

Sub: **Entrepreneurship & Legal Aspects**

Date: **16-09-2022**

Duration: 90 mins

Max Marks:

<b>Part A - Answer Any Two Full Questions (20*02=40 Marks)</b>	
1(a)	<p>What curative provision?</p> <p>Taking over management or control: Section 18A of the Act provides that the Central Government may by a notification take over the management or to exercise control over a specified industrial undertaking if the Central Governmental undertaking has failed to comply with directions issued by the government.</p> <ul style="list-style-type: none"> <li>•Control of supply, price and distribution of certain commodities: Section 18FA empowers the Central Government to take over the management or control of industrial undertakings owned or controlled by the Government is of opinion that there are possibilities of running or restarting such undertakings for maintaining or restoring articles or class of articles in the public interest.</li> <li>•The period of such takeover is to be 5 years, to be extended 6 times of two years each.</li> <li>•No state government or local authority can take over the management or control of a scheduled undertaking.</li> </ul>
(b)	<p>Describe the process to apply for DSC (Digital signature certificate).</p> <ul style="list-style-type: none"> <li>• The authenticity of the documents and information provided in the DIN-1 Form can only be assured by getting the documents e-filing process.</li> <li>• The company registration process in India requires every business to acquire a Digital Signature Certificate (DSC) electronically.</li> <li>• The requisites for application of digital signature includes proposed directors' full name, father's name, DOB, and photograph.</li> <li>• However, companies should acquire DSC only from agencies that are anointed by the Controller of Certifications.</li> <li>• Some of the government listed CCA are agencies such as MTNL, IDBRT, nCODE Solutions, TCS and SAFESCRYPT.</li> <li>• A DSC is distinguished for every business entity and should not be shared by businesses.</li> <li>• Normally this digital certification is valid for a period of one or two years, and after expiry, it should be renewed.</li> <li>• The application fees for acquiring a DSC range from INR 800 – 5999 depending on the structure of the organization.</li> <li>• It usually takes 2-3 business days time to process a DSC form.</li> </ul>
(c)	<p>Summarize the Industrial employment (Standing Orders) Act 1946.</p> <p><b>Industrial Employment (Standing Orders) Act, 1946 Suspension, Stoppage of work, Termination of employment</b></p> <p>The objective of the Industrial Employment (Standing Orders) Act, are as follows:</p> <ul style="list-style-type: none"> <li>• To provide regular standing orders for workers, factories, and working relationship.</li> <li>• To ensure that the employee recognises the terms and conditions of the employers and thus to minimise exploitation.</li> </ul> <p><b>What are Standing Orders?</b></p> <ul style="list-style-type: none"> <li>• According to Industrial Employment (Standing Orders) Act, 1946 - Section 2(g) "Standing orders" means rules of conduct for workmen employed in industrial establishments.</li> <li>• 'Standing Orders' means rules of conduct for workmen employed in industrial establishments.</li> <li>• The object of the Act is to require employers in industrial establishments to formally define conditions of employment.</li> </ul> <p><b>MATTERS TO BE PROVIDED IN STANDING ORDER UNDER THIS ACT</b></p> <ol style="list-style-type: none"> <li>1. Classification of workmen, e.g. whether permanent, temporary, apprentices, probationers, or badlis.</li> <li>2. Manner of intimating to workmen periods and hours of work, holidays, pay-days and wage rates.</li> <li>3. Shift working.</li> <li>4. Attendance and late coming.</li> <li>5. Conditions of procedure in applying for, and the authority which may grant, leave and holidays.</li> <li>6. Requirement to enter premises by certain gates, and liability to search.</li> <li>7. Closing and re-opening of sections of the industrial establishment, and temporary stoppages of work and the reasons there from.</li> </ol>

	<p>8. Termination of employment, and the notice thereof to be given by employer and workmen.  9. Suspension or dismissal for misconduct, and acts or omissions, which constitute misconduct.  10. Means of redress for workmen against unfair treatment or wrongful exactions by the employer or his agents  11. Any other matter, which may be prescribed.</p> <p><b>Applicability of the Act</b>  Every establishment wherein 100 or more employees.</p> <p><b>Conditions for certification of standing orders</b>  Every matter to be set out as per schedule and Rule 2A.  The standing orders to be in conformity with the Provisions of the Act.</p> <p><b>Submissions of Draft Standing Orders</b>  Within six months from the date when the Act becomes applicable to an industrial establishment. Five copies of  Certifying officer under the Act.</p> <p><b>Procedure for Certification of Standing Orders</b>  Certifying officer to forward a copy of draft standing orders to the trade union or in the absence of union, to the  representatives, as the case may be, are to be heard.</p> <p><b>Date of Operation of Standing orders</b>  On the date of expiry of 30 days from the certification or on the expiry of 7 days from authentication of Standing  <b>Posting of Standing Orders</b>  The text of the standing orders as finally certified shall prominently be posted in English or in the language understood  the entrance for majority of workers.</p>
2(a)	<p>Define copyright.  Copyright is a right given by the law to creators of literary, dramatic, musical and artistic works and producers of cinematographic  rights including, inter alia, rights of reproduction, communication to the public, adaptation and translation of the work.</p>
(b)	<p>Describe the Sale of Goods Act 1930.</p> <p>Almost every kind of business involves the sale and purchase of goods as part of its transaction.</p> <ul style="list-style-type: none"> <li>• People in business are often entering into a contract of sale to sell their commodities.</li> <li>• All these sales are governed by the Sale of Goods Act, 1930 which is one of the most important types of contract.</li> <li>• Every individual, whether a legal professional or a common man, who deals in the transaction of goods regularly.  This act defines a contract wherein the seller of particular goods transfers or agrees to transfer the goods to the</li> <li>• This mercantile law was formed on the 1st of July 1930 when India was under the British Raj.</li> <li>• This law had been borrowed mostly from the Sale of Goods Act, 1893 of Great Britain.</li> <li>• The law is applicable all over India except for Jammu and Kashmir. As per section 2 of this act,</li> <li>• A contract of sale is a generic term which refers to both sale and agreement to sell and is characterized by: <ol style="list-style-type: none"> <li>1. An offer to buy goods for a price or an offer to sell goods for a price and</li> <li>2. Acceptance of the offer.</li> </ol> </li> </ul> <p><b>Important Terms in the Sale of Goods Act, 1930</b></p> <ul style="list-style-type: none"> <li>• Buyer - This is mentioned in section 2(1) and defined as a person who either purchases or agrees to purchase</li> <li>• The buyer appears as one of the parties in the contract of sale.</li> <li>• Seller - This is defined in section 2(13) and defined as a person who either sells or agrees to sell certain property</li> <li>• The seller appears as one of the parties in the contract of sale.</li> <li>• By combining the definitions of a buyer and seller, we can conclude that it is not mandatory to transfer goods</li> <li>• Just by agreeing or promising to sell and buy goods, you become buyer and seller as per the contract of sale</li> </ul> <p><b>Goods</b> - Goods are any merchandise or possession.</p> <ul style="list-style-type: none"> <li>• An important clause in the contract for sale goods is described in Section 2(7) as:</li> <li>• It is a moveable property (except for money and actionable claims)</li> <li>• Stocks and shares</li> <li>• Growing crops, grass, standing timber</li> <li>• The things that are attached to the land but are agreed to be severed before the sale.</li> <li>• For example, if a resort is offering complimentary food along with lodging and customers do not want to</li> </ul>

- Then the rebate on food is not applicable as the food was not part of the sale.

**Types of Goods Under Sale of Goods Act 1930**

Existing Goods – If the goods exist physically at the time of contract and the seller is in legal possession of the goods, they are divided into three types:

- Specific Goods – They are defined under section 2(14) and refer to goods that are identified and agreed upon between the parties. For example, A wants to sell a Bike of a certain model and year of manufacture, and B agrees to buy the bike.
- Ascertained Goods – These types of goods are identified by judicial interpretation and not by law. Any goods that are for sale at the time of the contract comes under ascertained goods. These goods are earmarked for sale.
- Unsanctioned or Unascertained Goods – Those goods that are not specifically identified for sale, at the time of the contract are called goods.
- For example, there is a bulk of 1000 quinols of wheat out of which 500 quinols are agreed to be sold. Here 500 quinols are specified.
- Future Goods – The definition of future goods appears in section 2(6). The goods which do not exist at the time of the contract or manufactured by the seller are called future goods.
- For example, A sells chairs and B wants 300 chairs of a specific design which A agrees to manufacture at a future date.
- Here chairs are future goods.
- Contingent Goods – You can find the answer to what is contingent goods in section 6(2) of the Sale of Goods Act. They are dependent on the happening (or the absence of) certain conditions.
- As an example, X has agreed to sell 100 mangoes from his farm to Y at a future date.
- But this sale depends on the fact whether the trees in X’s farm give a yield of 100 mangoes by the date of the contract.

**Delivery**

**Delivery** of goods appears in section 2(2) and describes the process of transferring the possession of goods from the seller to the buyer. The person receiving the goods could either be the buyer or another person authorized by the buyer to receive the goods. There are different types of delivery of goods as described below:

- Actual Delivery – If the commodity is handed over directly to the buyer or the person authorized by the buyer to receive the goods.
- Constructive Delivery – When the transfer of goods is done without any change in possession, then it is called constructive delivery. It could mean that the seller, even after selling the goods, holds them as bailee for the buyer.
- Symbolic Delivery – In this case, the goods are not delivered, but a symbolic means of obtaining possession of the goods. For example, a warehouse where the goods are stored is a symbolic delivery. Such delivery is usually done when the goods are bulky or heavy.

(c) Describe the source of fund for startup.

[Atal Incubation Centres - "An ecosystem of Startups and Entrepreneurs"](#)

[Atal Community Innovation Centres - serving Unserved and Under-Served regions of India](#)

[Atal New India Challenges - Product and Service Innovations with National Impact](#)

[ARISE ANIC challenges - to stimulate startup/ MSME industry innovation](#)

[Mentor of Change \(Mentorship and Partnerships - with Public, Private sector, NGOs, Academia, Institutions\)](#)

**Digital India GENESIS**

**India Water Pitch-Pilot-Scale Startup Challenge**

**Ministry of Skill Development and Entrepreneurship**

**ATAL Innovation Mission**

**eBiz Portal**

**Dairy Processing and Infrastructure Development Fund (DIDF)**

**Support for International Patent Protection in Electronics & Information Technology (SIP-EIT)**

**Multiplier Grants Scheme (MGS)**

**Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)**

**Software Technology Park (STP) Scheme**  
**Aatmanirbhar Bharat App Innovation Challenge**  
**SAMRIDH Scheme**  
**Startup India Seed Fund**  
**Startup India Initiative**  
**Startup Leadership Program**  
**ASPIRE**  
**Pradhan Mantri Mudra Yojana (PMMY)**  
**Chunauti**  
**Qualcomm Semiconductor Mentorship Program (QSMP)**  
**Digital India Bhashini**  
**The Venture Capital Assistance Scheme (VCA)**  
**Loan For Rooftop Solar Pv Power Projects**  
**NewGen Innovation and Entrepreneurship Development Centre (NewGen IEDC)**  
**Single Point Registration Scheme**  
**Modified Special Incentive Package Scheme (M-SIPS)**  
**Stand Up India Scheme**  
**High Risk - High Reward Research**  
**IREDA-NCEF Refinance Scheme**  
**Dairy Entrepreneurship Development Scheme**  
**Drone Shakti**  
**Zero Defect Zero Effect (ZED) Certification Scheme**  
**Sub-Mission on Agricultural Mechanization (SMAM)**  
**Credit Linked Capital Subsidy for Technology Upgradation (CLCSS)**  
**Design Clinic Scheme for Design Expertise**

3(a) What are the documents needed for shop registration?

- Identity/Address Proof of the owner (Aadhar card/ Driving license/Voter Card etc.)
- Incorporation Certificate/Memorandum of Article (In Case of Private Ltd. Company)
- The authorization letter for Authorised signatory/self-attestation Letter for Owner
- Challan/Payment Receipt /Transaction Receipt
- Duly filled Registration Form signed by owner/Authorized signatory

**Registration fees:**

No employee	Fees in Rs.
1 to 9	600
10 to 19	4000
20 to 49	10,000
50 to 99	20,0000
100 to 250	40,000
251 to 500	50,000
501 to 1000	70,000
Above 1000	75,000

(b) Describe the controversies regarding the Industrial disputes Act 1947.

The Industrial Disputes Act, 1947 regulates the Indian labour law so far as that concerns trade unions as well as mainland.

It was one of the last legislative act before the passing of the Indian Independence Act of 1947.

## Industrial Disputes Act, 1947

Long Title	An Act to make provision for the investigation and settlement of industrial disputes, and for certain other purposes.
Territorial Extent	Territories under direct British control, later implemented in the Princely States upon their integration with the Indian Union
Enacted by	Central Legislative Assembly
Assented to	11th March 1947
Commenced	1st April 1947

### Objectives of the Industrial Disputes Act, 1947

- The act was drafted to make provision for the investigation and settlement of industrial disputes and to secure a procedure for the investigation and settlement of industrial disputes by conciliation, arbitration and adjudication.
- This Act was passed with a key objective of "Maintenance of Peaceful work culture in the Industry in India" of the statute.

### The Act also lays down:

- The provision for payment of compensation to the workman on account of closure or lay off or retrenchment.
- The procedure for prior permission of appropriate Government for laying off or retrenching the workers or closing down.
- The actions to be taken against unfair labour practices on part of an employer or a trade union or workers.

### Controversy Regarding the Industrial Disputes Act, 1947

- The act was implemented to provide for machinery and procedure for the investigation and settlement of industrial disputes, even has provisions regarding conditions for layoffs, retrenchment (reduction in the size of operations) and closure.
- This clause arises controversy regarding the act, particularly as per Chapter V-B. There have been multiple amendments.

#### The chapter states the following:

- If an industrial establishment employs more than 50 persons, it needs to give 60 day's notice, citing reasons of closure to the industry. It was increased to 90 days in 1982.
- If the establishment employs more than 300 employees, it must take prior approval of the proper government authority for closure. This limit was lowered to 100 employees in the 1982 amendment.
- The main objective of this provision is to ensure that an employer cannot hire or fire any employee at will.
- To take any such action, they need to seek permission from the labour commissioner.
- This subject is also under the concurrent list which is why individual states have made even stricter rules and conditions, making it even more difficult.
- As a result, it has caused the following problems in the labour industry:
  - Lower output by labour
  - Lower productivity
  - Hesitation in hiring
  - Lower investments
  - Lower overall manufacturing performance
  - Foreign investors are deterred from investing in India.

#### What is the main objective of the Industrial Disputes Act, 1947?

The main aim of the Industrial Disputes Act, 1947 is to maintain a balance between labour and industry welfare by ensuring a fair and just settlement of industrial disputes. It focusses on the mechanism and procedure for the investigation and settlement of industrial disputes by conciliation, arbitration and adjudication.

#### What are the main cause of industrial disputes?

The causes of industrial disputes include disparity in wages, disputes between the labour Union and the Industry, unfulfillment of labour demands, etc.

(c) Outline the works involved in copyright.

### **WORK**

**A work means any of the following , namely, a literary, dramatic, musical or artistic work, a cinematograph film, or a s**

**What are the classes of works for which copyrights protection is available in India?**

- **Original literary, dramatic, musical and artistic works;**
- **Cinematograph films; and**
- **Sound recordings.**

### **AUTHORSHIP AND OWNERSHIP**

**Whose rights are protected by copyright?**

Copyright protects the rights of authors, i.e., creators of intellectual property in the form of literary, musical, dra recordings.

Who is the first owner of copyright in a work?

Ordinarily the author is the first owner of copyright in a work.

Who is an author?

In the case of a musical work, the composer.

In the case of a cinematograph film, the producer.

In the case of a sound recording, the producer.

In the case of a photograph, the photographer.

In the case of a computer generated work, the person who causes the work to be created

### **DIFFERENT RIGHTS**

Are copyrights same for all classes of works?

No. The rights vary according to the class of work.

What are the rights in the case of a literary work?

To reproduce the work

To issue copies of the work to the public

To perform the work in public

To communicate the work to the public.

To make cinematograph film or sound recording in respect of the work

To make any translation of the work

To make any adaptation of the work

What are the rights in a dramatic work?

To reproduce the work

To communicate the work to the public or perform the work in public

To issue copies of the work to the public

To include the work in any cinematograph film

To make any adaptation of the work

To make translation of the work.

What are the rights in an artistic work?

To reproduce the work

To communicate the work to the public

To issue copies of the work to the public

To include the work in any cinematograph film

To make any adaptation of the work.

What are the rights in a musical work?

To reproduce the work

To issue copies of the work to the public  
To perform the work in public  
To communicate the work to the public  
To make cinematograph film or sound recording in respect of the work  
To make any translation of the work  
To make any adaptation of the work.

What are the rights in a cinematograph film?

To make a copy of the film including a photograph of any image forming part thereof  
To sell or give on hire or offer for sale or hire a copy of the film  
To communicate the cinematograph film to the public.

What are the rights in a sound recording?

To make any other sound recording embodying it  
To sell or give on hire, or offer for sale or hire, any copy of the sound recording  
To communicate the sound recording to the public.

#### REGISTRATION OF COPYRIGHT

Is it necessary to register a work to claim copyright?

No. Acquisition of copyright is automatic and it does not require any formality.

However, certificate of registration of copyright and the entries made therein serve as prima facie evidence in a court of law in respect of copyright.

#### TERM OF COPYRIGHT

Is copyright protected in perpetuity?

No. It is protected for a limited period of time.

What is the term of protection of copyright?

The general rule is that copyright lasts for 60 years.

In the case of original literary, dramatic, musical and artistic works the 60-year period is counted from the year in which the work is first published or performed in public.

In the case of cinematograph films, sound recordings, photographs, posthumous publications, anonymous and pseudo-anonymous works, as well as works of international organisations, the 60-year period is counted from the date of publication.

#### ADMINISTRATION OF COPYRIGHT LAW

Is there any advisory body on copyright matters?

Yes. The government has set up a Copyright Enforcement Advisory Council (CEAC). The present composition is as follows:

Are there special courts for copyright?

No. There are no special courts for copyright cases.

The regular courts try these cases.

There is a Copyright Board to adjudicate certain cases pertaining to copyright.

#### PERFORMER'S RIGHTS

Who is a performer?

As per the Indian Copyright Act, a "Performer" includes an actor, singer, musician, dancer, acrobat, juggler, conjurer, circus performer or any other person who makes a performance.

What is a performance?

"Performance" in relation to performer's right, means any visual or acoustic presentation made live by one or more performers.

What are the rights of a performer?

A performer has the following rights in his/her performance:

Right to make a sound recording or visual recording of the performance;

Right to reproduce the sound recording or visual recording of the performance;

Right to broadcast the performance;

Right to communicate the performance to the public otherwise than by broadcast.

What is the term of protection of performer's rights?  
Performer's rights subsist for 25 years.

### BROADCASTER'S RIGHTS

What is a broadcast?

"Broadcast" means communication to the public:

by any means of wireless diffusion, whether in any one or more of the forms of signs, sounds or visual images; or

What are the rights of a broadcasting organization?

right to re-broadcast the broadcast;

right to cause the broadcast to be heard or seen by the public on payment of any charges;

right to make any sound recording or visual recording of the broadcast;

right to make any reproduction of such sound recording or visual recording where such initial recording was done and not envisaged by such licence; and

right to sell or hire to the public, or offer for such sale or hire, any sound recording or visual recording of the broadcast.

What is the term of protection of broadcaster's rights?

The term of protection for broadcaster's rights is 25 years.

### FOREIGN WORKS

Is copyright of foreign works protected in India?

Yes. Copyrights of works of the countries mentioned in the International Copyright Order are protected in India.

Does copyright subsist in a foreign work?

Copyright of nationals of countries who are members of the Berne Convention for the Protection of Literary and Artistic Works and the TRIPS Agreement are protected in India through the International Copyright Order. A list of such countries is attached.

### Part B - Compulsory (01\*10=10marks)

4 Ms. Nithyashree college pass out from premier hotel management institution. Instead of becoming employee, she starts a big hotel in the MG Road. It has become difficult for her to register her business. Being management graduate support her to register her new big hotel.

1. Apply For Director Identification Number (DIN)
2. Apply For Digital Signature Certificate (DSC)
3. Filing For New User Registration
4. Filing for Charter Documents
5. Application For Company Name
6. Register Other Details
7. Acquiring PAN and TAN

Course Outcomes		PO 1	PO 2	PO 3	PO 4	PO 5
CO1	To display keen interest and orientation towards entrepreneurship, entrepreneurial opportunity Modules in order to set up a business and to think creatively.					
CO2	To know about the various business models and B-Plans across Business sectors.					
CO3	Able to understand the importance of marketing and different forms of businesses.					
CO4	To become aware about various sources of funding and institutions supporting entrepreneurs.					
CO5	To give awareness about legal aspects and ways to protect the ideas.	1a,3a	1c,2b,3b			
CO6	To understand the ways of starting a company and to know how to protect their ideas.	2a	1b,2c,3c			4



Cognitive level	KEYWORDS
L1	list, define, tell, describe, recite, recall, identify, show, label, tabulate, quote, name, who, when, where, etc.
L2	describe, explain, paraphrase, restate, associate, contrast, summarize, differentiate interpret, discuss
L3	calculate, predict, apply, solve, illustrate, use, demonstrate, determine, model, experiment, show, examine, modify
L4	classify, outline, break down, categorize, analyze, diagram, illustrate, infer, select
L5	grade, test, measure, defend, recommend, convince, select, judge, support, conclude, argue, justify, compare, summarize, evaluate
L6	design, formulate, build, invent, create, compose, generate, derive, modify, develop, integrate

**PO1–Theoretical Knowledge; PO2–Effective Communication Skills; PO3–Leadership Qualities;  
PO4 –Sustained Research Orientation; PO5 –Self-Sustaining Entrepreneurship**