PSG COLLEGE OF ARTS & SCIENCE (AUTONOMOUS)

BCom DEGREE EXAMINATION DECEMBER 2018 (First Semester)

Branch - COMMERCE (COST AND MANAGEMENT ACCOUNTING)

FUNDAMENTALS OF LAW & ETHICS

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks!

Answer ALL questions

ALL questions carry EQUAL marks $(10 \times 1 = 10)$

- An obligation created by law, regardless of agreement is refers to
 i) Express Contract
 ii) Quasic Contract
 iv) Executory Contract
- 2 _______ is an expression by the offeree of his willingness to be bound by the terms of the offer.
 - i) Offer ii) Consideration iii) Agreement iv) Acceptance
- 3 The bailment of goods as security for payment of a debt or performance of a promise is called as _____.
 - i) Lien ii)Finder of goods iii)Pledge iv) Bailment
- 4 _______ is practically a consignee who guarantees to his principal that all his debtor will pay off their debts.
 i)Commission Agent ii)Broker iii) Special Agent iv) Delcredere Agent
- Goods which are owned and possessed by the seller at the time of entering into a contract are called as ______.
 i) Existing goods _______.
 iii) Ascertained goods _______.
 iv) Future goods _______.
- 6 According to sales of goods act, stipulations is only collateral to the main purpose of the contract and its breach gives rise to claim for damages only it is called_____.
 - i) Warranty ii)Conditions iii)Guarantee iv)Private carrier
- 7 alone has the right to countermand a cheque. i) Drawer ii) Payee iii)Creditor iv)Banker
- 8 The safest form of crossing of a cheque is
 i) Double Crossing
 ii) Special crossing
 iv) AJC payee crossing
- 9 Business ethics deals primarily with
 - i) Social responsibility
 - ii) Moral obligation
 - iii) The pricing of production and services
 - iv) Being unfair to the competition
- 10 A conflict of interest may be defined as
 - i) Where a disparity of wealth upsets balance
 - ii) When one party is a bit vulnerable
 - iii) Where there is a breach of the equity relationships rule
 - iv) The doctrine of the separation of powers does apply

<u>SECTION - B (35 Marks)</u> Answer ALL Questions ALL Questions Carry EQUAL Marks (5 x 7 = 35)

11 a Describe the essentials of a valid contract.

OR

- b State the provisions in respect of the contractual capacity of persons of unsound mind.
- 12 a Distinguish a contract of indemnity from a contract of guarantee.

OR

b Explain the rights and duties of bailer and bailee.

13 a Narrate the essential elements of a contract of sale.

OR

- b What is 'caveat Emptor'? State the expectations to the rule Caveat Emptor.
- 14 a State the various kinds of endorsements.

OR

b Summaries the precautions to be taken by the paying banker before making payment of cheque?

15 a Explain the importance of Business Ethics.

OR

b Bring out the similarities and dissimilarities between attitude and values.

<u>SECTION - C (30 Marks)</u> Answer any THREE Questions ALL Questions Carry EQUAL Marks (3 x 10 = 30)

- 16 What is meant by discharge of contract? Discuss the different modes of discharge of contract.
- 17 Explain the rights and duties of an agent.
- 18 Highlight the implied conditions and warranties in a contract of sale.
- 19 Point out the different kinds of General and special Crossing of a cheque and their significance.
- 20 Trace the causes of conflicts in a workplace.

Z-Z-Z END