



**BRAINWARE UNIVERSITY**

**Term End Examination 2019 – 20**

**Programme – Master of Business Administration**

**Course Name –Legal and Business Environment**

**Course Code – MBAD010402(BL)**

(Semester – 1)

**Time allotted: 3 Hours**

**Full Marks: 70**

[The figure in the margin indicates full marks. Candidates are required to give their answers in their own words as far as practicable.]

**Group –A**

(Multiple Choice Type Question)

20 x 1 = 20

1. Answer any *twenty* from the following
  - (i) An agreement consists of reciprocal promises between at least
 

a. four parties.	b. six parties.
c. three parties.	d. two parties.
  - (ii) ..... is forbidden by law.
 

a. Valid contract	b. Illegal agreement
c. Voidable contract	d. Unenforceable contract
  - (iii) Which of the following legal statement is incorrect?
 

a. An agreement enforceable by law is a contract [Section 2]	b. All agreements are contracts [Section 10]
c. A proposal when accepted becomes a promise [Section 2]	d. Every promise and every set of promise forming the consideration for each other is an agreement [Section 2(e)]
  - (iv) Which of the following relationship raise presumption of positive influence?
 

a. Parent and Child	b. Religious/ Spiritual Guru and disciple
c. Guardian and Ward	d. All of the above
  - (v) Drawing cash from ATM, sale by fall of hammer at an auction sale, etc., are example of
 

a. express contract.	b. implied contract.
c. tacit contract.	d. unlawful contract.

- (vi) Every agreement and promise enforceable by law is .....
- a. Offer
  - b. Contract
  - c. Acceptance
  - d. Consideration
- (vii) To form a valid contract, there should be at least .....
- a. Two parties
  - b. Three parties
  - c. Four parties
  - d. Five parties
- (viii) Over a cup of coffee in a restaurant, X Invites Y to dinner at his house on a Sunday. Y hires a taxi and reaches X's house at the appointed time, but x fails to perform his promise. Can Y recover any damages from X?
- a. Yes, as y has suffered
  - b. No, as the intention was not to create legal relation.
  - c. Either (a) or (b)
  - d. None of these.
- (ix) For binding contract both the parties to the contract must:
- a. Agree with each other.
  - b. Put the offer and counter offers.
  - c. Stipulate their individual offer
  - d. Agree upon the same thing in the same sense.
- (x) A Counter offer is .....
- a. A rejection of the original offer
  - b. An acceptance of the offer
  - c. A bargain
  - d. An invitation to treat
- (xi) An offer made by words spoken or written is called:
- a. Implied offer
  - b. Express offer
  - c. Formal agreement
  - d. Informal agreement
- (xii) For an acceptance to be valid, it must be
- a. Partial & qualified
  - b. Absolute & unqualified
  - c. Partial & unqualified
  - d. Absolute & qualified
- (xiii) Which one of the following will constitute a valid acceptance?
- a. An enquiry as to fitness of the subject matter of contract.
  - b. A provisional acceptance
  - c. Addition of a superfluous term, while accepting an offer.
  - d. A conditional acceptance.
- (xiv) In Commercial and business agreements, the intention of the parties to create legal relationship is
- a. Presumed to exist
  - b. To be specifically expressed in writing
  - c. Not relevant or all
  - d. Not applicable

- (xv) The person making the proposal is called .....
- a. Promisor
  - b. Promisee
  - c. Participator
  - d. Principal
- (xvi) If in a contract, the time lapses and if the party fails to perform the contract within specified time the contract becomes
- a. Voidable
  - b. Void
  - c. Illegal
  - d. Enforceable in the court
- (xvii) In case of contract of guarantee, what is the liability of the surety against the principal debtor
- a. Primary
  - b. Secondary
  - c. No liability
  - d. Fully liable
- (xviii) When consent to an agreement is caused by coercion, fraud or misrepresentation, the agreement is
- a. Valid
  - b. void
  - c. Voidable at the option of a party whose consent was so caused
  - d. Partially void
- (xix) In case of breach of contract of sale of some rare article or thing for which there is no substitute in the market, the Court may grant:
- a. Quantum Meruit
  - b. Rescission
  - c. Injunction
  - d. Specific Performance
- (xx) Contract with undue influence & coercion is
- a. Voidable Contract
  - b. Void Contract
  - c. Illegal Contract
  - d. Void Agreement
- (xxi) In case of private company towards quorum proxies will be counted
- a. Yes
  - b. Not required
  - c. No
  - d. None of the above
- (xxii) The person making the proposal is called
- a. Promiser
  - b. Promisee
  - c. Both of above
  - d. None of above
- (xxiii) A contract made by lunatic is\_\_\_\_\_ in the eye of Law
- a. Void
  - b. Valid
  - c. voidable
  - d. none of the above
- (xxiv) Contract signed under misrepresentation is
- a. Void
  - b. Illegal
  - c. Valid
  - d. Voidable

- (xxv) Under Sale of Goods Act crop is
- |                                    |                   |
|------------------------------------|-------------------|
| a. Movable good                    | a. Immovable good |
| b. Both immovable and movable good | b. None of these  |

**Group – B**

(Short Answer Type Questions)

4 x 5 = 20

Answer any *four* from the following

- |    |  |   |
|----|--|---|
| 2. | Differentiate between Private Company & Public Company?          | 5 |
| 3. | Explain rights of an Unpaid Seller.                              | 5 |
| 4. | Discuss dishonor of cheque.                                      | 5 |
| 5. | Differentiate between Right to Lien & Right to Stoppage Transit? | 5 |
| 6. | Explain the term 'Free Consent'.                                 | 5 |
| 7. | Discuss types of preference shares.                              | 5 |

**Group – C**

(Long Answer Type Questions)

3 x 10 = 30

Answer any *three* from the following

- |     |   |    |
|-----|---|----|
| 8.  | Critically examine the statement, 'All contracts are agreements but all agreements are not contract'. | 10 |
| 9.  | Discuss rights of unpaid seller with examples.  | 10 |
| 10. | Discuss steps of starting of a company.   | 10 |
| 11. | Explain the importance of communication of offer and acceptance.                                      | 10 |
| 12. | Explain exceptions to the rule 'No consideration, no contract.'                                       | 10 |

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