



CII Institute of Logistics
PGDSCM & Certificate Programs
Semester-end Examination – June 2010

BUSINESS LAWS & TAXES

Time: Three Hours

Marks: 100

Part A

Answer all questions

(10 x 1 = 10 Marks)

1. An agreement is
 - a) Accepted proposal
 - b) Set of promises
 - c) Promise
 - d) Set of obligations
2. Acceptance must be given in
 - a) Usual manner
 - b) Prescribed manner
 - c) Any manner suitable to the offeree
 - d) More effective manner
3. The following instruments, are resembling with negotiable instrument, but are not recognized:
 - a) Treasury bill and Hundies
 - b) Government Promissory note and bill of exchange
 - c) Divided warrant and share warrant
 - d) Money order and postal order
4. The following is the normal time frame for deciding the admissibility of the case under the consumer Protection Act:
 - a) 21 days
 - b) 31 days
 - c) 60 days
 - d) No time frame
5. Company is a:
 - a) Natural person
 - b) Artificial person
 - c) Natural and artificial person
 - d) None of the above
6. Memorandum of Association is
 - a) A public document
 - b) A private document
 - c) A confidential document
 - d) None
7. Income Tax Act has been formed in the year
 - a) 1986
 - b) 1962
 - c) 1944
 - d) 1961
8. The purpose of enactment of Environment (Protection) Act, 1986 is
 - a) Protection of environment
 - b) Improvement of environment
 - c) Protection and improvement of environment
 - d) Deterioration of environment
9. Customs duty is.....
 - a) On import into India and export out of India
 - b) On Import into India only
 - c) On export of goods out of India
 - d) None of the above

10. The main objectives of the Central Sales Tax are:
- To increase revenue
 - To collect tax on purchase
 - To collect tax within a state
 - To formulate principles for determining when a sale or Purchase takes place outside a state.

Part B

Answer any Four (4 x 15 =60 Marks)

- Define the term consideration. Explain various rules regarding lawful consideration?
- Define 'Bill of exchange' Explain characteristics of bill of exchange?
- Define a private company and state the special privileges which it enjoys under the companies Act, 1956?
- Shorts notes on:
 - Double taxation agreement
 - EPCG Scheme
 - Advantage of VAT
- What is duty draw back? Enumerate the provisions of the customs Act, 1962 regarding duty drawback.
- Explain the provisions regarding inter-state sales.

Part C

Case Study (3 x 10 =40 Marks)

- Answer the following:
 - A, offers to sell his house to B for Rs. 5 lakhs. B says, "I accept your offer. Here is Rs.2 lakhs in cash and a 3 month promissory note for the balance". Is there any contact between A and B.

- An article is on display in a showroom with price tag of, "Rs.100". Mr. A offers Rs.100 to the shopkeeper for the article, but shopkeeper refuses to sell it. Can Mr. sue B for not selling the article?

- From the following information compute the Gross total income and tax liability of Mr.P. Thiagarajan of Chennai.

- Basic pay Rs.40, 000 pm, Dearness allowance: Rs. 15,000, HRA Rs.10, 000 and other allowances @ 10% of basic pay.
- Income from House property (Computed) Rs.60,000
- Income from other sources: Winning from lottery Rs. 15,000, winning from card games Rs.7,000, Interest on securities Rs. 11,000, Royalty income Rs.16,000, Interest on NSC Rs.15,000 and loss from race horse Rs. 4,500.

- Answer the following:

- A person purchased a juicer machine to earn his livelihood by extracting and selling juice. The Juicer was found defective. Is he entitled to relief under the Consumer protection Act?
- Briefly explain the concept of special Economic Zone.
