

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom DEGREE EXAMINATION MAY 2018
(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)

1 Choose the correct answer:

- a The Indian Contract Act came into force on
(i) September 1st, 1872 (ii) December 5th, 1873
(iii) October 1st, 1856 (iv) September 10th, 1956
- b An agreement with a minor is
(i) Valid Agreement (ii) Void Agreement
(iii) Voidable Contract (iv) Illegal Agreement
- c A contract which ceases to be enforceable by law becomes void when it ceases to be enforceable is
(i) Void contract (ii) Voidable contract (iii) Void agreement (iv) Quasi Contract
- d When two parties make identical offers to each other, in ignorance of each other's offer then it is known as
(i) Cross offer (ii) Counter Offer (iii) Express Offer (iv) Implied Offer
- e Contractual capacity of the person is not affected by
(i) His age (ii) His soundness of mind
(iii) Law to which he is subject (iv) Educational qualification
- f Committing or threatening to commit an act forbidden by IPC is subject to
(i) Fraud (ii) Coercion (iii) Undue Influence (iv) Misrepresentation
- g On the valid performance of the Contractual Obligations by the Parties, the Contract
(i) Is discharged (ii) Becomes cancelled (iii) Becomes void (iv) Formed
- h Contract is said to be discharged if
(i) Law declares it as illegal (ii) Parties treat it as unenforceable
(iii) Obligation created by it comes to an end (iv) It becomes invalid
- i Acceptance of lesser performance by a promisee is
(i) Void (ii) Invalid (iii) Valid (iv) Not allowed
- j Breach of Contract may be
(i) Actual breach (ii) Anticipatory breach
(iii) Both (i) & (ii) (iv) Express breach
- k Which of the following damages are not recoverable?
(i) Ordinary damages (ii) Special damages
(iii) Remote damage (iv) Nominal damage
- l Quasi - Contract is created
(i) By law (ii) By unjust enrichment (iii) By the parties (iv) By good conscience
- m Which of the following contract is not a contingent contract?
(i) Life insurance contract (ii) Fire insurance contract
(iii) Marine insurance contract (iv) General insurance contract
- n A contract in which one person promises to compensate the other for the loss suffered by him is a
(i) Contract of indemnity (ii) Quasi contract

- o The party who gives the indemnity is known as
 (i) The indemnity holder (ii) The indemnifier
 (iii) The surety (iv) The Principal Debtor
- p Which of the following is not a right of a surety?
 (i) The right against the principle debtor (ii) The right against the principle creditors
 (iii) The right against the Co-Sureties (iv) Rights against the Indemnifier
- q Number of parties in the contract of guarantee is
 (i) Three (ii) Two (iii) Four (iv) Five
- r The delivery of goods by one person to another for some specific purpose is known as
 (i) Bailment (iii) Hypothecation (iii) Pledge (iv) Mortgage
- s In a contract bailment there :-> transfer of
 (i) Possession (iii) Ownership (ii) Possession and Ownership (iv) Custody
- t The Sale of Goods Act, 1930 deals with
 (i) Bailment (ii) Gift (iii) Hire purchase system (iv) ; Sale of goods in general
- u The word 'Property' in the Sale of Goods Act, 1930 means
 (i) Ownership (iii) Possession (ii) Seller (iv) A set
- v The term 'Goods' under the Sale of Goods Act, 1930; includes
 (i) Immovable property (ii) Movable property
 (iii) Money (iv) Marketable property
- w _____ goods are not identified agreed upon at the time of making the contract of sale.
 (i) Ascertained goods (ii) Future goods
 (iii) Contingent goods (iv) Unascertained goods
- x To whom of the following, payment of the amount due on a promissory note must be made in order to discharge the maker or acceptor
 (i) Holder of the instrument (ii) Endorser of the instrument
 (iii) Endorsee of the Instrument (iv) Drawee of the instrument
- y A Bill of Exchange contains
 (i) An unconditional undertaking (ii) An unconditional order
 (iii) A conditional undertaking (iv) A conditional order
- z The maximum number of partners in a partnership firm doing banking business is
 (i) 7 (ii) 10 (iii) 20 (iv) 50

SECTION -B (10 Marks)

Answer ALL Questions

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

- o Mention the legal rules relating to Consideration.
 What are the types of Contingent Contract ?

SECTION -C (24 Marks)

Answer any THREE Questions

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

- 4 Describe the types of Contract.
 > Explain the remedies for Breach of Contract.
 6 Discuss the rights of Bailor.
 7 Enumerate the implied conditions under Sale of Goods Act 1930.
 8 Elucidate the rights of partners in a partnership firm.

Z-Z-Z

END