PG DEPARTMENT OF COMMERCE (CA)

QUESTION BANK

COURSE: B.Com (CA) **SEMESTER:**III

SUBJECT CODE: 18UCC309 **SUBJECT**:BUSINESS LAW

K1 LEVEL

K1 & K2 LEVEL QUESTIONS

1. The source of mercantile law

a) Precedents b) local customs c) Indian statute law **d) All the above**

2. An agreement of a purely social nature is:

a) a valid contract b) a void contract

c) a voidable contract d) not a contract

3. Which ONE of the following is a correct statement of law? An agent is a person who acts on behalf of another:

A. To protect a principal's goods or services

B. To promote the sales of his principal

C. In entering into contracts

D. To improve a businesses' performance

4. A contract for the sale of goods is one where:

A. A seller gives goods to another by way of a contract, for safe keeping

B. Goods are passed to another to use in his business

C. A seller transfers or agrees to transfer, the property in goods to the buyer for a money consideration called the price

D. Goods are loaned under a contract of hire to a customer

5. 3. Which ONE of the following is correct? As a general rule, in a contract for the sale of goods, the goods must correspond with:

A. The expectations of the buyer

B. The description given by the seller or given on behalf of the seller

C. That recognized in the trade

D. That understood to be the description from a course of dealings with the seller

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6. In a contract for the sale of goods, the goods must be:

   A. Of a satisfactory size and shape

   B. Satisfactory to the buyer

   C. Satisfactory to all involved in its sale

   D. Of satisfactory quality

7. Which ONE of the following is not correct. A regulated consumer credit agreement is one where:

   A. A bank provides a loan or overdraft

   B. A consumer purchases goods on hire purchase

   C. A creditor provides a personal loan to a debtor

   D. A creditor provides a business with credit

8. Tom and Jerry entered into a contract whereby Tom agreed to sell Jerry $1,000 worth of heroin, an illegal substance. This is an example of a:

   a. quasi contract. **b. void contract.**

   c. voidable contract. d. secondary party beneficiary contract.

9. Robert makes the following statement while negotiating the sale of his car, "This is the sharpest car on the market." His statement may support a claim for:

   a. misrepresentation. b. fraud.

   c. fraud and misrepresentation. **d. none of the above.**

10. The body of law which establishes rights between persons and provides for redress for violation of those rights is known as:

    a. Criminal Law. **b. Civil Law.**

    c. The Uniform Commercial Code. d. Stare daisies.

11. When can a proposal be revoked:

    A Once a proposal is made, it cannot be revoked

    B Any time before or after the communication of acceptance is complete

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C Any time before the communication of its acceptance is complete as against the proposer, but not afterwards

D Any time before the proposal comes to the knowledge of the other party, but not afterwards

12. Which of the following feature is not essential for a contract:

A. It should be in writing only

B .free consent of parties competent to contract

C .lawful consideration and with a lawful object

D .It should not be declared void expressly

13. Who among the following is not competent to contract:

A Person who has acquired the age of 18

B Person who has acquired the age of 16

C Person is of sound mind

D Person who is disqualified from contracting by any law

14. The Indian Contract Act, 1872 is dividend into….. Chapters.

a) 3 b) 8 **c) 10** d) 12

15. The Law of Contract is noting but

a) A child of commercial dealing b) A child of religion

c) A child of day to day politics d) A child of economics

16. The term "offer" has been defined in ….

a) Section 2(a) b) Section 2 (b)

c) Section 2 (C) d) Section (d)

17. When a person signifies to another his willingness to do or to abstain from doing anything, with a view to obtaining the assent of that other to such act or abstinence, he is said to

a) Enter into a contract

b) Make a proposal

c) Entered into agreement

d) Enter into contract

18. A proposal may consist of a promise for

a) Doing an act b) Abstaining from doing an act

c) Either (a) or (b) d) Returning the consideration

19. An offer may be made

a. By words b. By conduct

c. Either (a) or (b) d. Neither (a) nor (b)

20. Offer can be accepted by

a) Offeror **b) Offeree**

c) Promisor d) Either (a) or (b)

21. An acceptance of offer may be made

a) By words b) By conduct

c) Either (a) or (b) d) Neither (a) nor (b)

22. A specific offer is the one which is made

a. By A to B

b. By a father to his only son for sale of his factory to him

c. By a father of a girl, to the father of the only son for her marriage

d. By all of the above

23. If a says to b "I offer to sell may car to you for Rs. 2 Lakhs and B accepts the offer by saying clearly "I accept your offer". It is an

a) Implied offer **b) Express offer**

c) General offer d) Counter offer

24. A offers to sell his car on internet, it is

a) Express offer b) Implied offer

c) Particular offer d) No offer

25. Consideration means

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a) Quid pro lo **b) Quid pro quo**

c) Qui pro quo d) Quid pro quod

26. Consideration in a contract

a) May be anything b) Noting in return

c) Some thing in return d) May be illusory

27. Section ---- of the Indian Contract Act defines" Consideration"

a) Section 2(a) b) Section 2 (b)

c) Section 2 (c) **d) Section 2 (d)**

28. "Consideration" means a reasonable equivalent or other valuable benefit passed on

a) By the Promisor to the beneficiary b) By the Promisee to the Promisor

c) By the promisor to the promise d) By the promise to the beneficiary

29. Consideration means something which is of some value in the eyes of law. it may be some benefit to the plaintiff or somedetriment to the defedent. It was held in case of

a) Fazaladdin vs Panchanan Das **b) Thomas Vs Thomas**

c) Currie vs Misa d) None of the above

30. Out of the following which is/are valid consideration ?

a) Not to sue any person b) Compromise of dispute

c) Composition of creditors **d) All of the above**

31. An essential feature of consideration is that

a) It must be cash b) It must be given by the prmisee alone

c) It must be at the request of the Promisor d) It must be in kind

32. Past consideration means

a) Voluntary services rendered in the past

b) Something given by a party to another at the request of the Promisor and contract is made thereafter

c) Something done at the time of making a contract

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d) Something to be given after formation of the contract

33. Consideration may be

a) past b) present c) future **d) either (a) or (b) or (c)**

34. Consideration and object of an agreement is unlawful if it

a. is fraudulent b. creates injury to property of any other person

c. against public policy **d. all of the above**

35. Consideration and object of an agreement is unlawful if it

a. is fraudulent b. is possible

c. is impossible d. all of the above

36. An act forbidden by law means

a. it is punishable by the Criminal Law

b. it is prohibited by a Special Act

c. Either (a) or (b) d. Neither (a) nor (b)

37. The stifling agreement is

a. Wagering b. Contigent

c. Voidable **d. Void**

38. In the above question the agreement is void on ground of

a. Unlawful consideration **b. Public policy**

c. Both (a) and (b) d. Neither(a) nor (b)

39. A borrows money from B to purchase smuggled cameras from C. B knows the purpose. The agreement between A and B is

a. illegal **b. void** c. legal d. voidable

40. A, B and C enter into an agreement for sharing the money obtained by fraud. This agreement is a. Valid b. Wagering **c. Void** d. Voidable

41. An agreement is void if the court considers it as

a. Immoral b. Within moral standards

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c. Either (a) or (b) d. Neither (a) nor (b)

42. A enters into agreement on behalf of her minor daughter that her daughter will act in an adult movie. Agreement is

    a. Void b. Voidable c. Valid d. Contingent

43. In the above questions, agreement is void, because it is

    a. without consideration **b. immoral** c. fraudulent d. contingent

44. A gave a lone to the guardian of a Minor to celebrate the Minor's marriage. The agreement is

    a. Valid b. Valid at the option of Minor

    c. not enforceable d. voidable

45. An agreement for improper promotion of litigation is

    a. voidable b. not void **c. against public policy** d. valid

46. Which of the following agreements are valid?

    a. Uncertain agreements b. Wagering agreements

    c. Agreements to do impossible events **d. None of the above**

47. A stipulation collateral to the main purpose of the contract of sale of goods, is called:

    a) a condition b) warranty c) guarantee **d) stipulation**

48. A contract for the sale of goods is one where:

    A. A seller gives goods to another by way of a contract, for safe keeping

    B. Goods are passed to another to use in his business

    C. A seller transfers or agrees to transfer, the property in goods to the buyer for a money consideration called the price

    D. Goods are loaned under a contract of hire to a customer

49. In a contract for the sale of goods, the goods must be:

    A. Of a satisfactory size and shape

    B. Satisfactory to the buyer

    C. Satisfactory to all involved in its sale

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D. Of satisfactory quality

50. The sale of goods for cash is an example for reciprocal promise known as

a. Mutual and concurrent b. Conditional and dependent

c. Mutual and independent d. Cash and concurrent

51. Where the performance of a promise by one party depends upon the prior performance of promise by the other, the promise is known as

a. Mutual and concurrent **b. Conditional and dependent**

c. Mutual and independent d. Concurrent and dependent

52. Where the promise by one party can be performed without waiting for the other party to perform his promise, the promise is known as

a. Conditional and dependent

b. Concurrent and independent

c. Mutual and concurrent

d. Mutual and independent

53. Where each party is a promisor as well as promisee, it is a case of

a. unenforceable contract **b. reciprocal promises**

c. unasertained agreement d. contingent contracts

54. When the intention of the parties is that the promise should be performed by the promisor himself. Such promise must be performed by

a. The promisor b. Any person with authority of the promisor

c. Third party d. All of the above

55. A,B, and C jointly promise to pay D the sum of Rs 6,000. C is compelled to pay the whole. A is insolvent, but his assets are sufficient to pay onehalf of his debts.

a. C is entitled to receive Rs 1000 from A's estate, and Rs 2,500 from B

b. C is entitled to receive Rs 1,000 from A's estate, and Rs 2,000 from B

c. C is entitled to receive Rs 1.000 from A's estate, and Rs 3,000 from B

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d. None of the above.

K2 & K3 LEVEL QUESTIONS

56. Define a contract.
57. What are agreements?
58. What do you mean by a avoid contract?
59. Explain voidable contract.
60. What is an illegal contract?
61. What do you understand by an unenforceable contract?
62. What is a implied contract?
63. What are quasi contract?
64. What do you mean by an unilateral contract?
65. What do you mean by a bilateral contract?
66. Define a proposal.

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67. How is an offer made?
68. What is an express offer?
69. What are counter offers?
70. What do you mean by cross offers?
71. What are general offers?
72. What is meant by an acceptance?
73. When is an offer completed?
74. When and how may an offer be revoked?
75. Define consideration.
76. When is consideration deemed to be unlawful?
77. Explain the legal rules as to consideration.
78. What are the various types of consideration?
79. Who is a minor?
80. What do you understand by 'capacity to contract'?
81. Who are the parties competent to enter into a contract?
82. Who are disqualified persons?
83. What do you understand by discharge of contract?
84. What do you understand by a material alteration?
85. What do you understand by a breach of contract?
86. Write a note on discharge of a contract by consent.
87. Define special damages.
88. Define the term 'goods'.
89. Write short notes on auction sale.
90. What are the different types of goods?
91. Write short notes on Doctrine of Caveat Emptor.
92. What do you mean by existing goods?

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93. What are contingent goods?
94. What do you mean by documents of title to goods?
95. What do you mean by future goods?

K4 & K5 LEVEL QUESTIONS

96. Define a contract. What are the elements of a valid contract?
97. Distinguish between void contracts and voidable contracts.
98. Distinguish between void agreements and illegal agreements.
99. State whether all void agreements are illegal.
100. Name the contracts expressly declared void by the Contract act?
101. Distinguish between valid, void, and voidable contracts.
102. Distinguish between executed and executor contract.
103. Distinguish between express and implied contracts.
104. What is an offer? Explain the types.
105. Differentiate between an express offer and an implied offer,
106. What constitutes an offer?
107. Explain the essential requirements of a valid offer.
108. What is meant by an acceptance by contract? Give an example.
109. Explain the legal rules as to acceptance.
110. What are the essentials of acceptance?
111. How is an offer revoked?
112. Distinguish between a general offer and a special offer.
113. Distinguish between a general offer and a specific offer.
114. When is consideration deemed to be unlawful?
115. What do you understand by unlawful consideration, and what would be its impact on an agreement?
116. ‘A contract without consideration is void’. Comment.

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117. Discuss the law relating to competence of parties to enter into a valid contract.
118. Discuss the provisions of law relating to contracts with minors.
119. What are 'Necessaries'? Explain 'minor' liability for necessaries.
120. What are the various ways in which a contract may be discharged?
121. Explain the doctrine of frustration.
122. State the effects of supervening impossibility.
123. Explain the consequence of anticipatory breach of contract.
124. What remedies are available to an aggrieved party on the breach of a contract?
125. Distinguish between a wagering agreement and a contingent contract.
126. What is anticipatory breach of contract? State the consequences.
127. Differentiate between an actual breach and an anticipatory breach of contract.
128. Explain the remedies for a breach of contract.
129. What are the consequences of a breach of contract?
130. Explain the mode of fixation of price.
131. Distinguish between a sale and hire-purchase agreement.
132. Distinguish between a sale and an agreement to sell.
133. Distinguish between existing goods and contingent goods.
134. Distinguish between future goods and contingent goods.
135. Distinguish between condition and warranty.
136. When does the doctrine of 'Caveat Emptor' not apply to the sale of goods?
137. State the implied warranties in a contract of sale.
138. State the conditions implied in a contract of sale of goods.
139. When can a breach of condition be treated as a breach of warranty?

--x--x--x--