

**PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)**
BBA DEGREE EXAMINATION DECEMBER 2025
(Third Semester)

Branch – BUSINESS ADMINISTRATION

LEGAL ASPECTS OF BUSINESS & ETHICS

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer ALL questions

ALL questions carry EQUAL marks

(10 × 1 = 10)

Question No.	Question	K Level	CO
1	Which of the following is a feature of a company? a) Unlimited liability b) No separate legal entity c) Perpetual succession d) Membership limited to 10 persons	K1	CO1
2	Why prospectus is issued? a) to invite the public to subscribe shares b) to Call directors' meeting c) to Register company name d) to Fix dividend rate	K2	CO1
3	When was The Indian Contract Act passed? a) 1862 b) 1872 c) 1881 d) 1900	K1	CO2
4	When both parties have performed their obligations, it is known as? a) Executed contract b) Executory contract c) Contingent contract d) Void contract	K2	CO2
5	When property in goods is transferred immediately, it is called as? a) Agreement to sell b) Sale c) Bailment d) Pledge	K1	CO3
6	When Goods are not in existence at the time of the contract are called? a) Specific goods b) Future goods c) Ascertained goods d) Contingent goods	K2	CO3
7	What is Ethics? a) It's a study of legal rules only b) It means moral principles governing right and wrong c) It's Economic policies d) It's Political laws	K1	CO4
8	What is the final stage of Kohlberg's moral development? a) Obedience and punishment orientation b) Conventional stage c) Universal ethical principles d) Social contract orientation	K2	CO4
9	Which of the following primarily deals with HR ethics? a) Employee recruitment, training, and welfare b) Product pricing c) Advertising policies d) Shareholder returns	K1	CO5
10	Which of the following is an unethical financial practice? a) Transparent reporting b) Manipulation of accounts c) Timely tax payment d) Ethical investment	K2	CO5

Cont...

SECTION - B (35 Marks)Answer **ALL** questions**ALL** questions carry **EQUAL** Marks

(5 × 7 = 35)

Question No.	Question	K Level	CO
11.a.	Explain the steps involved in the incorporation of a company.	K2	CO1
	(OR)		
11.b.	Describe the qualifications and disqualifications of directors under the Companies Act, 2013.		
12.a.	Examine the legal effects of an illegal agreement.	K3	CO2
	(OR)		
12.b.	Identify the persons competent to contract under the Indian Contract Act.		
13.a.	Compare conditions and warranties.	K4	CO3
	(OR)		
13.b.	Examine the right of lien of an unpaid seller and how it can be terminated.		
14.a.	Demonstrate ethical principles and explain any four principles with examples.	K3	CO4
	(OR)		
14.b.	Explore Kohlberg's six stages of moral development.		
15.a.	Explain the importance of ethics in Human Resource Management.	K4	CO5
	(OR)		
15.b.	Identify the common ethical issues in advertising.		

SECTION - C (30 Marks)Answer **ANY THREE** questions**ALL** questions carry **EQUAL** Marks

(3 × 10 = 30)

Question No.	Question	K Level	CO
16	Examine the contents of Memorandum of Association	K4	CO1
17	Define a contract. Analyze the essentials of a valid contract under the Indian Contract Act.	K4	CO2
18	Assess the sale by non-owners and the circumstances in which a buyer acquires a good title under the Sale of Goods Act.	K5	CO3
19	Evaluate the role of ethics in modern business organizations and how ethical conduct benefits society and stakeholders.	K5	CO4
20	Discuss corporate social responsibility. Discuss its significance and its benefits.	K6	CO5

Z-Z-Z END