

**PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)**

**BCom DEGREE EXAMINATION DECEMBER 2024
(Second Semester)**

Branch - COMMERCE (PROFESSIONAL ACCOUNTING)

BUSINESS LAW

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer ALL questions

ALL questions carry EQUAL marks (10 × 1 = 10)

Module No.	Question No.	Question	K Level	CO
1	1	Which section of the Indian Contract Act defines a valid contract? a) Section 1 b) Section 2 c) Section 10 d) Section 25	K1	CO1
	2	A Quasi Contract is based on which of the following principles? a) Offer and acceptance b) Restitution c) Free consent d) Contractual obligation	K2	CO1
2	3	Under the Sale of Goods Act, what is the difference between "conditions" and "warranties"? a) Conditions are minor terms b) Conditions are essential terms c) Both terms are the same d) Conditions and warranties cannot be enforced	K1	CO2
	4	Which of the following refers to the rights of an unpaid seller? a) Right to resale b) Right to retention c) Right to delivery d) Right to warranty	K2	CO2
3	5	What is the consequence of non-registration of a partnership firm? a) Firm cannot enforce its rights in court b) Firm is dissolved automatically c) Firm cannot operate legally d) Partners become liable for debts	K1	CO3
	6	What does dissolution of a firm by court order mean? a) Partners mutually dissolve the firm b) Court orders dissolution based on legal conditions c) Firm is dissolved due to financial insolvency d) Government mandates the dissolution	K2	CO3
4	7	What is one key feature that differentiates LLP from a traditional partnership? a) Unlimited liability b) Limited liability c) No liability d) Compulsory registration	K1	CO4
	8	In what case can LLP partners be held liable beyond their contribution? a) Fraud b) Insolvency c) Involuntary exit d) Partnership disputes	K2	CO4
5	9	What is the meaning of "Corporate Veil" under the Companies Act? a) Legal separation of company and shareholders b) Company's financial secrets c) Directors' personal liability d) Shareholder's criminal protection	K1	CO5
	10	What is the Doctrine of Indoor Management? a) Board of directors handle internal policies b) Shareholders have management rights c) Outsiders can assume internal regulations are followed d) Employees must follow company rules	K2	CO5

Cont...

SECTION - B (35 Marks)

Answer ALL questions

ALL questions carry EQUAL Marks (5 × 7 = 35)

Module No.	Question No.	Question	K Level	CO
1	11.a.	Discuss the essential elements of a valid contract under the Indian Contract Act 1872.	K2	CO1
	(OR)			
	11.b.	Explain the remedies available for breach of contract under the Indian Contract Act 1872.		
2	12.a.	Differentiate between "conditions" and "warranties" under the Sale of Goods Act.	K3	CO2
	(OR)			
	12.b.	Explain the transfer of ownership process under the Sale of Goods Act.		
3	13.a.	Explain the rights and duties of partners under the Indian Partnership Act.	K2	CO3
	(OR)			
	13.b.	What are the consequences of non-registration of a firm under the Indian Partnership Act 1932?		
4	14.a.	Describe the incorporation process of an LLP under the LLP Act 2008.	K3	CO4
	(OR)			
	14.b.	Discuss the limitations of liability for LLP partners.		
5	15.a.	Summarize the steps involved in the incorporation of a company under the Companies Act 2013.	K4	CO5
	(OR)			
	15.b.	Explain the different classes of companies under the Companies Act 2013.		

SECTION -C (30 Marks)

Answer ANY THREE questions

ALL questions carry EQUAL Marks (3 × 10 = 30)

Module No.	Question No.	Question	K Level	CO
1	16	Write an essay on the general nature of a contract, with a focus on contingent and quasi contracts under the Indian Contract Act 1872.	K2	CO1
2	17	Elaborate on the rights of an unpaid seller under the Sale of Goods Act 1930.	K3	CO2
3	18	Analyze the various ways a partnership firm can be dissolved under the Indian Partnership Act 1932.	K2	CO3
4	19	Critically discuss the key characteristics of an LLP and how it differs from other organizational forms.	K3	CO4
5	20	Evaluate the significance of the Doctrine of Indoor Management with reference to the Companies Act 2013.	K4	CO5