



**BRAINWARE UNIVERSITY**  
**Term End Examination 2020 - 21**  
**Programme – Bachelor of Business Administration**  
**Course Name – Business Law**  
**Course Code - BBA302**  
**Semester / Year - Semester III**

Time allotted : 85 Minutes

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)

1 x 70=70

1. (Answer any Seventy )

(i) Which of the following best describes the relationship between principles and rules?

- |  |  |
|--|--|
| a) Principles are based upon rules         | b) Rules and principles are independent of one another |
| c) Rules are justifications for principles | d) Principles are the reasons for rules                |

(ii) Which of the following statements best describes the function of a legal system?

- |  |   |
|--|---|
| a) Protection of individual rights and liberties | b) Conferral of obligations             |
| c) Maintenance of public order                   | d) All of the options given are correct |

(iii) The idea that law is an activity, created through negotiation and evolving through interaction between persons, best describes

- |                        |                    |
|------------------------|--------------------|
| a) everyday pragmatism | b) legal idealism  |
| c) moral pragmatism.   | d) moral idealism. |

(iv) An agreement becomes a contract if :

- |   |                           |
|---|---------------------------|
| a) It is by free consent of the parties | b) Parties are competent. |
| c) Parties are incompetent.             | d) None of these          |

(v) Which nineteenth-century philosopher argued that people should be able to do what they want as long as they don't pose direct harm to others?

- a) Devlin
- b) Hart
- c) Plato
- d) Mill

(vi) 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

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

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

(viii) The liability in which the sole intention of the law is to enforce the plaintiff's right and not to punish the wrong-doer is known as:

- a) Constructive liability
- b) Penal liability
- c) Equitable liability
- d) Remedial liability

(ix) Which of the following is the most accurate description for the Rule of Law?

- a) An idealistic concept of how the legal system should function to further civilized society
- b) The law must be made up of strict rules with punishment for breach of those rules
- c) A rule made by Parliament
- d) Guidance on how rules should be applied

(x) Which of the following is the most accurate description of civil law?

- a) Civil law is an aspect of public law
- b) Civil law relates to controlling conduct or wrong-doing of which it disapproves
- c) Civil law relates to the enforcement of particular forms of behaviour
- d) Civil law is a form of private law and involves the relationships between

individuals

(xi) ..... is forbidden by law.

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

(xii) "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

(xiii) Which of 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.

(xiv) Contractual rights and duties are created by .....

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

(xv) 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)

(xvi) Valid contracts

- a) are made by free consent.
- b) are made by competent parties.
- c) have lawful consideration and lawful object.
- d) all of these

(xvii) Agreement the meaning of which is uncertain is

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

(xviii) All Contract is a/an .....

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

(xix) To form a valid contract, there should be at least .....

- a) Two parties
- b) Three parties
- c) Four parties
- d) Five parties

(xx) As per section 2(e) of the Indian Contract Act, “Every Promise and every set of promise forming the consideration for each other is a/an

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

(xxi) Which one of the following has the correct sequence?

- a) Offer, acceptance, consideration, offer.
- b) Offer, acceptance , consideration, contract
- c) Contract, acceptance, consideration, offer
- d) Offer, consideration, acceptance, contract.

(xxii) For an acceptance to be valid, it must be

- a) Partial & qualified
- b) Absolute & unqualified
- c) Partial & unqualified
- d) Absolute & qualified

(xxiii) A contract is made where:

- a) A buys a book from a shop
- b) X bids at a public auction
- c) X agrees with Y to discover a treasure by magic
- d) Z agrees to attend the birthday party of his friend

(xxiv) The communication of a proposal is complete when it comes to

- a) The knowledge of the person to whom it is made.
- b) The object of the offer
- c) The intention with which offer is made
- d) The facts underlying the offer

(xxv) 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

(xxvi) A contingent contract is

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

(xxvii) 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

(xxviii) The person making the proposal is called .....

- a) Promisor
- b) Promisee
- c) Participator
- d) Principal

(xxix) A Guru. (spiritual advisor) induced the Chela (his devotee) to gift him a whole of his property to secure benefit of his soul in the next World. The gift shall be...

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

(xxx) A contract caused by one of the parties to it being under a mistake as to matter of fact is :

- a) Void
- b) Valid
- c) Voidable at the option of either party.
- d) Voidable at the option of the party who under mistake.

(xxxix) Which of the following section in Negotiable Instruments Act deals with the Bill of Exchange?

- a) Section 6
- b) Section 4
- c) Section 5
- d) Section 13

(xxxix) Which of the followings are not the Negotiable Instruments as defined by the Statute...

- a) Banker's Note
- b) Promissory Note
- c) Bill of Exchange
- d) All of the Instruments are Negotiable Instruments

(xxxix) The undertaking contained in a promissory note, to pay a certain sum of money is

- a) Conditional
- b) Unconditional
- c) May be conditional or unconditional depending upon the circumstances
- d) None of the above.

(xxxix) Cheque is a

- a) Promissory note
- b) Bill of exchange
- c) both (a) and (b) above
- d) None of these

(xxxix) Under section 118 of the Negotiable Instruments Act, 1881, it is presumed, until the contrary is proved, that every transfer of a negotiable instrument was made

- a) after its maturity
- b) before its maturity
- c) at its maturity
- d) none of the above.

(xxxix) When the acceptor of an instrument is also a drawer, notice of

dishonour is

- a) necessary (section 98A)
- b) not necessary [section 98(e)]
- c) not always necessary but under certain circumstances mentioned in section 98A of the Act, it is a must
- d) none of the above.

(xxxvii) Who among the following cannot cross a cheque?

- a) drawer
- b) holder
- c) banker
- d) foreigner.

(xxxviii) As per section 147 of the Negotiable Instruments Act, 1881, every offence punishable under the Act are

- a) compoundable
- b) non-compoundable
- c) cognizable
- d) both (b) and (c) above.

(xxxix) Under the provisions of section 143 of the Negotiable Instruments Act, 1881, all offences under the Act are to be tried by

- a) any Judicial Magistrate
- b) Judicial Magistrate of the First Class or by a Metropolitan Magistrate
- c) only a District Judge
- d) none of the above.

(xl) For what term of imprisonment an offender under section 138 of the Negotiable Instruments Act can be punished?

- a) for a term which may extend to two years
- b) for a term not exceeding three years
- c) for a term which may extend to one year
- d) none of the above.

(xli) A complaint against an offence under section 138 of the Negotiable Instrument Act, 1881

- a) must be in writing (section 142) –
- b) may be oral or in writing (section 142)
- c) must be in writing containing a declaration by the drawee that he consents
- d) none of the above.

to such filing of the complaint (section 142)

(xlii) Where a cheque is crossed generally the banker on whom it is drawn

- a) shall not pay it otherwise than to a banker
- b) shall not pay it otherwise than to the holder
- c) shall not pay it to a banker
- d) none of these

(xliii) The liability under section 138 of the Negotiable Instruments Act, 1881, is

- a) strict liability
- b) vicarious liability
- c) both (a) and (b)
- d) none of the above.

(xliv) A contract of sale of goods is a contract whereby the seller transfers or agrees to transfer the property

- a) for a price
- b) in goods
- c) in goods to the buyer for a price
- d) none of these

(xlv) Under Sale of Goods Act crop is

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

(xlvi) A wagering contract is not

- a) Forbidden by law
- b) void
- c) unenforceable
- d) Neither (a) nor (b) or (c)

(xlvii) In a merchantile contract, stipulation as to time

- a) Cannot be waived
- b) Can be waived with the concept of both parties
- c) Can be waived by the party in whose favour they are inserted
- d) Either Can be waived with the concept of both parties and Can be waived by the party in whose favour they are inserted



(xlviii) Under section 8 of the Sale of Goods Act, 1930, the contract becomes

- a) Void ab initio
- b) Avoided from the date of perishing of goods
- c) Avoided from the date of knowledge of goods having been perished
- d) Only (a) and not (b) or (c)

(xlix) The distinction between sale and agreements to sell determines

- a) Rights and liabilities of the parties to contract
- b) Nature of goods in the contract
- c) Nature of property in the contract
- d) Price of the contract

(l) "Mercantile agent" means the person

- a) who sell goods, or consigns for the purpose of sell, or buy goods or raise money on security of goods
- b) who only sell or purchase
- c) who only consign goods
- d) who only transfer goods

(li) Which of the following is an instance of constructive delivery of goods

- a) the transfer of bill of lading
- b) attornment by a person in possession of the goods
- c) . Both the transfer of bill of lading and attornment by a person in possession of the goods
- d) None

(lii) Section 57, of the Sale of Goods Act, deals with

- a) Suit for price
- b) Suit for damages for non-delivery
- c) Suit for damages for non acceptance
- d) None of these

(liii) 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

(liv) Section 31, of the Sale of Goods Act, duty bounds the buyer to

- a) Accept the goods
- b) Pay for the goods
- c) Both Accept the goods and Pay for the goods
- d) None of these

(lv) The voluntary transfer of possession from one person to another is called

- a) Transfer
- b) Change of Possession
- c) Delivery
- d) None of these

(lvi) The maxim is “nemo det quod non habet” which means that:

- a) no one can be the owner unless he makes payment
- b) no one can give what he has not got
- c) no one can get title of goods unless given in writing
- d) giving is better than taking

(lvii) In a contract for sale of goods, When the seller is bound to weigh, measure, test or do some other act for ascertaining the price, the property in the goods:

- a) passes at the time of agreement
- b) does not pass until such act is done and the buyer has a notice of it.
- c) passes at the time of payment
- d) does not pass until a fresh agreement is made

(lviii) In a contract for sale of goods, Buyer may have an action, in respect of physical injuries caused by defect in the goods;

- a) . against the manufacturer
- b) against the dealer
- c) aginast the dealer as also the manufacturer
- d) none of the options is correct

(lix) In a contract of sale of goods, Breach of a condition gives the aggrieved party right to:

- a) claim damages
- b) repudiate the contract

- c) repudiate the contract and also claim damages      d) none of the options provided

(lx) A contract of sale may be made:

- a) in writing      b) by word of mouth  
c) may be implied from the conduct of the parties      d) all options are correct

(lxi) The goods which form the subject of a contract of sale:

- a) may be either existing goods, owned or possessed by the seller, or future goods      b) are goods which are owned or possessed by the seller  
c) are existing goods only      d) none of the options provided

(lxii) The new Companies Act was passed in the year

- a) 1956      b) 2013  
c) 1972      d) 1986

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

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

(lxiv) Minimum no. of Directors in case of a public company is

- a) 1      b) 2  
c) 4      d) 3

(lxv) Share warrants can be issued with the prior approval of the \_\_\_\_\_

- a) Company Law Board      b) Central Government  
c) RBI      d) SEBI

(lxvi) Sweat Equity shares is issued under Section \_\_\_\_\_ of the Companies Act

a) 78

b) 79

c) 79A

d) 79B

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

a) Sec 3 (1)

b) Sec 4 (2)

c) Sec 2 (4)

d) Sec 1 (3)

(lxviii) Every person dealing with the company is presumed to have read The Memorandum and Articles and understood them in their true perspective. This is known as Doctrine of:

a) indoor management

b) . Ultra vires

c) Constructive Notice

d) Caveat Emptor

(lxix) Any transaction which is outside the scope of the powers specified in the objects clause of the Memorandum:

a) requires prior sanction of the central government

b) must be informed to the members in the annual report

c) . is ultra-vires the company and therefore void

d) requires unanimous consent of the Board of Directors

(lxx) under the Companies Act 1956, contracts entered into by public company after obtaining the certificate of incorporation, but before getting the certificate to commence business are termed as:

a) pre-incorporation contracts

b) Provisional contracts

c) preliminary agreements

d) contracts at arm's length