

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)
BBA DEGREE EXAMINATION MAY 2026
(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	Who issues the certificate of incorporation? a) Company secretary b) Registrar of Companies c) Board of Directors d) SEBI	K1	CO1
2	Which one of the following has the power to approve annual financial statements? a) Shareholders b) Board of Directors c) Company Secretary d) Registrar of Companies	K2	CO1
3	Which is not an essential element of a valid contract? a) Free consent b) Lawful object c) Adequate consideration d) Agreement enforceable by law	K1	CO2
4	When Consent is obtained by coercion it becomes? a) Valid b) Voidable c) Void d) Illegal	K2	CO2
5	When an agreement to sell does become a sale? a) When goods are produced b) When goods are delivered c) When goods are transferred d) When time elapses or conditions are fulfilled	K1	CO3
6	When the right of lien is lost? a) When goods are delivered to a carrier without reserving right of disposal b) When goods are in possession of seller c) When goods are in transit d) When goods are destroyed	K2	CO3
7	Which of the following is a nature of ethics? a) Dynamic and relative b) Static and rigid c) Always legal d) Economically driven	K1	CO4
8	What is the first step in ethical decision-making? a) Choosing the alternative b) Identifying the ethical dilemma c) Evaluating consequences d) Implementing the decision	K2	CO4
9	Which of the following is a violation of advertising ethics? a) Puffery b) Misleading endorsements c) Comparative advertising with facts d) Honest claims	K1	CO5
10	Which of the following emphasizes Indian ethos in business? a) Ethical conduct and social responsibility b) Profit at any cost c) Aggressive marketing only d) Ignoring employees	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.	Differentiate a private company and a public company.	K2	CO1
	(OR)		
11.b.	Explain the procedure for recording and signing of minutes of a company meeting.		
12.a.	Examine the difference between void and voidable contracts.	K3	CO2
	(OR)		
12.b.	Explore the rules relating to acceptance of an offer.		
13.a.	Distinguish sale and bailment.	K2	CO3
	(OR)		
13.b.	Explain the rules for transfer of property in goods from seller to buyer.		
14.a.	Demonstrate the nature of ethics.	K3	CO4
	(OR)		
14.b.	Expose Kohlberg's six stages of moral development in brief.		
15.a.	Figure out technology ethics and explain its challenges in data privacy and cyber security.	K4	CO5
	(OR)		
15.b.	Explain corporate social responsibility. Discuss its importance for organizations and society.		

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

(3 × 10 = 30)

Question No.	Question	K Level	CO
16	Explain the different classification of companies under the Companies Act, 2013 with examples.	K2	CO1
17	Classify the types of Contracts.	K3	CO2
18	Describe a contract of sale of goods and Explain the essential elements required to form a valid contract of sale.	K2	CO3
19	Express business ethics. Discuss its need, characteristics and benefits for organizations and society.	K3	CO4
20	Identify the role of ethics in finance. Discuss ethical and unethical financial practices and their impact on stakeholders.	K4	CO5