PVP24

Code No: **24BA4T2**

II MBA - II Semester - Regular Examinations – JUNE 2026

CORPORATE LAWS

Duration: 3 Hours Max. Marks: 70

Note: 1. This question paper contains two Parts: Part-A and Part-B.
2. Part-A contains 5 essay questions with an internal choice from each unit. Each Question carries 12 marks.
3. Part-B contains one Case Study for 10 Marks.
4. All parts of Question paper must be answered in one place

BL – Blooms Level CO – Course Outcome

PART - A

			BL	CO	Max. Marks
		UNIT – I			
1.	a)	Critically examine the nature of the Indian Contract Act, 1872 and the essential elements of a valid contract.	L3	CO1	6 M
	b)	Demonstrate the legal position of minors, persons of unsound mind and disqualified persons under the Indian Contract Act.	L3	CO1	6 M
		OR			
2.	a)	Illustrate the meaning, essentials and exceptions to the rule “No consideration, No contract.”	L3	CO1	6 M
	b)	Illustrate the remedies available for breach of contract.	L3	CO1	6 M
		UNIT – II			
3.	a)	Explain the objectives and scope of the Sale of Goods Act, 1930.	L2	CO2	6 M

	b)	"In a contract of sale, performance of the contract is essential for fulfilling obligations of both buyer and seller" Analyze the duties involved in the performance of a contract of sale.	L3	CO2	6 M
OR					
4.	a)	Demonstrate the duties and rights of an agent towards the principal. How do these duties ensure fairness and accountability in business transactions?	L3	CO2	6 M
	b)	Critically evaluate the different modes of termination of agency and their legal consequences.	L4	CO2	6 M
UNIT-III					
5.	a)	Differentiate between the various kinds of negotiable instruments by highlighting their legal and practical significance.	L4	CO3	6 M
	b)	Examine the role of endorsement in negotiable instruments and discuss how it affects the transferability and ownership of the instrument.	L4	CO3	6 M
OR					
6.	a)	Critically evaluate how the provisions of the Negotiable Instruments Act, 1881 help maintain trust and credibility in commercial transactions.	L4	CO3	6 M
	b)	Evaluate the objectives and scope of the Consumer Protection Act, 2019 in safeguarding the interests of consumers in the modern marketplace.	L4	CO3	6 M

UNIT – IV					
7.	a)	Analyze the essential elements of partnership under the Indian Partnership Act, 1932 and explain how these elements distinguish a partnership from other forms of business organizations.	L4	CO4	6 M
	b)	Interpret the rights and duties of partners in a partnership firm and analyze how these provisions ensure mutual trust and accountability among partners.	L4	CO4	6 M
OR					
8.	a)	Assess the process of company formation under the Companies Act, 2013 and explain the importance of legal formalities in establishing a company.	L4	CO4	6 M
	b)	Explain the role of cyber laws in regulating digital transactions and protecting online users, with reference to the provisions of the Information Technology Act, 2000.	L2	CO4	6 M
UNIT – V					
9.	a)	Explain the concept and objectives of the Goods and Services Tax and discuss how it has simplified the indirect tax structure in India.	L2	CO5	6 M
	b)	Demonstrate how a tax invoice is prepared under GST and explain its importance in maintaining transparency in transactions.	L3	CO5	6 M
OR					
10.	a)	Apply the concept of Input Tax Credit (ITC) and explain how it helps avoid the cascading effect of taxes in business transactions.	L3	CO5	6 M

	b)	Identify the penalties and records to be maintained under GST and explain how proper documentation helps businesses avoid legal complications.	L3	CO5	6 M

PART – B

	CASE STUDY	L3	CO2	10 M
11.	**Case Study**: Ravi, Agro Industries, a farming equipment retailer, entered into a contract with GreenTech Manufacturing Pvt. Ltd. to purchase 20 automatic irrigation pumps for ₹10,00,000. According to the agreement, the pumps were to be delivered within 15 days, and payment was to be made 30 days after delivery. GreenTech delivered the pumps on time. After installation, Ravi Agro Industries discovered that 8 pumps were not functioning properly due to manufacturing defects. Ravi Agro informed GreenTech and refused to pay the full amount, demanding replacement of the defective pumps. Meanwhile, GreenTech insisted that Ravi Agro should first make payment as agreed. When payment was not received within the stipulated period, GreenTech threatened to exercise its rights as an unpaid seller and take legal action. At the same time, Ravi Agro argued that the pumps did not meet the conditions and warranties implied in the contract and therefore payment could be withheld until the defects were rectified. **Questions:** i. Identify whether the contract between Ravi Agro Industries and GreenTech Manufacturing is a sale or an agreement to sell. Explain your reasoning. ii. What rights are available to GreenTech as an unpaid seller under the Sale of Goods Act? iii. Suggest possible legal remedies for both parties to resolve the dispute.			

Code No: **24BA4T2**

PVP 24

II MBA - II Semester –Regular Examination June-2026
CORPORATE LAWS

Duration: 3 hours **Max MARKS: 70**

SCHEME OF VALUATION

	SECTION -A		
1.a	Critically examine the nature of the Indian Contract Act, 1872 and the essential elements of a valid contract. For Nature For Essentials	 2 Marks 4 Marks	
	Total		6 Marks
1.b	Demonstrate the legal position of minors, persons of unsound mind and disqualified persons under the Indian Contract Act. For each Person 2 Marks (3*2=6 Marks)	 6 Marks	
	Total		6 Marks
2a.	Illustrate the meaning, essentials and exceptions to the rule "No consideration, No contract." For Illustrating	 6 Marks	
	Total		6 Marks
2.b.	Illustrate the remedies available for breach of contract. For Remedies	 6 Marks	
	Total		6 Marks
3.a.	Explain the objectives and scope of the Sale of Goods Act, 1930 For Objectives For Scope	 3 Marks 3 Marks	
	Total		6 Marks
3.b.	"In a contract of sale, performance of the contract is essential for fulfilling obligations of both buyer and seller" Analyze the duties involved in the performance of a contract of sale. For Duties	 6 Marks	
	Total		6 Marks
4.a.	Demonstrate the duties and rights of an agent towards the principal. How do these duties ensure fairness and accountability in business transactions? For duties of an agent For rights of an agent	 3 Marks 3 Marks	
	Total		6 Marks
4.b.	Critically evaluate the different modes of termination of agency and their legal consequences. For different modes of termination of agency and their legal consequences.	 6 Marks	
	Total		6 Marks
5.a.	Differentiate between the various kinds of negotiable instruments by highlighting their legal and practical significance. For Each Type 3 Marks (3*2=6)	 6 Marks	
	Total		6 Marks
5.b.	Examine the role of endorsement in negotiable instruments and discuss how it affects the transferability and ownership of the instrument. For Role For its affects	 4 Marks 2 Marks	
	Total		6 Marks
6.a.	Critically evaluate how the provisions of the Negotiable Instruments		

	Act, 1881 help maintain trust and credibility in commercial transactions. For Provisions	6 Marks	
	Total		6 Marks
6.b.	Evaluate the objectives and scope of the Consumer Protection Act, 2019 in safeguarding the interests of consumers in the modern marketplace. For Objective For Scope	3 Marks 3 Marks	
	Total		6 Marks
7.a.	Analyze the essential elements of partnership under the Indian Partnership Act, 1932 and explain how these elements distinguish a partnership from other forms of business organizations. For essential elements For Distinguish	3 Marks 3 Marks	
	Total		6 Marks
7.b.	Interpret the rights and duties of partners in a partnership firm and analyze how these provisions ensure mutual trust and accountability among partners. For rights duties (2M) and trust (2M) and accountability(2M)	6 Marks	
	Total		6 Marks
8.a.	Assess the process of company formation under the Companies Act, 2013 and explain the importance of legal formalities in establishing a company. For Formation For Importance of Legal Formalities	4 Marks 2 Marks	
	Total		6 Marks
8.b.	Explain the role of cyber laws in regulating digital transactions and protecting online users, with reference to the provisions of the Information Technology Act, 2000. For Digital Transactions For Online Users	3 Marks 3 Marks	
	Total		6 Marks
9.a.	Explain the concept and objectives of the Goods and Services Tax and discuss how it has simplified the indirect tax structure in India. For Concept For Objectives For Simplified structure	2 Marks 2 Marks 2 Marks	
	Total		6 Marks
9.b.	Demonstrate how a tax invoice is prepared under GST and explain its importance in maintaining transparency in transactions. For Preparation of Invoice For Importance in Transparency	4 Marks 2 Marks	
	Total		6 Marks
10.a.	Apply the concept of Input Tax Credit (ITC) and explain how it helps avoid the cascading effect of taxes in business transactions. For Concept of ITC For Cascading effect	2 Marks 4 Marks	
	Total		6 Marks
10.b.	Identify the penalties and records to be maintained under GST and explain how proper documentation helps businesses avoid legal complications. For Penalties For records	3 Marks 3 Marks	
	Total		6 Marks

SECTION-B Case Study		
11.	For presentation of the case	4 Marks
	Analytical ability of the answering case questions (Discretion of the examiner)	6 Marks
	Total	10 marks

DETAILED SCHEME OF VALUATION
SECTION –A

1.a.	Critically examine the nature of the Indian Contract Act, 1872 and the essential elements of a valid contract. **Nature** The nature of the Indian Contract Act can be understood through the following characteristics: 1. General Law of Contracts 2. Codified Law 3. Based on English Common Law 4. Enabling and Regulating Law 5. Applicable to All Persons 6. Protects Rights and Obligations 7. Flexible and Dynamic **Essentials** 1. Agreements 2. Legal Purpose 3. Lawful Consideration 4. Capacity to Contract 5. Consent to contract 6. Legal objective 7. Certainty 8. Possibility of performance 9. Legal formalities 10. Not expressly declared as void	2 Marks 4Marks	
	Total		6 Marks
1.b.	Demonstrate the legal position of minors, persons of unsound mind and disqualified persons under the Indian Contract Act.	6 Marks	

Category	Legal Position	Relevant Provision	Example
Minor			
Minor	A minor is a person who has not attained the age of 18 years. A minor is **not competent** to enter into a contract.	Section 11	A 17-year-old cannot legally enter into a loan agreement.
Nature of Minor's Agreement	An agreement with a minor is **void ab initio** (void from the beginning).	*Mohori Bibee v. Dharmodas Ghose* (1903)	A minor purchasing land cannot be compelled to complete the purchase.
Beneficiary Contract	A minor can be a **beneficiary** under a contract, even though they cannot make a valid contract themselves.	Judicial Principle	A minor can receive money under a scholarship or insurance policy.

Necessaries Supplied to Minor	A supplier of necessaries can recover the cost from the **minor's property**, not from the minor personally.	Section 68	A doctor providing emergency treatment to a minor can recover reasonable expenses from the minor's estate.
Ratification by Minor	A minor cannot ratify a contract entered into during minority after attaining majority. A fresh contract must be made.	Judicial Principle	A loan taken during minority cannot become valid merely because the person later becomes a major.
Person of Unsound Mind			
Person of Unsound Mind	A person is competent only if, at the time of making the contract, they are capable of understanding it and forming a rational judgment.	Section 12	A person suffering from severe mental illness cannot enter into a valid contract during such illness.
Temporary Unsoundness	A person who is usually of sound mind but temporarily of unsound mind cannot contract during that period.	Section 12	A person under the influence of a mental disorder cannot validly sell property during that time.
Temporary Soundness	A person usually of unsound mind may contract during a lucid interval when capable of understanding the agreement.	Section 12	A person with intermittent mental illness may enter into a valid contract during a lucid interval.
Disqualified Persons			
Disqualified Persons	Certain persons are disqualified by law from entering into contracts due to their legal status.	Section 11	Includes alien enemies, convicts, insolvents, foreign sovereigns (subject to legal rules), and corporations acting beyond their powers.
Alien Enemy	Cannot enter into contracts with Indian citizens during war without Government permission.	Judicial Principle	A citizen of an enemy country cannot legally enter into a trade contract during wartime.
Convict	A convict serving a sentence generally cannot enter into contracts while imprisoned, unless permitted by law.	Judicial Principle	A prisoner cannot execute a commercial agreement while undergoing imprisonment.
Insolvent	An adjudged insolvent loses control over their property, which vests in the official receiver or assignee.	Insolvency Laws	An insolvent cannot independently sell assets forming part of the insolvency estate.

Foreign Sovereigns & Diplomats	They enjoy certain legal immunities and cannot ordinarily be sued without Government consent.	Civil Procedure Code	A contract dispute against a foreign ambassador generally requires prior Government permission.
Corporations	A company can contract only within the powers granted by its constitutional documents and applicable law.	Companies Act & Judicial Principles	A company cannot undertake activities beyond its authorized objectives if prohibited by law.

Total — 6 Marks

2.a. Illustrate the meaning, essentials and exceptions to the rule "No consideration, No contract."

Consideration means something of value given by one party to another in return for a promise. It can be money, goods, services, or even a promise to do or not do something. — 2 Marks

General Rule:

"No Consideration, No Contract" means an agreement without consideration is generally not valid.

Essentials of Valid Consideration

Essential	Simple Explanation	Example
1. At the desire of the promisor	It must be done at the request of the promisor.	A asks B to repair his bike and agrees to pay ₹ 2,000.
2. May move from the promisee or any other person	Consideration can be given by the promisee or someone else.	A pays money on behalf of B.
3. Can be Past, Present or Future	It may be already given, given now, or promised for the future.	A promises to pay after the work is completed.
4. Must be lawful	It should not involve any illegal activity.	Paying for legal services is valid.
5. Need not be equal in value	The law does not require equal value if both parties agree freely.	Selling a watch worth ₹ 5,000 for ₹ 4,000 is valid.

3Marks

Exceptions to the Rule "No Consideration, No Contract"

Exception	Simple Explanation	Example
1. Natural Love and Affection	Valid if it is in writing, registered, and between close relatives.	A father gifts property to his daughter.
2. Past Voluntary Services	A person promises to reward someone for help already given voluntarily.	A rewards B for saving his life.
3. Time-Barred Debt	A written promise to repay an old debt is valid.	A signs a letter promising to repay an old loan.
4. Completed Gift	A gift already given is valid even without consideration.	A gifts a bicycle to his friend.
5. Agency	An agent can be appointed without consideration.	A appoints B as his agent.

Total — 6 Marks

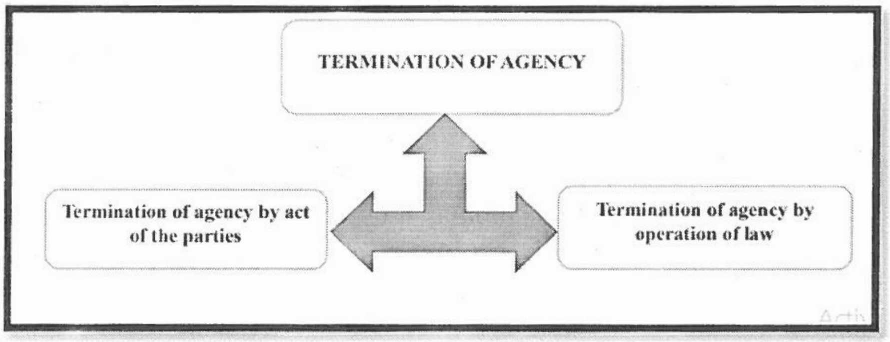
2.b. **Illustrate the remedies available for breach of contract.**

Breach of a Contract and Remedies:

The Indian Contract Act lays out all the provisions for the performance of

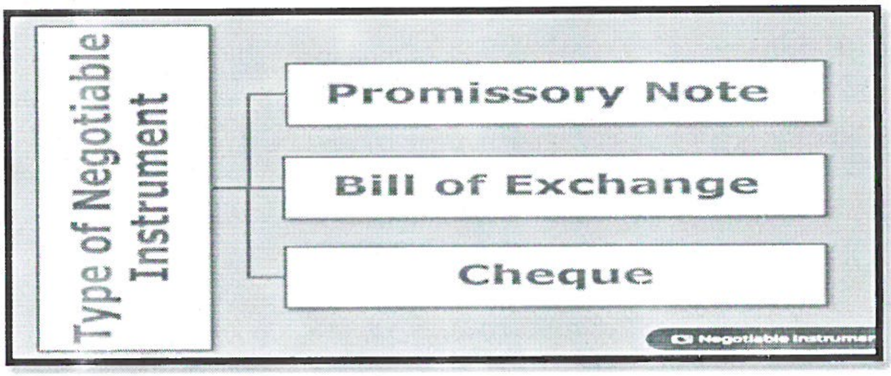
	a contract. It also contains the provisions in case of breach of contract by either party. The following are the available remedies for breach of contract. Remedies for Breach of Contract 1] Recession of Contract 2] Sue for Damages 3] Sue for Specific Performance 4] Injunction 5] Quantum Meruit	6 Marks	
	Total		6 Marks
3.a.	**Explain the objectives and scope of the Sale of Goods Act, 1930** **Objectives of Sale of Goods Act, 1930** • To regulate the sale and purchase of goods between buyers and sellers. • To define the rights and duties of buyers and sellers. • To ensure fair and lawful trade practices in commercial transactions. • To provide legal remedies in case of breach of a contract of sale. • To protect the interests of both buyers and sellers. • To establish rules regarding the transfer of ownership (property) in goods. • To encourage smooth business transactions by providing a clear legal framework. • To reduce disputes arising from contracts for the sale of goods. **Scope:** • Applies to contracts for the sale of movable goods. • Covers both existing goods and future goods. • Deals with conditions and warranties in a contract of sale. • Explains the transfer of ownership and delivery of goods. • Specifies the rights of unpaid sellers.	3 Marks 3Marks	
	Total		6 Marks
3.b.	**"In a contract of sale, performance of the contract is essential for fulfilling obligations of both buyer and seller" Analyze the duties involved in the performance of a contract of sale.** Performance of a contract of sale means that both the seller and the buyer fulfill their respective obligations as agreed in the contract. The seller must deliver the goods, and the buyer must accept the goods and pay the agreed price. **Duties of the Seller** • Deliver the Goods • Deliver Goods at the Right Time • Deliver the Correct Quantity • Deliver Goods of Agreed Quality • Transfer Ownership • Bear Delivery Expenses (if agreed) • Give Notice of Delivery (where required) **Duties of Buyer:** • Accept the Goods • Pay the Price • Take Delivery	3 Marks 2 Marks	

	• Inspect the Goods • Inform the Seller of Rejection • Bear Delivery Expenses (if agreed)		
	Total		6 Marks
4.a.	**Demonstrate the duties and rights of an agent towards the principal. How do these duties ensure fairness and accountability in business transactions?** **RIGHTS OF AN AGENT** • Right to claim reimbursement for expenses • Right to receive remuneration • Right to indemnification against consequences of all lawful acts • Right to indemnification against consequences of acts done in good faith • Right of indemnification for injuries caused by Principal's neglect • Right of particular lien **DUTIES OF AN AGENT** • To follow the instructions of his principal • Duty to act, with skills and diligence • Duty to render accounts • Duty to communicate with the principal • Duty not to deal on his own account • Duty not to delegate his authority • Duty to protect the interest of principal or his legal representative in the event of principal's unsoundness of mind or his death • Duty to pay sums received for principal	3Marks 3Marks	
	Total		6 Marks
4.b.	**Critically evaluate the different modes of termination of agency and their legal consequences.** **I. TERMINATION OF AGENCY BY ACT OF THE PARTIES** • Agreement • Revocation by the principal • Revocation by the agent	2 Marks	



	II. TERMINATION OF AGENCY BY OPERATION OF LAW • Performance of the contract • Expiry of time • Death and insanity • Insolvency • Destruction of subject-matter • Principal and Agent becoming Alien enemy • Dissolution of a company • Termination of sub-agent's authority	6 Marks	
	Total		6

			Marks
5.a.	**Differentiate between the various kinds of negotiable instruments by highlighting their legal and practical significance.**	2 Marks 3 Marks	



Differences Between Negotiable Instruments:

Basis	Promissory note	Bill of exchange	cheque
1. Parties	Two 1) maker 2) payee	Three 1) Maker 2) Drawee 3) payee	Three 1) Drawer 2) Drawee 3) Payee
2. Acceptance	Not required	A legal necessity	Not required
3. Period	Payable on demand also	Payable on demand only	only payable on demand
4. Promise or order	Promise	order	order
5. Stamp	A legal necessity	A legal necessity	Not required
6. Crossing	Cannot be crossed	Cannot be crossed	Can be crossed
7. Grace days	Allowed	Allowed	No grace days .
8. Liability	The maker is not free from liability	The maker and others free from liability	The maker is not free from liability
9. Area	Generally inland	Inland and foreign	Only on the bank of the depositor

	Total	6 Marks

5.b. **Examine the role of endorsement in negotiable instruments and discuss how it affects the transferability and ownership of the instrument.**

Endorsement means signing a negotiable instrument (such as a cheque, bill of exchange, or promissory note) by the holder for the purpose of transferring it to another person. It is governed by the Negotiable Instruments Act, 1881. Endorsement helps in the easy transfer of ownership from one person to another. — 4 Marks

Role of Endorsement in Negotiable Instruments

1. **Transfers Ownership**
   - Endorsement transfers the ownership of the instrument from one person to another.
2. **Facilitates Easy Transfer**
   - It allows negotiable instruments to be transferred easily without preparing a new document.
3. **Creates Legal Rights**
   - The endorsee (receiver) gets the legal right to receive the amount mentioned in the instrument.
4. **Ensures Smooth Business Transactions**
   - It makes the circulation of negotiable instruments quick and convenient.
5. **Provides Proof of Transfer**

	o The signature of the endorser acts as evidence that the instrument has been transferred. 6. **Creates Liability** o The endorser may be held liable if the instrument is dishonoured, unless liability is expressly excluded. **Effect of Endorsement on Transferability and Ownership** • Transfers legal ownership of the instrument to the endorsee. • Enables multiple transfers until the instrument is paid or cancelled. • Gives the endorsee the right to claim payment from the drawee or maker. • Improves negotiability, making the instrument similar to cash in business transactions. • Creates legal responsibility for the endorser in case of dishonour (subject to law). • Promotes confidence and trust in commercial dealings.	2 Marks	
	Total		6 Marks
6.a.	**Critically evaluate how the provisions of the Negotiable Instruments Act, 1881 help maintain trust and credibility in commercial transactions.** The Negotiable Instruments Act, 1881 governs negotiable instruments such as promissory notes, bills of exchange, and cheques. The Act provides legal rules for their use, transfer, and enforcement, thereby promoting confidence in business and banking transactions. **Provisions that Maintain Trust and Credibility** • Legal Recognition of Negotiable Instruments • Easy Transferability • Protection of the Holder in Due Course • Presumption of Consideration • Liability of Parties • Penalty for Cheque Dishonour • Rules for Presentment and Notice • Legal Remedies	2 Marks 3 Marks	
	Total		6 Marks
6.b	**Evaluate the objectives and scope of the Consumer Protection Act, 2019 in safeguarding the interests of consumers in the modern marketplace.** The Consumer Protection Act, 2019 was enacted to protect the rights and interests of consumers. It replaced the Consumer Protection Act, 1986, and introduced provisions to address e-commerce, online shopping, unfair trade practices, and product liability. **Objectives of the Consumer Protection Act, 2019** 1. Protect Consumer Rights 2. Provide Simple and Speedy Redressal 3. Promote Fair Trade Practices 4. Ensure Product Safety 5. Introduce Product Liability 6. Protect Online Consumers	3 Marks	

7. Create Consumer Awareness.

Scope of the Consumer Protection Act, 2019 — 3 Marks

1. Applies to Goods and Services
2. Covers Online and Offline Transactions
3. Protects Against Unfair Trade Practices
4. Provides Product Liability
5. Establishes Consumer Commissions
6. Creates the Central Consumer Protection Authority (CCPA)
7. Provides Compensation

Total — 6 Marks

7.a. Analyze the essential elements of partnership under the Indian Partnership Act, 1932 and explain how these elements distinguish a partnership from other forms of business organizations.

According to Section 4 of the Indian Partnership Act, 1932, partnership is the relationship between two or more persons who agree to carry on a business, share its profits, and are represented by all or any one of them acting for all. — 1 Mark

Essential Elements of Partnership — 4 Marks

- Two or More Persons
- Agreement
- Lawful Business
- Sharing of Profits
- Mutual Agency
- Mutual Rights and Duties

How Partnership is Different from Other Forms of Business

Basis	Partnership	Sole Proprietorship	Company
Number of Owners	Two or more persons	One person	Minimum two members (Private Company)
Formation	By agreement	By a single owner	By registration under the Companies Act
Profit Sharing	Shared among partners	Entire profit belongs to the owner	Profit distributed as dividends
Management	Managed by all or selected partners	Managed by the owner	Managed by the Board of Directors
Liability	Unlimited liability of partners	Unlimited liability	Limited liability of shareholders
Mutual Agency	Present	Not applicable	Not applicable
Legal Status	No separate legal entity	No separate legal entity	Separate legal entity

Total — 6 Marks

7.b. Interpret the rights and duties of partners in a partnership firm and analyze how these provisions ensure mutual trust and accountability among partners.

Rights of Partners — 2 Marks

1. Right to Participate in Business
2. Right to Share Profits

	3. Right to Access Books of Accounts 4. Right to be Consulted 5. Right to Remuneration (if agreed) 6. Right to be Indemnified **Duties of Partners** 1. Act in Good Faith 2. Carry on Business Diligently 3. Share Losses 4. Maintain True Accounts 5. Avoid Secret Profits 6. Provide Full Information **How These Provisions Ensure Mutual Trust and Accountability** • Equal participation gives every partner a voice in decision-making. • Profit and loss sharing ensures fairness among partners. • Access to accounts promotes transparency in financial matters. • Honesty and good faith strengthen mutual trust. • Disclosure of information prevents misunderstandings and fraud. • No secret profits ensures loyalty and accountability. • Indemnity provisions protect partners who act in the firm's interest.	2 Marks 2 Marks	
	Total		6 Marks
8.a.	**Assess the process of company formation under the Companies Act, 2013 and explain the importance of legal formalities in establishing a company.** Under the Companies Act, 2013, a company is a legal entity formed by a group of individuals to carry out a commercial or industrial business. It has a separate legal identity, distinct from its members or shareholders. **Process of Company Formation** 1. Name Approval 2. Preparation of Documents 3. Filing of Incorporation Documents 4. Payment of Registration Fees 5. Certificate of Incorporation 6. Commencement of Business **Importance of Legal Formalities** 1. Provides Legal Recognition 2. Ensures Legal Compliance 3. Limited Liability Protection 4. Builds Trust and Credibility 5. Protects the Interests of Stakeholders 6. Facilitates Raising of Capital 7. Ensures Transparency and Accountability	4 Marks 2 Marks	
	Total		6 Marks
8.b.	**Cyber laws** are laws that regulate the use of computers, the internet, and digital communication. In India, the **Information Technology (IT) Act, 2000** provides the legal framework for electronic transactions, cyber security, and the prevention of cyber crimes. **Role of Cyber Laws in Regulating Digital Transactions** 1. Legal Recognition of Electronic Records 2. Recognition of Digital/Electronic Signatures 3. Validity of Online Contracts	3 Marks	

	4. Promotion of E-Commerce 5. Secure Digital Transactions **Role of Cyber Laws in Protecting Online Users** 1. Protection Against Cyber Crimes 2. Protection of Personal Data 3. Penalty for Unauthorized Access 4. Protection Against Online Fraud 5. Safe Use of Digital Platforms	3 Marks	
	Total		6 Marks
9.a.	**Explain the concept and objectives of the Goods and Services Tax and discuss how it has simplified the indirect tax structure in India.** The Goods and Services Tax (GST) is a comprehensive indirect tax introduced in India on 1 July 2017. It replaced multiple indirect taxes levied by the Central and State Governments with one unified tax system. GST is charged on the supply of goods and services. **Concept of GST** GST is a destination-based tax, meaning the tax is collected in the state where goods or services are consumed, not where they are produced. It is levied on the supply of goods and services. GST has replaced taxes such as VAT, Excise Duty, Service Tax, Central Sales Tax (CST), and Entry Tax. It is collected at every stage of the supply chain, while allowing Input Tax Credit (ITC) to avoid double taxation. **Objectives of GST** • To create a unified tax system across India. • To eliminate cascading (tax-on-tax) effect. • To simplify the indirect tax structure. • To promote ease of doing business. • To improve tax compliance through an online GST system. • To increase government revenue by reducing tax evasion. • To create a common national market for goods and services. • To encourage economic growth and investment. **How GST Has Simplified the Indirect Tax Structure** 1. Single Tax System 2. Input Tax Credit (ITC) 3. Uniform Tax Rates 4. Online Registration and Return Filing 5. Reduced Tax Evasion 6. Removal of Multiple Taxes 7. Easy Interstate Trade	2 Marks 2 Marks 2 Marks	
	Total		6 Marks
9.b.	**Demonstrate how a tax invoice is prepared under GST and explain its importance in maintaining transparency in transactions.** A tax invoice is a critical document under the Goods and Services Tax (GST) regime. It serves as legal evidence of the supply of goods or services. **Steps in Preparing a GST Tax Invoice** 1. **Supplier Details** o Name, address, and GSTIN of the supplier. 2. **Invoice Details** o Invoice number and date of issue. 3. **Buyer Details** o Name, address, and GSTIN (if registered) of the buyer.	4 Marks	

	4. **Description of Goods/Services** o Name and description of the goods or services supplied. 5. **Quantity and Value** o Quantity, unit price, and total taxable value. 6. **GST Details** o Applicable GST rate and amount (CGST, SGST, or IGST). 7. **Total Invoice Amount** o Total amount payable, including GST. 8. **Signature** o Signature or digital signature of the supplier or authorized person. **Importance of a GST Tax Invoice** 1. Acts as Legal Proof 2. Helps Claim Input Tax Credit (ITC) 3. Ensures Transparency 4. Prevents Tax Evasion 5. Maintains Proper Accounting Records 6. Facilitates Audit and Verification 7. Builds Trust	2 Marks	
	Total		6 Marks
10.a.	**Apply the concept of Input Tax Credit (ITC) and explain how it helps avoid the cascading effect of taxes in business transactions.** **Concept of Input Tax Credit (ITC)** Input Tax Credit (ITC) refers to the credit of GST paid on purchases (inputs, input services, and capital goods) that a registered taxpayer can claim and use to offset against their output GST liability. In simple terms, it prevents tax cascading (i.e., tax on tax) by allowing businesses to deduct the tax they have already paid on inputs from the tax they owe on sales. **How ITC Avoids the Cascading Effect of Taxes** 1. **Prevents Tax on Tax** o GST is charged only on the value added at each stage. 2. **Reduces the Tax Burden** o Businesses pay tax only on the balance amount after claiming ITC. 3. **Lowers the Cost of Goods and Services** o Reduced tax burden helps keep prices competitive. 4. **Encourages Tax Compliance** o Businesses maintain proper invoices to claim ITC. 5. **Promotes Transparency** o Every transaction is recorded in the GST system. 6. **Supports Business Growth** o Lower tax costs improve cash flow and profitability.	2 Marks 4 Marks	
	Total		6 Marks
10.b.	**Identify the penalties and records to be maintained under GST and explain how proper documentation helps businesses avoid legal complications.** The Goods and Services Tax (GST), introduced on 1st July 2017, has had a significant and transformative impact on businesses and the overall Indian economy. As a unified indirect tax system, it replaced a complex web of central and state taxes.	3 Marks	

	Penalties under GST 1. **Failure to Register under GST** o Penalty for not obtaining GST registration when required. 2. **Late Filing of GST Returns** o Late fee is charged for delayed filing of GST returns. 3. **Late Payment of GST** o Interest is charged on delayed payment of tax. 4. **Issuing Incorrect or Fake Invoices** o Penalty is imposed for issuing false or fraudulent invoices. 5. **Tax Evasion** o Heavy penalties and legal action may be taken for evading GST. 6. **Failure to Maintain Proper Records** o Businesses may be penalized for not maintaining the prescribed books and documents. **Records to be Maintained under GST** 1. Sales Register 2. Purchase Register 3. Tax Invoices 4. Debit Notes and Credit Notes 5. Stock Register 6. Input Tax Credit (ITC) Records	3 Marks	
	Total		6 Marks
	SECTION-C **Case Study**		
11.	For presentation of the case		4 Marks
	Analytical ability of the case Presentation (Discretion of the examiner)		6 Marks
	Total		10 marks

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