

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

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

Branch – **COMMERCE (COST & 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 (10 x 1 = 10)

- 1 Agreement is
 - (i) Agreement = Capacity + Acceptance
 - (ii) Agreement = Offer + Acceptance
 - (iii) Agreement = Consideration + Acceptance
 - (iv) Agreement = Offer
- 2 In the performance of a contract both the parties are ignorant of the destruction of subject matter the contract is
 - (i) Voidable
 - (ii) Valid
 - (iii) Void
 - (iv) Not affected at all
- 3 _____ is a contract to perform the promise or discharge the liability of third person in case of this default.
 - (i) Contract of indemnity
 - (ii) Surety
 - (iii) Contract of guarantee
 - (iv) Injunction
- 4 A factor is a ___ who is in actual possession of goods belonging to the principal.
 - (i) Mercantile Agent
 - (ii) Special agent
 - (iii) Universal agent
 - (iv) General agent
- 5 Goods identified and agreed upon at the time of marking the contract of sale are called as _____.
 - (i) General goods
 - (ii) Specific goods
 - (iii) Future goods
 - (iv) Contigent goods
- 6 According to sales of goods act, _____ is a stipulations essential to main purpose of the contract the breach of which give rise to treat the contract as repudiated.
 - (i) Warranty
 - (ii) Conditions
 - (iii) Guarantee
 - (iv) Let the buyer beware
- 7 An order cheques can be converted into a bearer cheques by means of
 - (i) Special endorsement
 - (ii) Blank endorsement
 - (iii) Conditional endorsement
 - (iv) Perpro endorsement
- 8 A paying banker gets statutory protection only when he makes payment
 - (i) to a holder
 - (ii) to a holder in due course
 - (iii) in due course
 - (iv) the drawer of the cheques expires
- 9 Professional ethics is
 - (i) Monopolistic
 - (ii) Designed to protect a profession
 - (iii) A necessary attribute of a profession
 - (iv) Not directly relevant to practice
- 10 Which of the following is not a way for management to reduce unethical behaviours ?
 - (i) Select individuals with high ethical standard
 - (ii) Establish codes of conduct
 - (iii) Provide ethics training
 - (iv) Monitor employee telephone calls

SECTION - B (35 Marks)

Answer **ALL** Questions

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

11 a Define acceptance. Discuss the importance rules regarding a valid acceptance.

OR

b Explain the different ways in which a contract may be discharged by mutual consent.

12 a Define the term Agent. Explain the different kinds of an agent.

OR

b Define pledge. Explain the rights of the pawnor and the pawnee.

13 a Define a contract of sale. Distinguish sale from agreement to sell.

OR

b Define a condition in a contract of sale. Distinguish a condition from a warranty.

14 a Define negotiable instrument. What are the characteristics of negotiable instruments.

OR

b What are the rights of a holder in due course?

15 a What are the seven principles of public life?

OR

b Discuss the consequences of unethical behaviour.

SECTION - C (30 Marks)

Answer any **THREE** Questions

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

16 Explain the classification of contracts according to enforceability, formation and performance.

17 What is a contract of guarantee? Explain the essential elements of a contract of guarantee.

18 Discuss the rights of an unpaid seller.

19 Distinguish between promissory note, bills of exchange and cheques.

20 Discuss the importance strategies for resolving conflicts.

Z-Z-Z

END