

PSG COLLEGE OF ARTS & SCIENCE  
(AUTONOMOUS)

BCom (PA) DEGREE EXAMINATION MAY 2017  
(Second Semester)

Branch - COMMERCE WITH PROFESSIONAL ACCOUNTING

COMMERCIAL LAW

Time : Three Hours

Maximum : 60 Marks

SECTION-A (26 Marks)

Answer ALL questions

ALL questions carry EQUAL marks (26 x 1 = 26)

I Multiple choice questions:

Choose the correct answer

- a Law of contract in India is contained in \_\_\_\_\_ .  
i) The Indian Contract Act 1872  
ii) The Indian Contract Act 1972  
iii) The Indian Contract Act 1930  
iv) The Indian Contract Act 1932
- b An agreement is \_\_\_\_\_ .  
i) Enforceable by law if it meets the requirements of the land  
ii) Enforceable by law if any one party to it wants  
iii) Enforceable against the law  
iv) Enforceable by law if it is made by competent parties.
- c An offer which can be accepted by anyone is called \_\_\_\_\_ .  
i) A specific offer ii) A General offer  
iii) A Standing offer iv) A Cross offer
- d An agreement enforceable by law is a \_\_\_\_\_ .  
i) Promise ii) Contract iii) Obligation iv) Lawful promise
- e Minor's agreement is \_\_\_\_\_ .  
i) Void from beginning ii) Voidable  
iii) Void when court declares it void iv) Valid
- f Free consent means \_\_\_\_\_ .  
i) Parties agreeing on the same thing in the same sense  
ii) Parties agree to do something  
iii) Parties willfully agree on the same thing in the same sense  
iv) Either (i) or (ii)
- g An agreement not to to sue in a law court but to refer the dispute for arbitration is \_\_\_\_\_ .  
i) Valid ii) void iii) Illegal iv) Restriction on legal right
- h Tender of performance means \_\_\_\_\_ .  
i) Tender for supply of goods  
ii) Offering performance of promise under a contract  
iii) Attempted performance  
iv) Actual performance

Cont...

- i Discharge of contract means \_
  - i) Performing the promise by a party.
  - ii) Discharge of obligations under a contract by a party.
  - iii) Discharge or performance of obligations under a contract by a party to it
  - iv) Performing or extinguishing obligations under a contract by all the parties.
- j Performance of contract means\_\_\_\_\_.
  - i) Fulfilling all the obligations by a party.
  - ii) Fulfilling all the obligations by the promisor.
  - iii) Performing all the promises and fulfilling all the obligations by all the parties.
  - iv) Both (i) and (ii)
- k A Quasi contract \_\_\_\_\_.
  - i) Is contract                      ii) Has only a legal obligation
  - iii) Is an agreement              iv) Is none of these
- l A contingent contract is \_\_\_\_\_.
  - i) Void ii) Valid iii) Voidable iv) Illegal
- m In a contract a guarantee, a person who promises to discharge another's liability, is know as \_\_\_\_\_.
  - i) Principal debtor ii) Creditor iii) Surety iv) Indemnified
- n The position of the finder of lost goods is that of a \_\_\_\_\_.
  - i) Bailor ii) Bailee iii) Surety iv) Principal debtor
- o For his commission, agent has \_\_\_\_\_.
  - i) A general lien ii) No lien at all iii) A particular lien iv) None of these
- p A Contract of sale includes \_\_\_\_\_.
  - i) Sale ii) Sale and agreement to sell iii) Sale and barter iv) All of the above
- q Passing of property in the goods means \_\_\_\_\_.
  - i) Passing of possession of the goods.
  - ii) Passing of documents of title to the goods.
  - iii) Passing of absolute legal ownership of the goods
  - iv) All if the above
- r The lien of an unpaid seller depends on \_\_\_\_\_.
  - i) Possession    ii) Ownership
  - iii) Whether the buyer has paid the price or not iv) Title
- s The expression Caveat emptor means \_\_\_\_\_.
  - i) Let government beware ii) Let the vendor beware
  - iii) Let the buyer beware                      iv) Let the creditor beware
- t In case of breach of a warranty, the buyer can \_\_\_\_\_.
  - i) Refuse to pay the price ii) Repudiate the contract
  - iii) Returns the goods                      iv) Claim damages only
- u A negotiable instrument drawn in India on a person residing in India and payable outside India is known as \_\_\_\_\_.
  - i) Inland instrument ii) Indo - foreign instrument
  - iii) Foreign Instrument iv) None of these
- v A Negotiable instrument drawn in favour of a minor is \_\_\_\_\_.
  - i)Void ii) Valid iii) Voidable iv) Invalid

- w The term Hundi derived from Sanskrit word \_\_\_\_\_ .  
 i) Hundis ii) Hund iii) Shah jog iv) Nam jog
- x A partnership firm for completing a particular venture is called \_\_\_\_\_  
 i) Fixed term partnership ii) Particular partnership  
 iii) General partnership iv) Partnership at will
- y The relation between partners arise \_\_\_\_\_ .  
 i) From a contract ii) From status  
 iii) From mutual understanding iv) From legal provisions
- z A Guarantee given for minor's debt is \_\_\_\_\_ .  
 i) Valid ii) Voidable iii) Void iv) Illegal

**SECTION - B (10 Marks)**

Answer ALL Questions

ALL Questions Carry EQUAL Marks ( 2 x 5 = 10)

- 2 What are the Essentials of a valid contract?
- 3 What are the rules regarding performance of contingent contract?

**SECTION - C (24 Marks)**

Answer any THREE Questions

ALL Questions Carry EQUAL Marks ( 3 x 8 = 24)

- 4 Enumerate the classification of contract.
- 5 Describe the remedies that are available to the affected party in case of breach of contract.
- 6 Distinction between contract of Indemnity & contract of Guarantee.
- 7 Enumerate the implied conditions & warranties in a contract of sale.
- 8 Explain the presumptions of Negotiable instrument.

**Z-Z-Z**

**END**