



## BRAINWARE UNIVERSITY

Term End Examination 2021 - 22

Programme – Bachelor of Business Administration

Course Name – Legal Aspects of Business

Course Code - BBAC502

( Semester V )

Time : 1 Hr.15 Min.

Full Marks : 60

[The figure in the margin indicates full marks.]

### Group-A

(Multiple Choice Type Question)

1 x 60=60

Choose the correct alternative from the following :

- (1) 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
- (2) 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.
- (3) 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
- (4) The Indian Contract Act, 1872 applies to the:
  - a) Whole of India excluding Jammu & Kashmir
  - b) Whole of India
  - c) States notified by the Central Government from time to time
  - d) None of these
- (5) What is the difference between private law and public law?
  - a) Private law refers to the relationship between individual citizens. Public law refers to the relationship between individual citizens and the state
  - b) Public law refers to the relationship between individual citizens. Private law refers to the relationship between individual citizens and the state
  - c) Private law relates to crimes committed inside the home. Public law relates to crimes committed in public places
  - d) Private law relates to court hearings conducted in private. Public law relates to court hearings conducted in public.
- (6) 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  
c) Equitable liability
- b) Penal liability  
d) Remedial liability
- (7) 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
- (8) 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 wrongdoing 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
- (9) 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.
- (10) ..... is forbidden by law.
- a) Valid contract  
b) Illegal agreement  
c) Voidable contract  
d) Unenforceable contract
- (11) The Law of Contract is nothing 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
- (12) Which one of the following is the best statement about the Indian Contract Act?
- a) It is an exhaustive code containing the entire law of contract.  
b) It is an Act to amend certain parts of the law relating to contracts  
c) It is an Act to define certain parts of the law relating to contracts and contains only the general principles of contract.  
d) It is not an exhaustive code containing the entire law of contracts being an Act to define and amend certain parts of law relating to contract.
- (13) 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
- (14) Contractual rights and duties are created by .....
- a) State  
b) Statute  
c) Parties  
d) Custom or Usage
- (15) Every promise and every set of promise forming the consideration for each other is a/an
- a) contract.  
b) agreement  
c) offer  
d) acceptance
- (16) 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
- (17) Agreement the meaning of which is uncertain is
- a) Void  
b) Valid  
c) Voidable  
d) Illegal Answer

- (18) As per section 2(e) of the Indian Contract Act, "Every Promise and every set of promises forming the consideration for each other is a/an
- a) Contract
  - b) Agreement
  - c) Offer
  - d) Acceptance
- (19) 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.
- (20) 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.
- (21) 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
- (22) 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
- (23) 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
- (24) A Contract creates.....
- a) Rights in personam
  - b) Rights in rem
  - c) Only rights and no obligations
  - d) Only Obligations and no rights
- (25) A contingent contract is
- a) Void
  - b) Voidable
  - c) Valid
  - d) Illegal
- (26) 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
- (27) The term "Promise" has been defined in .....of the Indian Contract Act.
- a) Section 2(a)
  - b) Section 2(b)
  - c) Section 2(c)
  - d) Section 2(d)
- (28) The person making the proposal is called .....
- a) Promisor
  - b) Promisee
  - c) Participator
  - d) Principal
- (29) 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
- (30) Money orders; Postal orders; Fixed Deposit receipts; share certificates; Letters of Credit are examples of

- a) Negotiable Instruments  
 c) some of these are negotiable instruments while others are not
- b) Non-negotiable instruments  
 d) None of these
- (31) Which of the followings are not the Negotiable Instruments as defined by the Statute...
- a) Banker's Note  
 c) Bill of Exchange
- b) Promissory Note  
 d) All of the Instruments are Negotiable Instruments
- (32) If a Minor draw, indorse, deliver and negotiate Negotiable Instruments, it binds —
- a) All the parties except minor  
 c) Minor Only
- b) All the parties including minor  
 d) Minor and Only Drawer
- (33) The undertaking contained in a promissory note, to pay a certain sum of money is
- a) Conditional  
 c) May be conditional or unconditional depending upon the circumstances
- b) Unconditional  
 d) None of these
- (34) If an instrument may be construed either as a promissory note or bill of exchange, it is
- a) a valid instrument  
 c) a returnable instrument
- b) an ambiguous instrument  
 d) None of These
- (35) 'At sight' under section 21 of the Negotiable Instrument Act, 1881, means
- a) on presentation  
 c) on coming into vision
- b) on demand  
 d) none of these
- (36) In a promissory note, the amount of money payable
- a) must be certain  
 c) is usually uncertain
- b) may be certain or uncertain  
 d) none of these
- (37) An authority to draw bills of exchange
- a) itself import an authority to indorse  
 c) sometime import an authority to indorse
- b) does not itself import an authority to indorse  
 d) none of these
- (38) The question of the reasonableness of the time for presenting a bill of exchange for payment is a
- a) question of law  
 c) mixed question of law and fact
- b) question of fact  
 d) none of these
- (39) 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  
 c) at its maturity
- b) before its maturity  
 d) none of these
- (40) If the words "not negotiable" are used with special crossing in a cheque, the cheque is
- a) not transferable  
 c) negotiable under certain circumstances
- b) transferable  
 d) none of these
- (41) Crossing of a cheque effects the
- a) negotiability of the cheque  
 c) both negotiability of the cheque and mode of payment on the cheque
- b) mode of payment on the cheque  
 d) none of these
- (42) Who among the following cannot cross a cheque?
- a) drawer  
 c) banker
- b) holder  
 d) foreigner.
- (43) Under the provisions of section 143 of the Negotiable Instruments Act, 1881, all offence

- es 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 these
- (44) Cognizance of an offence under section 138 can be taken by a court only on a/an  
a) police report (section 142)  
b) complaint (section 142)  
c) application to the District Judge  
d) none of these
- (45) The liability under section 138 of the Negotiable Instruments Act, 1881, is  
a) strict liability  
b) vicarious liability  
c) both strict liability and vicarious liability  
d) none of these
- (46) A stipulation collateral to the main purpose of the contract of sale of goods, is called  
a) condition  
b) warranty  
c) guarantee  
d) stipulation
- (47) 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
- (48) Under Sale of Goods Act crop is  
a) Movable good  
b) Immovable good  
c) Both immovable and movable good  
d) None of these
- (49) The Sale of Goods Act was published in the year  
a) 1930  
b) 1956  
c) 1986  
d) 1961
- (50) A wagering contract is not  
a) Forbidden by law  
b) void  
c) unenforceable  
d) Neither Forbidden by law nor void nor unenforceable
- (51) 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
- (52) 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
- (53) 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
- (54) 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
- (55) The fundamental principle of the law on sale of goods is, that  
a) The seller is not bound to point out defects of  
b) The seller is not bound to point out defects of

f his goods

- c) the buyer must inspect the goods to find out if they will suit his purpose

f his own goods.

- d) both options at The seller is not bound to point out defects of his own goods and the buyer must inspect the goods to find out if they will suit his purpose are correct

(56) The maxim is "nemo dat 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

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

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

(58) where the transfer of the property in the goods is to take place at a future time, the contract is called:

- a) sale  
b) an agreement to sell  
c) provisional sale  
d) conditional sale

(59) 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

(60) 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