

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

**BCom DEGREE EXAMINATION DECEMBER 2019  
(First Semester)**

Branch - **COST AND MANAGEMENT ACCOUNTING**

**FUNDAMENTALS OF LAW AND ETHICS**

Time: Three Hours

Maximum: 75 Marks

**SECTION-A (10 Marks)**

Answer ALL questions

ALL questions carry EQUAL marks (10x1 = 10)

- 1 \_\_\_\_\_ is that which is not enforceable by law.  
(i) Valid contract (ii) Void contract  
(iii) Express contract (iv) Unilateral contract
- 2 \_\_\_\_\_ Means that the parties should have the identify of mind.  
(i) Free consent (ii) coercion  
(iii) Fraud (iv) Mistake
- 3 \_\_\_\_\_ is a contract to perform the promise or discharge the liability of a third person in case of his default.  
(i) Contract of guaranties (ii) Contract of Indemnity  
(iii) Invalid guarantee (iv) Surely
- 4 The person delivering the goods is called the \_\_\_\_\_.  
(i) Bailor (ii) Bailee  
(iii) Indemnifier (iv) Indemnified
- 5 A sale is an \_\_\_\_\_.  
(i) Executed contract (ii) Executory contact  
(iii) Valid contract (iv) Bilateral contract
- 6 To retain possession of goods means \_\_\_\_\_.  
(i) Right of lien (ii) Right of stoppage  
(iii) Right of with holding delivery (iv) Right of re-sale
- 7 The document which can be used only for making local payment is  
(i) A cheque (ii) Bill of exchange  
(iii) Banker's cheque (iv) A draft
- 8 When the amount stated in words & figures differs the banker  
(i) Can honour the amount in figures  
(ii) Can honour the amount in words  
(iii) Can honour the smaller amount  
(iv) Can dishonour it
- 9 \_\_\_\_\_ offers ethical guidelines to which professional aspire and their actions can be judged.  
(i) Code of ethics (ii) Code of contract  
(iii) Code of management (iv) Code of Business
- 10 Holders of public office should act and take decisions in transparent manner is .  
(i) Openness (ii) Objectivity  
(iii) Honesty (iv) Selflessness

Cont...

**SECTION - B (35 Marks)**

Answer **ALL** Questions  
**ALL** Questions Carry **EQUAL** Marks (5 x 7 = 35)

- 11 a What are the essential elements of a valid contract?  
OR  
b “No consideration No contract” Examine any exceptions to this rule.
- 12 a What are the essentials of a contract of Guarantee?  
OR  
b Explain the kinds of Agents.
- 13 a Distinguish between condition and warranty.  
OR  
b What are the exceptions of Doctrine of Great emptor.
- 14 a Define a promissory note what are its essential elements?  
OR  
b Distinguish between general crossing and special crossing.
- 15 a Distinguish between ethical codes and contracts.  
b Write a short <sup>OR</sup> notes on values and Attitudes of professional Accountants.

**SECTION - C (30 Marks)**

Answer any **THREE** Questions  
**ALL** Questions Carry **EQUAL** Marks (3 x 10 = 30)

- 16 Define the term “offer” explain the legal rules regarding a valid offer.
- 17 Discuss the rights and duties of Bailee.
- 18 Distinguish between sale and Agreement to sale.
- 19 Define endorsement. Explain with examples the various kinds of Endorsement.
- 20 Enumerate the seven principles of public life.

Z-Z-Z

END