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SET - I

Q.1) Define a company. What are the different kinds of meeting of the shareholders of a company?

Answer :- A company is a legal entity formed by one or more individuals to engage in and operate a business. It is an artificial person created by law, having a separate legal entity, perpetual succession, and a common seal. This means that a company can own property, enter into contracts, sue and be sued in its own name, and continue to exist even if its members change.

There are several different types of companies, including:

- **Public companies:** These are companies whose shares are traded on a public stock exchange. They are subject to more stringent regulations than private companies.
- **Private companies:** These are companies whose shares are not traded on a public stock exchange. They are typically owned by a small number of shareholders.
- **Limited liability companies (LLCs):** These are companies that offer limited liability protection to their owners. This means that the owners are not personally liable for the debts of the company.
- **Partnerships:** These are businesses owned by two or more people. Partnerships can be general partnerships or limited partnerships.

The shareholders of a company are the owners of the company. They have the right to vote on certain matters, such as the election of the board of directors and the approval of major corporate decisions. Shareholders also have the right to receive dividends, which are payments made by the company to its shareholders.

There are several different kinds of meetings of the shareholders of a company, including:

- **Annual general meeting (AGM):** This is a meeting that must be held by all companies every year. At the AGM, the directors present the company's annual report and accounts to the shareholders. Shareholders also have the opportunity to ask questions and vote on resolutions.
- **Extraordinary general meeting (EGM):** This is a meeting that is called to deal with specific matters that cannot be dealt with at an AGM. EGMs are typically called to approve major corporate decisions, such as mergers and acquisitions.

- **Class meetings:** These are meetings that are held for the shareholders of a particular class of shares. Class meetings are typically called to approve matters that affect the rights of the shareholders of that class.

The specific rules for calling and conducting shareholder meetings are set out in the company's articles of association. These articles are a legal document that sets out the company's constitution.

Q.2) Define a Contract. What are essentials of a contract? Discuss.

Answer :- A contract is a legally binding agreement between two or more parties that creates mutual obligations to do something or refrain from doing something. It is a fundamental concept in law and business, enabling individuals and organizations to enter into legally enforceable arrangements.

Essentials of a Contract

To be valid and enforceable, a contract must generally satisfy the following essential elements:

1. **Offer:** One party (the offeror) must make a clear, definite, and intentional proposal to another party (the offeree). This proposal must contain all essential terms of the agreement, such as the subject matter, price, quantity, and time of performance.
2. **Acceptance:** The offeree must accept the offer unconditionally and without any modifications. The acceptance must be communicated to the offeror in a clear and unequivocal manner.
3. **Consideration:** Something of value must be exchanged between the parties. This can be in the form of money, goods, services, or promises. Consideration is essential to ensure that the contract is not a mere gift or donation.
4. **Capacity to Contract:** Both parties must have the legal capacity to enter into a contract. This means that they must be of sound mind and not be minors or legally incapacitated.
5. **Free Consent:** The consent of both parties must be free and genuine. It should not be obtained through coercion, undue influence, fraud, or misrepresentation.
6. **Legality of Object:** The purpose of the contract must be lawful. A contract to commit a crime or a tort is void.

Discussion

- **Offer and Acceptance:** The offer and acceptance must be clear, definite, and communicated to each other. A mere invitation to treat, such as an advertisement or a display of goods, is not an offer.
- **Consideration:** Consideration is essential to ensure that the contract is not a gratuitous promise. It can be executed (performed immediately) or executory (to be performed in the future).
- **Capacity to Contract:** Minors, insane persons, and intoxicated individuals generally lack the capacity to contract. However, contracts entered into by minors for necessities can be enforced.
- **Free Consent:** Consent must be genuine and not obtained through any form of coercion or misrepresentation. If consent is obtained through fraud or undue influence, the contract may be voidable.
- **Legality of Object:** The purpose of the contract must be lawful. A contract to commit a crime or a tort is void.

Q3.) What do you understand by intellectual property rights? Explain its types in detail.

Answer :- Intellectual Property Rights (IPR) refer to the legal protections granted to individuals and organizations over their creations of the mind. These rights encourage innovation by ensuring that creators can benefit financially and morally from their work. IPR covers a wide array of creative outputs, including inventions, artistic works, designs, symbols, names, and images used in commerce.

IPR provides exclusive rights to creators or owners, allowing them to prevent unauthorized use or duplication. This system balances public access to innovations with the creators' rights to recognition and compensation.

Types of Intellectual Property Rights:

1. Patents:

- **Definition:** Patents grant exclusive rights to inventors for their inventions, which must be new, useful, and non-obvious.
- **Duration:** Typically lasts 20 years from the filing date.
- **Example:** A new pharmaceutical drug or a unique machine design.
- **Purpose:** Protects inventors by preventing others from making, using, or selling the patented invention without permission.

2. Copyrights:

- Definition: Copyright protects original works of authorship, including literature, music, films, software, and artistic works.
- Duration: In most countries, it lasts for the creator's lifetime plus 50-70 years after their death.
- Example: Books, movies, software programs, and songs.
- Purpose: Encourages creativity by ensuring authors can control and benefit from their work.

3. Trademarks:

- Definition: Trademarks protect distinctive signs, logos, or expressions that identify and distinguish goods or services.
- Duration: Can last indefinitely, provided the trademark is renewed periodically (e.g., every 10 years).
- Example: Logos like Nike's "swoosh" or slogans like McDonald's "I'm Lovin' It."
- Purpose: Builds brand identity and prevents consumer confusion.

4. Trade Secrets:

- Definition: Protects confidential business information that provides a competitive edge.
- Duration: No specific time limit, provided the information remains secret.
- Example: Coca-Cola's recipe or Google's search algorithm.
- Purpose: Safeguards proprietary knowledge critical to business success.

5. Industrial Designs:

- Definition: Protects the aesthetic aspects of a product, including its shape, pattern, or color.
- Duration: Usually lasts 10-25 years, depending on the jurisdiction.

- Example: Designs of smartphones, furniture, or fashion items.
- Purpose: Encourages innovation in design and visual appeal.

6. Geographical Indications (GI):

- Definition: Protects names or signs associated with specific geographic regions, indicating unique qualities or reputation.
- Duration: Varies but typically lasts as long as the indication is in use.
- Example: Champagne from France or Darjeeling tea from India.
- Purpose: Preserves regional heritage and boosts local economies.

SET - II

Q.4) Discuss Environment Protection Act 1986. How it is relevant in the modern business world?

Answer : Environment Protection Act, 1986:

The Environment Protection Act, 1986 (EPA) is a key legislation in India aimed at safeguarding and improving the environment. Enacted under Article 253 of the Indian Constitution, it serves as an umbrella framework for environmental protection by consolidating previous laws such as the Air Act (1981) and Water Act (1974). The EPA was introduced following the Bhopal Gas Tragedy in 1984 to address the need for stringent environmental safeguards.

Key Provisions of the Act:

1. Comprehensive Coverage:

- The Act empowers the Central Government to take necessary measures to protect and improve the quality of the environment, prevent pollution, and set standards for air, water, and land quality.

2. Pollution Control:

- Regulates the discharge of pollutants into the environment.
- Establishes procedures for hazardous substance management.

3. Authority and Enforcement:

- The government can close or regulate industries violating environmental norms.
- Inspectors can examine any premises, collect samples, and conduct analyses.

4. Penalties:

- Non-compliance can lead to imprisonment up to five years, fines up to ₹1 lakh, or both.

5. Public Participation:

- Emphasizes public awareness and responsibility toward environmental conservation.

Relevance in the Modern Business World:

In today's globalized and environmentally conscious world, the EPA remains highly relevant for businesses. The Act serves as a regulatory framework to guide companies in adopting sustainable practices, mitigating environmental risks, and aligning with international standards.

1. Compliance and Sustainability:

- Modern businesses must comply with the EPA to avoid legal penalties and reputational damage.
- It promotes adopting sustainable practices like waste management, pollution control, and energy efficiency.

2. Corporate Social Responsibility (CSR):

- EPA aligns with CSR mandates, encouraging businesses to invest in eco-friendly initiatives such as afforestation, renewable energy, and community welfare.

3. Global Trade and Competitiveness:

- Environmental compliance enhances global credibility and market access. Eco-certifications have become prerequisites for exports and partnerships.

4. Risk Mitigation:

- Adhering to EPA standards reduces risks of environmental disasters, operational shutdowns, and financial liabilities.

5. Consumer Demand:

- Eco-conscious consumers prefer brands committed to sustainability. Businesses complying with the EPA can enhance customer loyalty.

6. Innovation and Green Technology:

- The Act drives innovation by encouraging businesses to develop green technologies, reduce carbon footprints, and adopt circular economy models.

7. Investor Preference:

- Investors increasingly favor companies with strong environmental, social, and governance (ESG) practices. Compliance with EPA boosts investment opportunities.

Q.5) Discuss the main areas of focus of the Factories Act.

Answer : The Factories Act, 1948 is a comprehensive legislation enacted in India to regulate labor conditions and ensure the safety, health, and welfare of workers in factories. It applies to premises where manufacturing processes are carried out with the aid of power and employ 10 or more workers or without power and employ 20 or more workers.

Main Areas of Focus of the Factories Act:

1. Health Provisions:

- **Cleanliness:** Factories must maintain cleanliness in work areas by ensuring proper drainage, ventilation, and removal of dirt and waste.
- **Disposal of Waste:** Effective disposal systems for industrial waste and effluents must be in place.
- **Ventilation and Temperature:** Adequate measures to control temperature, humidity, and provide proper ventilation.
- **Lighting:** Sufficient and suitable natural or artificial lighting must be ensured.
- **Drinking Water:** Safe and hygienic drinking water must be provided, marked, and easily accessible.
- **Latrines and Urinals:** Well-maintained and separate toilet facilities for male and female workers.

2. Safety Provisions:

- **Machinery Safety:** Fencing of machinery, safe working practices, and proper training for workers operating machines.
- **Preventive Measures:** Ensuring measures to prevent hazards such as fire, explosions, and toxic exposure.
- **Handling of Hazardous Substances:** Proper guidelines for handling and storing dangerous materials and processes.
- **Protective Equipment:** Provision of safety gear such as helmets, gloves, and goggles.

3. Welfare Provisions:

- Washing Facilities: Adequate washing facilities for workers.
- Canteens: Provision of canteens in factories employing over 250 workers.
- Restrooms and Shelters: Proper restrooms, lunch rooms, and shelters for workers.
- First Aid: Availability of first aid boxes or cupboards and a certified medical officer in larger factories.
- Creches: For factories employing more than 30 women, creche facilities for children under six years of age.

4. Working Hours and Leave:

- Maximum Hours: A workday is limited to 9 hours, and a workweek to 48 hours, with overtime not exceeding a prescribed limit.
- Weekly Off: At least one day of rest per week.
- Annual Leave: Provision for paid annual leave based on the number of days worked.

5. Employment of Women and Young Persons:

- Prohibition of Night Work: Women are not allowed to work between 7 PM and 6 AM, with exceptions for certain industries.
- Child Labor Prohibition: Prohibits the employment of children under 14 years and restricts working hours for adolescents (14-18 years).

6. Inspection and Enforcement:

- Appointment of inspectors to oversee compliance with the Act and take necessary action against violations.

Q.6) Define consumer. Explain the consumer redressal agencies in detail.

Answer : Definition of Consumer:

A consumer is any individual who purchases goods or avails services for personal use and not for resale or commercial purposes. According to the Consumer Protection Act, 2019, a consumer is a person who:

1. Buys any goods or hires/avails services for consideration, including both online and offline transactions.
2. Includes users of the goods or services with the buyer's approval but excludes individuals obtaining goods for resale or commercial use.

Consumers play a vital role in the economy by driving demand and encouraging innovation, making their rights and protection essential.

Consumer Redressal Agencies:

Under the Consumer Protection Act, 2019, a three-tier structure for consumer grievance redressal is established. These agencies aim to provide quick and cost-effective justice to aggrieved consumers.

1. District Consumer Disputes Redressal Commission (District Commission):

- Jurisdiction:
 - Handles cases where the value of goods/services and compensation claimed is up to ₹1 crore.
- Composition:
 - Consists of a President (usually a judicial officer) and at least two members, including a woman.
- Powers and Functions:
 - Entertains consumer complaints and passes orders to rectify deficiencies in goods/services.
 - Awards compensation to consumers for unfair trade practices or exploitation.

2. State Consumer Disputes Redressal Commission (State Commission):

- Jurisdiction:
 - Handles cases where the value exceeds ₹1 crore but does not exceed ₹10 crores.
 - Acts as an appellate authority for cases from the District Commission.
- Composition:
 - Led by a President (a judge of the High Court) and at least two members, including a woman.
- Powers and Functions:
 - Resolves disputes and complaints within its jurisdiction.
 - Reviews appeals against orders from the District Commission.
 - Can order refunds, replacements, or compensations as necessary.

3. National Consumer Disputes Redressal Commission (NCDRC):

- Jurisdiction:
 - Deals with cases where the value exceeds ₹10 crores.
 - Handles appeals against orders passed by State Commissions.
- Composition:
 - Headed by a President (a judge of the Supreme Court) and several members.
- Powers and Functions:
 - Final appellate authority for consumer cases.
 - Has nationwide jurisdiction to enforce consumer rights.
 - Ensures compliance with consumer protection laws.