

CSEET

PAPER 4

BUSINESS LAW & MANAGEMENT



SIMPLE HINGLISH EXPLANATION

Easy Language Mein Samjhaya Gaya



CHAPTER-WISE COVERAGE

Har Chapter Complete Concept Se



EXAM-ORIENTED QUESTIONS

PYQ + Expected Questions



QUICK REVISION NOTES

Last Minute Revision Ke Liye

Samjho • Apply Karo • Score Karo



Contents

Lesson 1: Introduction to Law.....	3
Lesson 2: Elements of Company Law.....	15
Lesson 3: Elements of Law of Contracts.....	34
Lesson 4: Partnership & LLP.....	58
Lesson 5: Sale of Goods.....	76
Lesson 6: Negotiable Instruments.....	89
Lesson 7: Introduction to Management.....	104
Lesson 8: Functions of Management.....	108
Lesson 9: Fayol's Principles & Taylor's Scientific Management.....	126
Lesson 10: Management Knowledge for Company Secretaries.....	134

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CHAPTER LESSON 1

Introduction to Law

Explainable Study Notes — 4 Parts | Hinglish Explanations | 20 MCQs

Example / Note

NOTE: These notes cover the FULL syllabus of Lesson 1. Each Part has theory, Hinglish explanations, and MCQs. Read each part fully before moving ahead.

PART 1 — Nature, Meaning & Schools of Law

What is Law? — 5 Schools of Thought

Jurists have defined 'Law' differently across centuries — no single universal definition exists. All definitions fall into 5 broad schools:

1. Natural School

- Law is based on reason, justice and morality.
- Key thinkers: Ulpian, Cicero, Justinian (Roman jurists) and Salmond (modern).
- Ulpian: Law = "the art or science of what is equitable and good"
- Cicero: Law = "the highest reason implanted in nature"
- Salmond: "the body of principles recognised and applied by the State in the administration of justice"

Samjho — Hinglish

Natural School — Samajh Lo Simple rule: Jo cheez SAHI aur FAIR hai, wahi LAW hai. Salmond kehte hain — Law samajhna hai toh courts mein jao, Parliament mein nahi. Example: 'Dono parties ko suna jao' — ye ek natural justice principle hai, courts isko apply karte hain.

2. Positivistic Definition

- Austin: "Law is the aggregate of rules set by man as politically superior (sovereign) to men as political subjects."
- 3 key elements: Command + Duty + Sanction
- Kelsen: 'Pure Theory of Law' — All norms derive from the ultimate norm called Grundnorm (= Constitution in India).

Samjho — Hinglish

Positivistic School — Samajh Lo Austin ke hisaab se: Government jo bole wahi LAW hai — follow karo, nahi kiya toh saza. 3 cheezein yaad rakho: (1) Command — order, (2) Duty — follow karna, (3) Sanction — punishment. Example: Income Tax bharna mandatory hai. Nahi bharege toh penalty = yahi 'sanction' hai. Kelsen ka Grundnorm = Constitution of India — sab rules isi se nikalte hain.

3. Historical Definition

- Savigny: Law is FOUND, not made — grows organically from people's consciousness.
- 'Volkgeist' = General consciousness of the people — the origin of law.
- Custom comes before legislation and is superior to it.
- Henry Maine: Law = Order + Force

4. Sociological Definition

- Duguit: Law = "essentially and exclusively a social fact."
- Ihering: Law = guarantee of social conditions by state's coercive power.
- Roscoe Pound (20th century): Law = instrument of social engineering — balancing political, economic and ethical interests.

Samjho — Hinglish

Sociological School — Samajh Lo Roscoe Pound ka famous idea: Law = Social Engineering ka tool. Society mein conflicts hain: rich vs poor, business vs consumer — Law in sab ko BALANCE karta hai. Example: Consumer Protection Act — business aur consumer ke beech balance banata hai.

5. Realist Definition

- Law defined by what courts actually DO.
- Holmes: "Law = statement of circumstances in which public force will be brought through courts."
- Cardozo: A rule is 'law' only if courts will enforce it when challenged.

Meaning of Law — Indian Constitution

Article 13(3) gives an inclusive definition:

- 'Law' includes: ordinance, order, bye-law, rule, regulation, notification, custom or usage having force of law in India.
- 'Laws in force' includes all laws passed before the Constitution that were not repealed.

Key Point

3 Types of Laws — Must Know ✓ **Mandatory Law** — Requires affirmative action. Example: Payment of Income Tax. ✓ **Prohibitive Law** — Requires negative conduct (don't do something). Example: Prohibition on running a lottery. ✓ **Permissive Law** — Allows but doesn't compel. Example: Right to form a company.

Significance of Law

- Law is NOT static — changes with society's needs.
- Abstract justice replaced by SOCIAL JUSTICE.
- Law provides ORDER which gives hope of security for the future.
- Law aims to achieve socio-economic goals enshrined in the Constitution.

MCQs — Part 1

Q1. Which jurist defined law as 'the body of principles recognised and applied by the State in the administration of justice'?

- A) Austin
- B) Kelsen
- C) Salmond
- D) Savigny

✓ **Answer: C) Salmond**

Why: Salmond (Natural School) focuses on courts, not the legislature. His definition centers on justice administered by courts.

Q2. According to Austin, which THREE elements are essential for Law?

- A) Command, Duty, Sanction
- B) Custom, Precedent, Legislation
- C) Justice, Equity, Conscience
- D) Order, Force, Morality

✓ **Answer: A) Command, Duty, Sanction**

Why: Remember: CDS — Command + Duty + Sanction. Austin's positivistic view: law is the sovereign's command backed by punishment.

Q3. The concept of 'Volkgeist' was given by:

- A) Roscoe Pound
- B) Savigny
- C) Kelsen
- D) Duguit

✓ **Answer: B) Savigny**

Why: Savigny (Historical School): Volkgeist = General Consciousness of the people. Law is found, not made — it grows from society.