



BRAINWARE UNIVERSITY
Term End Examination 2020 - 21
Programme – Master of Business Administration
Course Name – Legal and Business Environment
Course Code - MBA103

Semester / Year - Semester I

Time allotted : 75 Minutes

Full Marks : 60

[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)

1 x 60=60

1. *(Answer any Sixty)*

(i) Business Law is also known as

- | | |
|-------------------|-------------------|
| a) Mercantile Law | b) Industrial Law |
| c) Corporate Law | d) Civil Law |

(ii) Sources of English Law are

- | | |
|-------------------------|-----------------|
| a) Common Law | b) Merchant Law |
| c) Principles of equity | d) Statute Law |

(iii) An agreement not enforceable by law is called

- | | |
|-----------------------|--------------------|
| a) Void agreement | b) Valid agreement |
| c) Voidable agreement | d) None of these |

(iv) Which one of the following statement is incorrect?

- | | |
|---|---|
| a) Oral acceptance is a valid acceptance. | b) Mere silence is not acceptance |
| c) Acceptance must be communicated | d) Acceptance may not be in the prescribed manner |

(v) Contractual rights and duties are created by

- | | |
|------------|--------------------|
| a) State | b) Statute |
| c) Parties | d) Custom or Usage |

(vi) Law is enacted by

- a) Legislature
- b) Judiciary
- c) Executives
- d) Bureaucrats

(vii) The Indian Contract Act came into force on:

- a) 15th September, 1872
- b) 1st September, 1872
- c) 1st October, 1872
- d) 15th October, 1872

(viii) The Indian Contract Act, applies to the:

- a) Whole of India excluding Jammu & Kashmir
- b) Whole of India including Jammu & Kashmir
- c) States notified by the Central Government from time to time
- d) None of these

(ix) An agreement consists of reciprocal promises between at least

- a) four parties.
- b) six parties.
- c) three parties.
- d) two parties.

(x) Contract is defined as an agreement enforceable by law, vide Section ... of the Indian Contract Act.

- a) Section 2(e)
- b) Section 2(f)
- c) Section 2(h)
- d) Section 2(i)

(xi) A contract creates

- a) rights and obligations of the parties to it.
- b) obligations of the parties to it
- c) mutual understanding between the parties to it.
- d) mutual lawful rights and obligations of the parties to it.

(xii) is forbidden by law.

- a) Valid contract
- b) Illegal agreement
- c) Voidable contract
- d) Unenforceable contract

(xiii) A makes a contract with B to beat his business competitor. This is an example of

- a) valid contract.
- b) illegal agreement.
- c) voidable contract
- d) unenforceable contract.

(xiv) 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)]

(xv) Agreement the meaning of which is uncertain is

- a) Void
- b) Valid
- c) Voidable
- d) Illegal Answer

(xvi) 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.

(xvii) “A Contract is an agreement creating and defining obligations between the parties” the definition was put forwarded by

- a) Dr. Ambedkar
- b) Pollock
- c) Salmonds
- d) N.D.Kapoor

(xviii) Agreement is defined by the section of the Indian Contract Act, 1872

- a) Section 2(c)
- b) Section 2(e)
- c) Section 2(g)
- d) Section 2(i)

(xix) A promises to deliver his watch to B and, in return, B Promise to pay a

sum of Rs. 2,000. There is said to be a/ an

- a) Agreement
- b) Proposal
- c) Acceptance
- d) Offer

(xx) An Agreement is

- a) Offer
- b) Offer+ Acceptance
- c) Offer + Acceptance + Consideration
- d) Contract

(xxi) 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 Yes, as Y has suffered or No, as the intention was not to create legal relation.
- d) None of these

(xxii) Which of the following is a contract?

- a) A engages B for a certain work and promises to pay such remuneration as shall be fixed. B does the work.
- b) A and B promise to marry each other.
- c) A takes a seat in a public vehicle
- d) A invites B to a card party. B accepts the invitation.

(xxiii) For a 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.

(xxiv) Goods displayed in a shop window with a price label will amount to:

- a) Offer
- b) Acceptance of offer
- c) Invitation to offer
- d) Counter offer

(xxv) What can a catalogue of books, listing price of each book and specifying the place where the listed books are available be termed as?

- a) An offer
- b) An obligation
- c) An invitation to offer
- d) A promise to make available the books at the listed place

(xxvi) An offer made by words spoken or written is called:

- a) Implied offer
- b) Express offer
- c) Formal agreement
- d) Informal agreement

(xxvii) A tender is

- a) an offer
- b) invitation to an offer
- c) acceptance of offer
- d) None of these

(xxviii) Communication of offer is complete when

- a) The letter is posted to the offeree
- b) The letter is received by the offeree
- c) The offer is accepted by the person to whom it is made
- d) It comes to the knowledge of the offeror that the letter has been received by the offeree

(xxix) The Communication of acceptance through telephone is regarded as complete when:

- a) Acceptance is spoken on phone.
- b) Acceptance comes to the knowledge of party proposing
- c) Acceptance is put in course of transmission.
- d) Acceptance has done whatever is required to be done by him

(xxx) A sees an article marked "Price Rupees Twenty" in B's shop .He offers B Rs. 20 for the article. B refuses to sell saying the article is not for sale.

Advice A.

- a) A cannot force B to sell the article at Rs. 20
- b) A can force B to sell the article at Rs. 20

c) A can claim damages

d) A can sue B in the Court

(xxxix) An agreement is a Voidable Contract when it is

a) Enforceable

b) Enforceable by Law at the option of the aggrieved party

c) Enforceable by both the parties

d) Not enforceable at all

(xxxix) The term "Promise" has been defined inof the Indian Contract Act.

a) Section 2(a)

b) Section 2(b)

c) Section 2(c)

d) Section 2(d)

(xxxix) The person making the proposal is called

a) Promisor

b) Promisee

c) Participator

d) Principal

(xxxix) A contingent contract is

a) Void

b) Voidable

c) Valid

d) Illegal

(xxxix) A person finds certain goods belonging to some other persons. In such a case, the finder

a) Becomes the owner of that good

b) Is under a duty to trace the real owner

c) Can sell that good if true owner is not found

d) Both Is under a duty to trace the real owner and Can sell that good if true owner is not found

(xxxix) 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

(xxxvii) Change in one or more of the important terms in a contract, it is the case of

- a) Novation
- b) Rescission
- c) Remission
- d) Alternation

(xxxviii) A party entitled to rescind the contract, loses the remedy where

- a) He has ratified the contract
- b) Third party has acquired right in good faith
- c) Contract is not separable
- d) All of these

(xxxix) A order of court restraining a person from doing a particular act, it's a case of

- a) Specific performance
- b) Injunction
- c) Both Specific performance and Injunction
- d) None of these

(xl) 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

(xli) Contract signed under coercion is

- a) Void
- b) Illegal
- c) Valid
- d) Voidable

(xlii) What is the right of the bailee against the goods

- a) Owner
- b) Possessor
- c) Both Owner and Possessor
- d) Bailee can sell those goods

(xliii) In a Contract of Guarantee, there are

- a) 2 parties
- b) 3 parties
- c) 4 parties
- d) 5 parties

(xliv) A minor in a firm enjoys the following rights:

- a) He may be admitted to the benefits of partnership
- b) He cannot have access to and inspect and copy any of the accounts of the firm
- c) None of these
- d) Both He may be admitted to the benefits of partnership and He cannot have access to and inspect and copy any of the accounts of the firm

(xlv) A contract to sell the property by a minor through guardian is:

- a) void
- b) voidable
- c) valid
- d) illegal

(xlvi) A Contract may be discharged by

- a) Performance
- b) lapse of time
- c) Breach of Contract
- d) Any of them

(xlvii) If any part of a single consideration for one or more objects, or any one or any part of any one of several consideration of a single object is unlawful, then:

- a) Only that object shall be held void but the agreement shall be valid
- b) The agreement shall be void
- c) The agreement shall be voidable at the option of either party to the agreement
- d) The agreement is still considered valid

(xlviii) The term fraud is defined under which Section of the Contract Act?

- a) Sec 16
- b) Sec 17
- c) Sec 18
- d) Sec 19

(xlix) Where an unpaid seller has made part delivery of the goods he may exercise his right _____

- a) Return on the remainder
- b) Of lien on the remainder
- c) Sale to any other person
- d) None of these

(l) In the Contract of Sale, there is an implied warranty that:

- a) Seller has a right to sell the goods
- b) The buyer has the right to have and enjoy the quiet possession of goods only.
- c) The goods shall be free from any charge or encumbrance
- d) The buyer has the right to have and enjoy the quiet possession of goods and that the goods shall be free from any charge or encumbrance

(li) Section 12 of the Sale of Goods Act, 1930 defines

- a) condition
- b) warranty
- c) Both condition and warranty
- d) Only condition and not warranty

(lii) Under Sale of Goods Act crop is

- a) Movable good
- b) Immovable good
- c) Both immovable and movable good
- d) None of these

(liii) Caveat Emptor relates to

- a) Contract Act
- b) Sale of Goods Act
- c) Companies Act
- d) Negotiable Instrument Act

(liv) The meeting held only once in lifetime of a company is named as

- a) Annual General Meeting
- b) Statutory General Meeting
- c) Extra-ordinary General Meeting
- d) Special Meeting

(lv) The term company is defined under which sec of the Act?

- a) Sec 3 (11)
- b) Sec 4 (2)
- c) Sec 2 (20)
- d) Sec 1 (3)

(lvi) Maximum no of members in case of public company as per Companies Act, 1956 is

- a) 0
- b) unlimited

c) 50

d) 100

(lvii) Sweat Equity shares is issued under Section ____ of the Companies Act, 2013

a) 78

b) 54

c) 79A

d) 79B

(lviii) The term Key Managerial Personnel is defined under which section of the Companies Act, 2013?

a) Section 2 (20)

b) Section 4 (2)

c) Section 2 (4)

d) Section 2 (51)

(lix) Maximum no of members in case of public company according to Companies Act, 2013 is

a) 0

b) Unlimited

c) 50

d) 100

(lx) Quorum for the Board of Directors meeting should be:

a) 1/3 or three whichever is higher

b) 1/2 or three whichever is higher

c) 1/2 or two whichever is higher

d) 1/3 or two whichever is higher