

**Name of the Course** : BA (H) Business Economics  
**Semester** : VI  
**Examination** : Mock Open Book Examination, Lakshmibai College,  
University of Delhi  
**Date of Exam** : 19 June 2020  
**Time** : 11.30 am  
**Duration** : 2 hrs (+ 1 hr)

**Instruction to candidates :**

1. Write your Name, Signature, Examination Roll No, Course, Subject/ Paper Name , Unique paper code, date and time of examination on the top of your answer sheet immediately on receipt of this question paper.
2. All Questions Carry Equal Marks.
3. Kindly number the pages of your answer sheets and put your roll number and signature on top of each page.
4. Each question is to be attempted on a separate sheet.
5. This question paper comprises of two parts, Part A and Part B. Candidates are to attempt 4 questions in all taking up at least two questions from each part.
6. Questions of one part should preferably be done together.

**Disclaimer:** The purpose of this examination is to experience the mechanism of online examination and the actual OBE may not be on the same pattern as this paper.

**Part A**

**Unique Paper Code** : 12481601  
**Name of the Paper** : International Economics

Q.1. Explain the J-Curve effect in the context of Marshall Lerner condition. What leads to instability in the forex market?

Q.2. Explain in detail the difference between the payoff profile of currency future contracts and currency forward contracts. Discuss with the help of examples.

Q.3. Discuss the evolution and basic principles of WTO. Also explain the understanding on international capital flows via. FDI/FII.

## Part B

**Unique Paper Code** : 12481602  
**Name of the Paper** : Legal Aspects of Business

Q. 4. X, a minor, by fraudulently misrepresenting his age, enters into an agreement with Y for selling his property. Under, the agreement X receives the entire amount of Rs 2,00,000 as advance from Y. He purchases a motor bike for Rs 1,50,000 and spends the remaining amount on his personal entertainment. Subsequently, X wants to avoid the contract on the basis of minority. Can he do so?

Suggest whether X will succeed in the above case or not, discussing in detail the status of such contracts in India.

Q.5. The Supreme Court of India pronounced the landmark judgment in Vodafone International Holding (VIH) v. Union of India (UOI). The Bench consisting of Chief Justice S.H Kapadia, K. S. Radha krishnan and Swatanter Kumar quashed the order of High Court of demand of Rs 12000 crores as capital gain tax and absolved VIH from liability of payment of Rs 12000 crores as capital gain tax in the transaction dated 11.2.2007 between VIH and Hutchinson Telecommunication International Limited or HTIL (non-resident company for tax purposes).

The court held that in Indian revenue authorities do not have jurisdiction to impose tax on an offshore transaction between two non-residents companies where in controlling interest in a (Indian) resident company is acquired by the non-resident company in the transaction.

The principle of lifting of corporate veil can also be applied in relationship of Holding and subsidiary company in spite of their separate legal personalities if facts reveal that dubious methods were adopted to evade tax.

Which concept relating to a company is being discussed here? What are provisions in this regard under Companies Act 2013? Are there situations where it can be overlooked or disregarded? Discuss.

Q.6. The present times have clearly brought about a new pattern of conducting business and growing importance of online business. Help out a young entrepreneur by explaining to him/her the importance of intellectual property and its growing importance. Discuss the process of obtaining and registering a Patent, Trademark and a Design under the respective acts applicable in India to facilitate his business venture.