

JAYPEE UNIVERSITY OF INFORMATION TECHNOLOGY, WAKNAGHAT

TEST -3 EXAMINATION- 2025

B.B.A -V Semester

COURSE CODE (CREDITS): 24BB1HS511(4)

MAX. MARKS: 35

COURSE NAME: Legal Aspects of Business

COURSE INSTRUCTORS: Dr Tanu Sharma

MAX. TIME: 2 Hours

Note: (a) All questions are compulsory.

Q.No	Question	CO	Marks
Q1	Nirav Modi's companies (e.g., Firestar Diamond, Solar Exports, Stellar Diamonds) were involved in a multi-crore fraud using fake Letters of Undertaking (LoUs) issued by Punjab National Bank officers without proper authorization. The case exposed weaknesses in internal controls, corporate governance, auditor vigilance, and compliance mechanisms under the Companies Act, 2013. In this aspect answer the following questions a) Discuss how the Nirav Modi case demonstrates failures in corporate governance and internal financial controls as defined under the Companies Act, 2013. b) Discuss the role of the Board of Directors in ensuring compliance with internal financial controls. How did the Nirav Modi case highlight failures of such controls? c) Which punishments under Section 447 could apply if fraud is proven?	CO[3]	6
Q2	A packaged juice bottle claims to be "100% natural with no added sugar." However, after consuming it, a consumer notices the nutritional label (in very small print) shows added sugar and preservatives. In this aspect answer the following questions a) How is the right to be informed violated here? b) Is this a case of misleading advertisement? Explain. c) What legal remedies can the consumer seek? d) Can the manufacturer be penalized for misbranding? e) How does the Consumer Protection Act ensure transparency of product information?	CO[3]	5
Q3	A construction company stops work after completing 60% citing increase in cost of materials. Analyze whether this amounts to breach or frustration. Evaluate the legal consequences and remedies available to the other party.	CO[4]	5
Q4	Evaluate the remedies available to an aggrieved party when breach occurs in commercial contracts: damages, specific performance, injunction, and rescission. Analyse when courts prefer equitable remedies over monetary compensation.	CO[5]	5
Q5	Analyse the difference between void contracts, void agreements, and voidable contracts. Explain with examples how a contract transitions from valid to void or voidable.	CO[5]	5
Q6	Contracts are the backbone of the business law providing legal enforceability, clarity, and accountability in commercial transactions. Discuss why contracts are important.	CO[5]	3
Q7	Consumer protection is crucial to shield consumers from loss, injury, and prevailing malpractices, ensuring their safety and satisfaction.	CO[2]	3
Q8	The Companies Act lays down statutory duties that every director must follow while managing the company's affairs. Discuss these duties	CO[3]	3