

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)
BCom DEGREE EXAMINATION DECEMBER 2019
(Second Semester)

Branch - COMMERCE (PROFESSIONAL ACCOUNTING)

COMMERCIAL LAW

Time : Three Hours

Maximum : 60 Marks

SECTION-A

1 Multiple choice question

(26 x 1 = 26)

Choose the correct answer:

- a A contract which cannot be enforceable in a court of law _____ .
(i) voidable contract (ii) void contract (iii) valid contract (iv) None of the above
- b Acceptance may be revoked by the acceptor _____
(i) at any time
(ii) before the letter if acceptance reaches the offerer
(iii) after the letter of acceptance reaches the offerer
(iv) before the death of acceptor
- c An advertisement to sell a thing by auction is _____ .
(i) an offer (ii) an invitation to offer (iii) no offer at all (iv) a contract
- d Consideration must move at the desire of _____ .
(i) the promisor (ii) the promise
(iii) promisor or any third party (iv) both the promisor and the promise
- e Consideration _____ .
(i) must move from the promise (ii) may move from the promise or any other person
(iii) may from the third party (iv) may move from the promisor
- f An agreement is a void able contract when it is _____ .
(i) enforceable if certain conditions are fulfilled
(ii) enforceable by law at the options of the aggrieved party
(iii) enforceable by both the parties
(iv) not enforceable by all
- g A contract is _____ .
(i) legal obligation (ii) an agreement plus a legal obligation
(iii) consensus ad item (iv) an agreement plus a legal object
- h Where both the parties to an agreement are under a mistake as a matter of fact essential to the agreement, the agreement is _____ .
(i) void (ii) voidable (iii) illegal (iv) not affected at all
- i The measure of damages in case of breach of a contract is the difference between the _____ .
(i) contract price and the market price at the date of breach
(ii) contract price when the maximum market price during the terms of the contract
(iii) contract and the price at which the plane tiff might have sold the goods
(iv) contract price and the price fixed by the court
- j Specific performance may be ordered by the court when _____ .
(i) the contract is voidable (ii) the damages are an adequate remedy
(iii) the damages are not an adequate remedy (iv) the contract is uncertain
- k Anticipatory breach of contract takes place _____ .
(i) during the performance of the contract (ii) at the time when the performance is due
(iii) before the performance is due (iv) at the time when the contract is entered into
- l The contract of indemnity is a _____ .
(i) contingent contract (ii) Wagering contract
(iii) Quasi-contract (iv) Void agreement
- m S and P go into a shop. S says to the shopkeeper, C let P have the goods, and if he does not pay you, I will. This is a _____ .
(i) Contract of guarantee (ii) Contract of indemnity

- n A bailer is a _____ .
 (i) a right of a particular lien over the goods bailed
 (ii) a right of generation
 (iii) a right of both particular and general lien
 (iv) no lien at all over the goods bailed
- o A who purchases certain goods from B by a misrepresentation pledges them with C.
 The pledge is _____ .
 (i) valid (ii) void (iii) voidable (iv) invalid
- p The gratuitous bailer is liable to the bailer for the defects in the goods _____ .
 (i) even if he is not aware of them (ii) only if he is aware of them
 (iii) in all cases of loss (iv) in certain case of loss
- q In a sale, the property in goods _____ .
 (i) Is transferred to the buyer
 (ii) Is yet to be transferred to the buyers
 (iii) May be transferred at a future time
 (iv) Is transferred when goods are delivered to the buyer
- r The term property as used in the Sale of goods Act, 1930 means _____ .
 (i) Possession (ii) Ownership
 (iii) Ownership and possession both (iv) the subject matter of contract of sale
- s If a price is not determined by the parties in a contract of sale, the buyer is bound to pay _____ .
 (i) the price demanded by the seller
 (ii) a reasonable price
 (iii) the price which the buyer thinks is reasonable
 (iv) the price to be determined by a third independent person
- t In a contract of sale, unless goods are ascertained, there is _____ .
 (i) a sale (ii) an agreement to sell (iii) a void agreement (iv) an unenforceable agreement
- u A seller delivers goods in excess of the quantity ordered for. The buyer may _____ .
 (i) accept the whole (ii) rejects the whole
 (iii) accept the goods ordered for an return the excess (iv) accept the part of goods
- v As per the Act Negotiable instrument means _____ ;
 (i) Document (ii) Transferred instrument
 (iii) Exchange instrument (iv) Promissory note
- w Registration of partnership is _____ .
 (i) optional under Indian Partnership act (ii) compulsory under Indian Partnership Act
 (iii) compulsory under Income Tax Act (iv) Compulsory under Indian Contract Act
- x The following is a negotiable instrument, negotiable by usage or custom.
 (i) cheque (ii) promissory note (iii) share warrant (iv) accommodation bill
- y The safest form of crossing is:
 (i) General Crossing (ii) Special Crossing
 (iii) Double Crossing (iv) A/c Payee Crossing
- z In the case of a negotiable instrument, the following person generally get a good title.
 (i) finder of the lost instrument (ii) Holder of as stolen instrument
 (iii) Holder in due course (iv) Holder of a forged instrument

SECTION - B**Answer all the questions****(2x5 = 10)**

- 2 Distinguish between bailment and pledge.
 3 Mention the characteristics of instruments.

SECTION - C**Answer any three Questions****(3x8 = 24)**