

NMIMS Centre for Distance and Online Education (NCDOE)

Course: Business Law

Internal Assignment Applicable for Jun 2026 Examination

Assignment Marks: 30

Instructions

- *All Questions carry equal marks*
- *All Questions are compulsory*
- *All answers to be explained in not more than 1000 words for question 1 and 2 and for question 3 in not more than 500 words for each subsection. Use relevant examples, illustrations as far as possible*
- *All answers to be written individually. Discussion and group work is not advisable.*
- *Students are free to refer to any books/reference material/website/internet for attempting their assignments, but are not allowed to copy the matter as it is from the source of reference.*
- *Students should write the assignment in their own words. Copying of assignments from other students is not allowed*
- *Students should follow the following parameter for answering the assignment questions*

| For Theoretical Answer | |
|--|------------------|
| Assessment Parameter | Weightage |
| Introduction | 20% |
| Concepts and Application related to the question | 60% |
| Conclusion | 20% |

| For Numerical Answer | |
|--|------------------|
| Assessment Parameter | Weightage |
| Understanding and usage of the formula | 20% |
| Procedure / Steps | 60% |
| Correct Answer & Interpretation | 20% |

PLEASE NOTE: This assignment is application based, you have to apply what you have learnt in this subject into real life scenario. You will find most of the information through internet search and the remaining from your common sense. None of the answers appear directly in the textbook chapters but are based on the content in the chapter

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Q1 Three entrepreneurs are planning to incorporate a private limited company to institutionalise and expand their business. They are aware that the Memorandum of Association (MOA) and Articles of Association (AOA) are essential documents for incorporation but are unclear about their specific contents, legal significance, and the process of registration. They want to ensure that these documents accurately reflect the company's objectives, internal rules, and compliance with the Companies Act, 2013, to avoid future legal and operational issues. How should the founder members apply these legal requirements for drafting the Memorandum of Association (MOA) and Articles of Association (AOA) to ensure proper incorporation and governance of their new company?

(10 Marks)

Q2 A partnership firm under Partnership Act, 1932 is experiencing financial strain due to a failed business venture. Creditors are seeking repayment, and one partner is at risk of losing personal assets due to the firm's unlimited liability structure. The partners are debating whether their current risk management practices are sufficient or if they should convert the firm into an LLP to limit personal exposure. They are also concerned about the legal and operational implications of such a transition. Evaluate the effectiveness of the firm's approach to managing the unlimited liability of partners, especially in light of recent financial difficulties. Critique the adequacy of their risk management strategies and suggest whether transitioning to a Limited Liability Partnership (LLP) would be justified.

(10 Marks)

Q3 (A) Avant Fashions has undertaken a project of designing school uniforms for one of the top schools in Bangalore. This contract requires designing 3 set of school uniforms and providing a mock up. The total project is for Rs. 12 lakhs. The school paid Rs. 4 lakhs in advance. Avant Fashions designs 1 of the school uniforms and showcases it to the school. The school approves the design only after 9 months. Now Avant realises that the cost of designing the rest of the uniforms has escalated especially labour costs. Now it has asked the school to revise the project cost to Rs. 13.5 lacs.

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The school has refused to pay extra stating that this is an afterthought and there was no provision to escalate the prices. Avant Fashions is refusing to proceed with performance of its obligations for the remaining two designs until the escalation is approved and further payment of payment of Rs. 5 lacs is done. Now the school wants to sue Avant Fashions for the breach of this contract. Please suggest them the remedies available under Contract Act 1872 to remedy the breach arising under such contract.

(5 Marks)

- Q3 (B)** The regulatory requirements under the Companies Act, 2013, mandate for companies to establish a strong foundation for corporate governance and social responsibility (CSR). A startup planning to list itself in next 1 year is seeking a detailed governance framework that addresses board structure, compliance, stakeholder communication, and CSR initiatives. Create a comprehensive governance framework for a company, focusing on compliance with the Companies Act, 2013, and best practices in corporate governance and CSR. How would you ensure transparency, accountability, and stakeholder engagement from the outset?

(5 Marks)
