NALLAMUTHU GOUNDER MAHALINGAM COLLEGE, POLLACHI

18UBM308-MERCANTILE LAW

K1 QUESTIONS

UNIT - I

1. The law of contract in India is contained in.............
   a) Indian contract Act,1872 b) Indian contract Act,1972, c)Indian contract act, 1930 d) Indian contract act 1932
2. The Indian contract Act came into force on.........................
   a) 1.9.1872 b) 1.9.1972 c) 1.7.1930 d) 1.7.1932
3. A bid at an auction is..................
   a) An express offer **b) An implied offer** c) A general offer d) none of these
4. An agreement with a minor is.................
   a) Void *ab initio* b) illegal c) Voidable at the option of person other than minor d) Voidable at the option of minor
5. The consideration may be.................
   a) Present or future only b) past or present only c) Past or future only **d) past or present or future**
6. When the consent of a party is not free, the contract is.............
   a) Void **b) Voidable** c) Valid d) Illegal
7. A Quasi-Contract................
   a) Is a contract b) Is an agreement **c) Has only a legal obligation** d) Is none of these
8. Cancellation of the contract by any party or all the parties to a contract is called..........
   a) Alteration b) Novation **c) Rescission** d)Remission
9. Consent is not said to be free when it is caused by.................

a) Coercion b) Undue Influence c) Fraud **d) All of these**

10. Who is competent to contract.............
    a) A minor who is of sound mind b) A major who is of unsound mind **c) A person who is usually of unsound mind but occasionally of sound mind when he is of sound mind** d) A person who is usually of sound mind but occasionally of unsound mind when he is of unsound mind

UNIT - II

11. Where the goods are handed over by the seller to the buyer or his duty authorized agent, the delivery is said to be ....
    a) Symbolic delivery **b) Actual delivery** c) Constructive delivery d) None of these
12. Who has the right of stopping the goods in transit after he has parted with their possession to a carrier in case of insolvency of the buyer...........
    a) Seller b) Buyer **c) Unpaid seller** d) None of these
13. The Sale of Goods Act 1930 is substantially based on the English Sale of Goods Act.........
    a) 1894 **b)1893** c) 1925 d) 1920
14. Passing of property implies.............
    a) Transfer of document related to goods b) transfer of physical possession of goods **c) transfer of ownership** d) All of the above
15. Which type of goods are produced or acquired by the seller after the making of the contract of sales................
    a) Ascertained goods **b) future goods** c) contingent goods d) None of these
16. A person appointed to act on behalf of another person, is known as ....
    a) Principal **b) Agent** c) Independent contractor d) Employee

17. Agreement for the sale of future goods is ___________.

A. Sale **B. Agreement to sell** C. Void D. Hire purchase contract

18. Agreement-the meaning of which is uncertain is _______.

A. Valid **B. Void** C. Void able D. Illegal

19. As a general rule, an agreement made without consideration is

A. void B. void able C. Valid D. unlaw ful

20. The essence of a right of lien is to

A. deliver the goods. **B. retain the possesion,** C. regain the possession D. none of the above.

UNIT - III

21. Goods must be the same as wanted by the seller. This is

A. Condition as to description B. Condition as to wholesomeness C. Condition as to sample D. Condition as to title

22. What is known as a charter of a Company?

A. Memorandum of Association B. Bye laws C. Articles o f Association

D. Prospectus.

23. The name of a company can be changed by________________.

A. an ordinary resolution B. a special resolution C. the approval of the union government **D. a special resolution and with the approv al of the central government**

24. The ________defines the scope of a companys activities.

A. prospectus B. statutory declaration **C. memorandum of association**

D. articles of association

25. _________ companies must have their own Articles.

A. Government companies. **B. Unlimited companies**. C. Companies limited by shares. D. Registered companies.

26. The articles of association establish the relationship between_________.

A. the company and its members . B. the company and outsiders**.** **C. the company and its members and members inter** D. the company and other companies .

27. A/an _______may become a director of a company.

A. partnership firm B. person of unsound mind **C. individual** D. body corporate

28. Separate legal entity means______________.

A. limited liability. B. not separate from its members. **C. Separate from its members.** D. common seal.

29. Holding company means a company ______________.

A. which holds other company B. a government company. C. a chartered company. D. a subsidiary company .

30. A part from the board of directors, a company can have____________.

A. only a manager. B. only a managing director . C. both a manager and a managing director . **D. either a manager or a managing director .**

UNIT - IV

31. A prospectus refers to any document that________.

A. invites deposits from the public . B. invites offers for the purchase of shares from the public . C. invites offers for the subscription of shares and debenture s from the public . **D. all of the above**.

32. A public corporation denotes a ___________.

A. private limited company . B. public company . C. government company . **D. statutory corporation .**

33. The partnership entity may be regarded as ____________.

A. a legal entity . B. an accountable entity . C. both a legal and accountable entity .

D. neither a legal nor an accountable entity .

34. A public company, having a share capital, is required to send the return of allotment to the Registrar of companies within _______days of the allotment of shares

A. 15. **B. 30** C. 45 D. 60 .

35. A private company is to become a public company if its average turnover in the previous three years exceeds___________.

A. Rs. 4 crore. B. Rs. 8 crore **C. Rs. 10 crore** D. Rs. 50 crore .

36. On a share of Rs. 100 of a company, a shareholder has already paid Rs. 30. His Liability is now limited to ___________.

A. Rs. 100. B. Rs. 30. **C. Rs. 70.** D. Rs.10

37. The Reserve Bank of India is an example of a _____________.

A. registered company. **B. statutory company** C. chartered company D. unlimited company .

38. A company limited by guarantee and having a share capital______________.

A. can be only a public company. B. can be only private company.

C. may be both a public company and a private company. D. can be joint stock company.

39. A shareholder in a company___________.

A. can be its debenture holder B. cannot be its debenture holder

C. alone can become its debenture holder D. must also become its debenture holder within a year of being a shareholder.

40. A Company at least 51% of whose share capital is held by the government is called a____.

A. public enterprise. B. public company. C. public corporation. **D. government company.**

UNIT - V

41. Shares can be issued____________.

A. at par. B. at discount. C. at premium. **D. all of the above.**

42. The debenture holders of a company are companies___________.

A. owners. **B. creditors**. C. customers. D. all of these

43. A shareholder in a company_____________.

A. can be its debenture holder. **B. cannot be its debenture holder**.

C. alone can become its debenture holder. D. must also become its debenture holder within a year of being a shareholder

44. Shares can be issued__________.

A. at par B. at discount C. at premium **D. all of the above**.

45. A share certificate is required to be signed by___________.

A. company secretary B. two director's **C. two directors and company secretary.**

D. all directors and company secretary.

46. Transmission of shares takes place in the following case

A. sale of shares B. theft of shares **C. operation of any law**. D. all of these

47. Share premium received by issuing shares can be used for____________.

A. payment of dividend **B. issue of bonus share**. C. remuneration to management.

D. any business purpose

48. A company is called an artificial person because____________.

A. it does not have the shape of a natural person B. it cannot be used in the court of law **C. it is invisible and intangible.** D. it exists only in contemplation of law.

49. A company is called an artificial person because____________.

A. it does not have the shape of a natural person B. it cannot be used in the court of law **C. it is invisible and intangible**. D. it exists only in contemplation of law.

50. Register of member is a____________.

A. statutory book. B. statistical book . C. official book D. registered book

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K2 QUESTION

UNIT - I

1. What is contract?
2. List out the different types of contract.
3. Explain consideration.
4. List the essential elements of a valid contract.
5. Who is minor?
6. What is an offer?
7. What do you mean by Quasi-contract?
8. What is meant by Void Agreement?
9. Explain uncertain agreements.
10. List the kinds of Quasi-contracts.

UNIT - II

11. State the rules of a valid offer
12. Who is called as bailer and bailee?
13. List out the rights of an agent.
14. What do you mean bailment?
15. Define Prospectus.
16. List the types of agent.
17. Define debenture.
18. What are the duties of principal?
19. Explain the termination of Agency.
20. Who is a Sub-Agent?

UNIT - III

21. Explain the meaning of company.
22. Write any three characteristics of a company.
23. Define common seal.
24. What is veil of incorporation?
25. List the stages involved in formation of a company.
26. Write about private company.

27. Write about public company.
28. What is holding company?
29. What is meant by unlimited company
30. Define Memorandum of Association.

UNIT - IV

31. What is Articles of Association?
32. List down the various form of articles of association.
33. What is doctrine of indoor management?
34. Write down the limitations regarding alteration of Articles.
35. Define Shares.
36. Write any one difference between shares and stock.
37. List down the types of preference shares.
38. Define Equity shares.
39. What is meant by Right issue?
40. Define debentures.
41. What is meant by share transfer?
42. Write the meaning of shareholder.

UNIT - V

43. Who is called a member?
44. What is meant by right of pre-emption?
45. What are the liabilities of a member?
46. Write the meaning of winding up of company.
47. List the modes of winding up of company.
48. Give an outline of liquidation.
49. What is meant by voluntary winding up of the company?
50. Who is contributory?
51. What are the two kinds of voluntary winding up?
52. What is meant by 'Declaration of Solvency'.

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K3 QUESTIONS

UNIT - I

1. Distinguish between an agreement and contract.
2. Enumerate the essential elements of a valid contract.
3. Explain the kinds of consideration.
4. Enumerate who are competent to make contract.
5. Explain the features of contract of sales.

UNIT - II

6. Narrate the duties and rights of bailor.
7. Elaborate the relationship of principal with third parties.
8. What are the legal rules for consideration?
9. Enumerate in short lapse of an offer.
10. Write short note on features of contract of sale.
11. Differentiate between sale and hire purchase.
12. Explain the duties of principal.
13. Enumerate the modes of termination of agency.

UNIT - III

14. Explain the characteristics of a company.
15. Write short on prospectus.
16. Explain who can become a member of a company.
17. Enumerate the types of meeting held in company.
18. Enumerate the limitations of companies.
19. Write the documents to be submitted for Registration.
20. Write a short note on statutory company.
21. Enumerate the features of private limited company.
22. Company limited by guarantee- Explain.
23. Write briefly about the one person company.
24. Difference between Memorandum of Association and Articles of Association.

UNIT - IV

25. Difference between shares and debentures.

26. Explain the contents in share certificate.
27. Analyze and explain minimum subscription.
28. Assume and write brief note on regular and irregular allotment.
29. Write any five differences between transfer and transmission of shares.

UNIT - V

30. Explain the rights of members in a company.
31. Who can become a member of a company?
32. What are the contents of winding up petition?
33. ‘Lifting of corporate Veil’-Explain.
34. Explain the advantages of company.
35. Write a short note on alteration of capital clause.
36. Explain the provisions for alteration of various clauses in memorandum.
37. Illustrate the exceptions of indoor management.
38. What are the contents of prospectus?
39. Distinguish between shareholder and a member.
40. Explain the rights of member in a company.
41. Explain in detail about the consequences of winding up order.

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K4 QUESTIONS

UNIT - I

1. Elaborate in detail types of contract.
2. Enumerate the essential elements of valid contract.
3. Explain the ways how free consent arises.
4. Elaborate the legal rules as to offer.
5. Explain the consideration.

UNIT - II

6. Write the duties and rights of bailor and bailee.
7. Elaborate the classification of agents.
8. Enumerate the difference between sale & hire purchase.
9. Explain the various modes to create an agency.
10. Explain when an agent becomes personally liable
11. Explain the duties of liquidator.

UNIT - III

12. Discuss in detail kinds of company.
13. Explain in detail memorandum of association.
14. What do you mean by company? What are its characteristics?
15. Differentiate between Joint Stock Company and Partnership firm.
16. Explain in detail about the stages involved in formation of a company.
17. Differentiate between private company and public company.
18. Explain the contents of Articles of Association.

UNIT - IV

19. Discuss in brief allotment of shares.
20. Enumerate how shares can be transferred.
21. Explain the kinds of preference shares.
22. Explain the regular allotment.
23. Explain the irregular allotment.

UNIT - V

24. Discuss the procedure for compulsory winding up.
25. Discuss the procedure for member’s voluntary winding up.
26. Explain the methods for becoming a member.
27. Explain the procedure for compulsory winding up of company.
28. Explain the procedure for voluntary winding up of company