th January, 2006 and E was declared insolvent on 10th January, 2006. On 11th January, 2006, A borrowed in the firm's name Rs.20,000 from R who was ignorant of the dissolution. Discuss the liability of partners.

(5 marks)

- (iv) On a bill of exchange for Rs.10,000 Sumit's acceptance to the bill is forged. Amit takes the bill from his customer in good faith and for consideration before the bill becomes payable. State with reasons whether Amit can receive the amount of the bill from Sumit.

(5 marks)

PART—B

(Answer Question No.5 which is compulsory and any two of the rest from this part.)

5. (a) State, with reasons in brief, whether the following statements are correct or incorrect. Attempt

any five :

- (i) The business of every business is to earn profits only.
- (ii) Unity of command means accountability of a subordinate only to one superior.
- (iii) Country club leadership style has high concern for production and low concern for people.
- (iv) To unlearn is as important as to learn.
- (v) Information overload is as bad as information gap.
- (vi) Contingency approach to management means that organisations must be flexible and display an ability to unplanned occurrences.
- (vii) Functional organisation means division of tasks in a department on the basis of functional specialisation.
- (viii) Staffing function is the same as human resources management function in an organisation.

(2 marks each)

(b) Write notes on *any two* of the following :

- (i) Steps in the process of rational decision making
- (ii) Line and staff organisation
- (iii) Total Quality Management (TQM).

(5 marks each)

6. Briefly comment on *any three* of the following statements :

- (i) "Change is life and life is change. Yet people resist change."
- (ii) "Leadership is the essence of managership."

- (iii) "Whatever a manager does, he does it through making decisions."
- (iv) "An ideal control system is instantaneous, self-correcting and forward-looking."

(5 marks each)

7. (a) Distinguish between *any two* of the following :
- (i) 'Delegation' and 'decentralisation'.
 - (ii) 'Autocratic' and 'democratic' styles of leadership.
 - (iii) 'Financial audit' and 'management audit'.
- (5 marks each)
- (b) Choose the most appropriate answer from the given options in respect of the following :
- (i) Management denotes only :
 - (a) a function
 - (b) people who manage
 - (c) a discipline
 - (d) all the above.
 - (ii) Authority flows from :
 - (a) Top to bottom
 - (b) Bottom to top
 - (c) Equal position to equal position
 - (d) None of the above.
 - (iii) Planning is an approach based upon :
 - (a) Rationality
 - (b) Emotions
 - (c) Mutuality
 - (d) Heredity.
 - (iv) The grapevine is created by :

- (a) Management
- (b) An employee exclusively for himself
- (c) Formal order
- (d) Informal organisation.
- (v) Theory-X and Theory-Y of motivation has been propounded by :
 - (a) F.W. Taylor
 - (b) Herzberg
 - (c) McGregor
 - (d) Maslow.

(1 mark each)

8. (a) "Good communication is the basis for sound management." Discuss. Enumerate the essentials of an effective communication.

(5 marks)

- (b) What is 'co-ordination' ? Discuss the principles of co-ordination.

(5 marks)

- (c) What are the salient features of appraisal by results ?

(5 marks)

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