



Dr.G.R.Damodaran College of Science

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CRISL rated 'A' (TN) for MBA and MIB Programmes

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Semester V

Elective: BUSINESS LAW -515U1

Multiple Choice Questions.

1. S 'agree to sing in M's theatre.S dies in the meanwhile the contract is

- A. Void
- B. Discharged
- C. Voidable
- D. Illegal

ANSWER: B

2. A minor can be an

- A. Agent
- B. Anticipatory
- C. Both A& B
- D. None of the above

ANSWER: A

3. An advertisement to sell a thing by auction is _____.

- A. An offer
- B. An invitation to offer
- C. No offer at all
- D. A contract

ANSWER: B

4. An unpaid seller can excises the right of stoppage in transit when the carrier holds the goods

-
- A. As sellers agent
 - B. As buyer s agent.
 - C. As agent of both of them.
 - D. In his own name.

ANSWER: D

5. A contract _____.

- A. May be void as originally entered into.
- B. May become void subsequent to its formation.
- C. Cannot become void under any circumstances.
- D. May become void at the will of a party.

ANSWER: B

6. Express contract means a contract made by _____

- A. words either spoken or written
- B. documents.
- C. both words and documents.
- D. all of the above.

ANSWER: C

7. A contract of sale may be _____
- A. Absolute only.
 - B. Condition only.
 - C. Absolute and conditional.
 - D. Indemnity.

ANSWER: C

8. An offer is made to Ramu in a crowd. It _____.
- A. Can be accepted by him alone
 - B. May be accepted by any person who hears it
 - C. May be accepted by his brother
 - D. May be accepted by his friends

ANSWER: A

9. Which of the following result /results is an offer?
- A. A declaration of intention.
 - B. An invitation to offer.
 - C. An advertisement offering reward to any one who finds the lost dog of the advertiser.
 - D. An offer made in a joke.

ANSWER: C

10. Flaw in capacity to contract may arise from _____.
- A. Lack of free consent.
 - B. Lack of consideration.
 - C. Minority.
 - D. Absence of legal formalities.

ANSWER: C

11. A letter of acceptance sufficiently stamped a duly addressed is put into course of transmission. There is _____
- A. A contract voidable at the option of acceptor
 - B. A contact voidable at the option of offerer
 - C. No contract at all
 - D. A voidable contract

ANSWER: D

12. A specific offer can be accepted by _____
- A. Any person.
 - B. Any friend of offered.
 - C. A person to whom it is made.
 - D. Any friend of offeree.

ANSWER: C

13. There is a counter- offer when _____.
- A. The offeree gives conditions for acceptance or introduces a fresh term in acceptance.

- B. The offerer makes a fresh offer
- C. The offeree makes some query
- D. The oferee accepts it

ANSWER: A

14. An agreement is_____.

- A. Offer.
- B. Offer + acceptance.
- C. Offer + acceptance + consideration.
- D. Contract.

ANSWER: B

15. A letter of acceptance sufficiently stamped and duly addressed is put into course of transmission there is_____.

- A. A contract voidable at the option of acceptor.
- B. A contract voidable at the option of offerer.
- C. No contract at all.
- D. A valid contract.

ANSWER: B

16. An acceptance is not according to the mode prescribed but the offer decides to keep quiet. In such a case there is_____.

- A. A contract
- B. No contract.
- C. A voidable contract
- D. An unenforceable contract

ANSWER: A

17. There is a counter- offer when _____.

- A. The offeree gives conditions for acceptance or introduces a fresh term in acceptance
- B. The offerer makes a fresh offer
- C. The offeree makes some query.
- D. The oferee accepts it

ANSWER: A

18. An acceptance is not according to the mode prescribed but the offerer decides to keep quite. In such case there is _____.

- A. A contract
- B. No contract.
- C. A voidable contract.
- D. An unenforceable contract.

ANSWER: A

19. An agreement with or by a minor is _____

- A. Void
- B. Voidable at the option of the minor.
- C. Voidable at the option of the other party.
- D. Valid.

ANSWER: B

20. An agreement made with an alien enemy is_____.

- A. Unlawful on the grounds of public policy.
 - B. Unlawful because it becomes difficult to be performed.
 - C. Valid.
 - D. Voidable.
- ANSWER: A

21. Consideration must move at the desire of _____.
- A. The promisor.
 - B. The promisee.
 - C. Promisor or any third party.
 - D. Both the promisor and the promisee.
- ANSWER: A

22. Consideration _____.
- A. Must move from the promisee.
 - B. May move from the promisee or any other person.
 - C. May from the third party.
 - D. May move from the promisor.
- ANSWER: B

23. Contracts classified on the basis of performance are _____.
- A. Executed contracts.
 - B. Executory contracts.
 - C. partly executed or partly executory contracts.
 - D. all of the above.
- ANSWER: D

24. Consideration must be something which the promisor _____.
- A. Is already bound to do.
 - B. Is not already bound to do.
 - C. May voluntarily do.
 - D. Must not do.
- ANSWER: B

25. The lien of an unpaid seller depends on _____.
- A. Possession
 - B. Title.
 - C. Ownership.
 - D. Possession and ownership
- ANSWER: A

26. If specific performance may be ordered by the court when _____.
- A. The contract is voidable
 - B. Damages are an adequate remedy.
 - C. Damages are not an adequate remedy.
 - D. The contract is void.
- ANSWER: C

27. A person who is not a party to contract _____.
- A. Cannot sue.
 - B. Can sue.

- C. Can sue only in well- recognized cases.
- D. can sue under contract of guarantee .

ANSWER: C

28. Where the neglected or refusal of the buyer to take delivery of goods amounts to a repudiation of the contract, the seller may sue for the _____

- A. Price of damages
- B. Price only
- C. Damages only.
- D. Both for price and damages.

ANSWER: A

29. An agreement made with out consideration is _____.

- A. Valid.
- B. Illegal.
- C. Voidable.
- D. Void.

ANSWER: D

30. Unless otherwise agreed, were goods are send by the seller to the buyer by a route involving a sea transit of the seller_____.

- A. Must inform the buyer in time to get the goods insured.
- B. May insure the goods.
- C. Must insure the goods.
- D. No need to insure the goods.

ANSWER: A

31. An agreement with or by a minor is _____.

- A. Void.
- B. Voidable at the option of the minor.
- C. Voidable at the option of the other party.
- D. Valid.

ANSWER: A

32. A promised to marry B. Later on B died. This contract of marriage _____

- A. becomes void.
- B. is void from very beginning.
- C. is valid.
- D. is illegal now.

ANSWER: A

33. A minor, by misrepresenting his age, borrows some money_____.

- A. He can be sued for fraud.
- B. He cannot be sued for fraud.
- C. He is liable to return the money.
- D. He is not liable to return the money.

ANSWER: B

34. A minors enters into a contract for the purchase of certain necessities. In such a case_____.

- A. He is not personally liable to pay.
- B. He is liable to pay.

- C. His estate is liable to pay.
- D. His guardian is liable to pay.

ANSWER: C

35. A person is usually of unsound mind, but occasionally of sound mind_____.

- A. He may enter into a contract when he is of sound mind.
- B. He may not make a contract when even when he is of sound mind.
- C. He cannot enter into a contract at all.
- D. He can enter all the time.

ANSWER: A

36. A contract by an idiot is_____.

- A. Voidable.
- B. Enforceable.
- C. Invalid.
- D. Void ab initio

ANSWER: D

37. The main objective of a contract of sale is -----.

- A. Transfer of possessing of goods
- B. Transfer of property in goods from seller to buyer
- C. Delivery of goods
- D. Payment of price.

ANSWER: B

38. The contractual capacity of a company is regulated by_____.

- A. Its memorandum of association and the provision of the companies act, 1956.
- B. The terms of contract entered into with a third party.
- C. Its article of association.
- D. Its prospectus.

ANSWER: A

39. In the case of breach of a warranty, the buyer can -----.

- A. Repudiate the contract
- B. Claim damage only
- C. Refuses to pay the price
- D. Refuses to take the delivery of the goods

ANSWER: B

40. A condition is a stipulation which is-_____

- A. Essential to the main purpose of contract of sale.
- B. Not essential to the main purpose of the contract of sale.
- C. Collateral to the main purpose of contract of sale.
- D. Additional security.

ANSWER: A

41. Merely because a contract was caused by one of the parties to it being under a mistake as to a matter of fact, it is not _____.

- A. Voidable.
- B. Void.
- C. Affected at all.

D. Valid.

ANSWER: A

42. Flaw of capacity to contract may arise from _____.

- A. Want of consideration.
- B. Unsoundness of mind.
- C. Illegality of object.
- D. Uncertainty of object.

ANSWER: B

43. When a person positively asserts that a fact is true when his information does not warrant it to be so, though he believes it to be true, there is _____.

- A. Misrepresentation.
- B. Fraud.
- C. Undue influence.
- D. Coercion.

ANSWER: A

44. Fraud exists when it is shown that a false representation had been made _____

- A. Knowingly.
- B. Unknowingly.
- C. Unintentionally.
- D. Recklessly, not caring whether true or false.

ANSWER: A

45. Where a contract has to be inferred from the conduct of parties, it is called _____

- A. Express contract.
- B. Implied contract.
- C. tacit contract.
- D. unlawful contract.

ANSWER: B

46. When consent of an agreement is obtained by undue influences the agreement is a _____.

- A. Contract voidable at the option of the party whose constant so obtained.
- B. Void contract.
- C. Valid contract.
- D. Void agreement.

ANSWER: A

47. Which of the relationships raise presumption of undue influence? _____.

- A. Land lord and tenant.
- B. Parents and child.
- C. Doctor and patient.
- D. Husband and wife.

ANSWER: B

48. Which of the relationships raise presumption of undue influence? _____.

- A. Land lord and tenant.
- B. Parents and child.
- C. Doctor and patient.
- D. Husband and wife.

ANSWER: B

49. If there is error in causal, the contract is _____.

- A. Void.
- B. Voidable.
- C. Valid.
- D. Illegal.

ANSWER: B

50. If there is error in consensus, the agreement is _____

- A. Void.
- B. Voidable.
- C. Avoid.
- D. Illegal.

ANSWER: A

51. If there is a fraudulent misrepresentation as to the contents of a document, the contract is _____

- A. Void.
- B. Voidable.
- C. Valid.
- D. Illegal.

ANSWER: B

52. The legal relationship between the middle man and the business person is governed by _____

- A. Law of business
- B. Law of surety
- C. Law of agency
- D. None of the above

ANSWER: C

53. The case of Cundy.V Lindsay (1878. 3AC 459) deals with

- A. Coercion.
- B. Undue influence.
- C. Mistake as to the nature of transaction.
- D. Mistake as regards identity.

ANSWER: D

54. A contract creates

- A. Rights in personam
- B. Rights in rem.
- C. No obligations
- D. only obligations and no rights.

ANSWER: A

55. The lawful detention of ant property of person to obtain his consent to a contract amounts to _____.

- A. Misrepresentation.
- B. Fraud.
- C. Undue influence.
- D. Coercion.

ANSWER: D

56. The collateral transaction to an illegal agreement are_____.

- A. Void.
- B. Illegal.
- C. Voidable.
- D. Not affected at all.

ANSWER: B

57. An agreement made with an alien enemy is _____.

- A. Unlawful on the ground of public policy.
- B. Unlawful because it becomes difficult to be performed.
- C. Valid.
- D. Voidable.

ANSWER: A

58. A persons enters in to an agreement were by he is bound to do something which is against his pubic or professional duty. The agreement is_____.

- A. Void on the ground of public policy
- B. Valid.
- C. Voidable.
- D. Illegal.

ANSWER: A

59. Regulation as to the opening and closeting of business in a market are_____.

- A. Not unlawful even if they are in restraint of trade
- B. Unlawful because they are restraint of trade
- C. Void.
- D. Not valid.

ANSWER: A

60. An employee, by the terms of his service agreement, is prevented from accepting a similar engagement after the termination of service. The restraint is _____

- A. Valid.
- B. Void.
- C. Illegal.
- D. Unenforceable.

ANSWER: B

61. The case of Nordenfelt V. Maxim Nordenfelt Gun Co., (190d.29 B.L.R 107 deals with-----.

- A. Agreements in restraint of legal proceedings.
- B. Minors agreement.
- C. Agreements in restraint of trade.
- D. Agreements in restraint of marriage.

ANSWER: C

62. A invites B for coffee in Coffe day Restaurant and B accepts the invitation. On the appointed date, B goes there but A is does not come. In this case

- A. B has no remedy against A.
- B. B has to wait for another invitation from A.
- C. B can sue A for not honouring his words.

D. A has to invite B again, to keep the promise.

ANSWER: A

63. Each party is a promisor and a promisee in case of-----.

- A. Past consideration.
- B. Present consideration.
- C. Every contract.
- D. Reciprocal promises.

ANSWER: D

64. When the promisee refuses to accept performance from the promisor who offers to perform, it is _____.

- A. Attempted performance.
- B. Vicarious performance.
- C. Tender.
- D. Frustration of contract.

ANSWER: A

65. Sale of goods for cash is an example of _____.

- A. Mutual and independent promises.
- B. Mutual and dependent promises.
- C. Mutual and contract promises.
- D. Conditional and dependent promise.

ANSWER: C

66. When a party to a contract transfers his contractual rights to another, it is known as _____.

- A. Rescission of contract.
- B. Waiver of contract.
- C. Discharge of contract.
- D. Assignment of contract.

ANSWER: D

67. Where the debtor does not expressly intimate or where the circumstances attending on the payment do not indicate any intention, the creditor _____

- A. May apply it to any lawful debt due
- B. May apply it even to a time barred debt
- C. It is not apply it even to a time barred debt
- D. No loss.

ANSWER: A

68. When two or more persons have made a joint promise, then unless a contrary intention appears from the contract all such persons must fulfill the promise _____

- A. Jointly
- B. Severally
- C. Jointly and severally
- D. Jointly or severally

ANSWER: A

69. Contractual rights and duties are created by

- A. state.
- B. statute.

- C. parties.
- D. custom or usage.

ANSWER: C

70. A who owes 10,000 to B dies living and estate of Rs 6,000. The legal representatives of A are

- _____.
- A. Liable for Rs 10,000.
 - B. Liable for Rs 6,000.
 - C. No liable at all.
 - D. Liable for Rs 3,000.

ANSWER: B

71. Owing to a strike in the factory of A, he is not able to supply the goods to B as per the terms of the agreement. The agreement in such a case _____

- A. Discharged
- B. Is not discharged
- C. Becomes void.
- D. Is voidable at option of A

ANSWER: B

72. If a contract contains an undertaking to perform impossibility, the contract is _____.

- A. Void ab initio.
- B. Void.
- C. Voidable at the option of the plaintiff.
- D. Illegal.

ANSWER: A

73. An agreement to do an act impossible in itself

- A. Is void.
- B. Is voidable.
- C. Is void ab initial.
- D. Becomes void when impossibility is discovered.

ANSWER: A

74. If a new contract is substituted in place of an existing contract, it is called _____.

- A. Alteration.
- B. Rescission.
- C. Nova t ion.
- D. Waiver.

ANSWER: C

75. The case of Taylor V. Coldwell, (188c. 3 B & S. 826)deals with

- A. Discharge of contract by destruction of subject matter
- B. Anticipatory breach of contract
- C. Discharge of contract by death of a party
- D. Breach of contract

ANSWER: A

76. A lends Rs 500 to B. he later tells B that he need not repay the amount, the contract is discharged by

- A. Breach.
- B. Waiver.

- C. Notation
- D. Performance.

ANSWER: B

77. A contract has become more difficult of performance due to some unanticipated events or delays.

The contract

- A. Is discharged.
- B. Is not discharged.
- C. Becomes void.
- D. Becomes voidable.

ANSWER: B

78. Were a contract could not be performed because of the default by a third party on whose work the promiser relied, it

- A. It is not discharged.
- B. Is discharged.
- C. Becomes void.
- D. Becomes voidable.

ANSWER: A

79. A creditor agrees with his debtors and a third party to accept that the third as his third party as debtor the contract is discharged by

- A. Performance
- B. Alteration.
- C. Waiver.
- D. Rescission.

ANSWER: C

80. The case of Satyabrata Ghose V. Mugneeram Bangur and co., (195d. SC 44 deals with

_____.

- A. Agreement opposed to public policy.
- B. Supervening impossibility.
- C. Contract of guarantee.
- D. Agencies.

ANSWER: A

81. A undertakes to paint a picture of B. he die before he paints the picture. The contract

- A. Is discharged by death.
- B. Becomes voidable at the options of B.
- C. Becomes of voidable at the options of legal representatives of A
- D. Will have to performed by legal representatives of A.

ANSWER: A

82. The court may grant rescission were the contract is _____.

- A. Voidable at the option of the plaintiff.
- B. Void.
- C. Unenforceable.
- D. Illegal.

ANSWER: A

83. The foundation of modern law damages was laid down in _____.

- A. Tinn V. Hoffman.
- B. Taylor V. Caldwell.
- C. Hadley V. Baxendale.
- D. Addis V. Gramophone co.

ANSWER: C

84. Specific performance may be ordered by the court when

- A. The contract is voidable.
- B. The damages are an adequate remedy.
- C. The damages are not an adequate remedy
- D. The contract is uncertain.

ANSWER: C

85. The measure of damages in case of breach of a contract is the difference between the

- A. Contract price and the market price at the date of breach.
- B. Contract price when the maximum market price during the terms of the contract.
- C. Contract and the price at which the plaintiff might have sold the goods.
- D. Contract price and the price fixed by the court.

ANSWER: A

86. The case of Hadely Bv. Baxendale (185d. 8 Ex .Ch 341) deals with_____

- A. Anticipatory breach of contract.
- B. Quantum of damages.
- C. Supervening impossibility.
- D. Quasi-contract.

ANSWER: B

87. Anticipatory breach of a contract takes place

- A. During the performance of the contract.
- B. At the time when the performance is due.
- C. Before the performance is due.
- D. At the time when the contract is entered into.

ANSWER: C

88. In case of wrongful dishonor of a cherub by a banker having sufficient fund to the credit of the customer, the court nay award

- A. Ordinary damage.
- B. Nominal damage.
- C. Exemplary damage.
- D. Contemptuous damages.

ANSWER: C

89. Ordinary damages are damages which

- A. Arise in the usual course of things from the breach.
- B. Which are in the contemplation of the parties at the time when the contract is made
- C. Are agreed in advance.
- D. Are given by way of punishment for breach of contract.

ANSWER: A

90. The contract of indemnity is a

- A. Contingent contract.

- B. Wagering contract
- C. Quasi-contract.
- D. Void agreement

ANSWER: A

91. 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

- A. Contract of guarantee
- B. Contract of indemnity
- C. Wagering contract
- D. Quasi-contract.

ANSWER: A

92. A bailer is a

- A. A right of a particular lien over the goods bailed
- B. A right of generation.
- C. A right of both particular and general lien.
- D. No lien at all over the goods bailed.

ANSWER: A

93. The position of a finder of lost goods is that of a _____.

- A. Bailer.
- B. Bailee.
- C. Surety.
- D. Principal debtors.

ANSWER: A

94. The gratuitous bailer is liable to the bailer for the defects in the goods bailed _____.

- A. Even if he is not aware of them.
- B. Only if he is aware of them.
- C. In all cases of loss.
- D. In certain case of loss.

ANSWER: B

95. A consideration can simply be explained as

- A. Profit
- B. Income
- C. Benefit
- D. Acceptances

ANSWER: C

96. A bailee fails to return the goods according to the bailers direction. He takes reasonable care of the goods but still the goods are lost. The loss will fall on

- A. The bailee
- B. The bailer.
- C. on both of them.
- D. neither of them.

ANSWER: A

97. A who purchases certain goods from B by a misrepresentation pledges them with C. The pledge is _____.

- A. Valid.
- B. Void.
- C. Voidable.
- D. Invalid.

ANSWER: B

98. In a sale, the property in goods

- A. Is transferred to the buyer
- B. Is yet to be transferred to the buyers.
- C. May be transferred at a future time.
- D. Is transferred when goods are delivered to the buyer.

ANSWER: A

99. In a sale, if the goods are destroyed, the loss falls on

- A. The buyer.
- B. The seller.
- C. Partly on the buyer and partly on the seller.
- D. The seller if price has not been paid.

ANSWER: A

100. The term 'property' as used in the Sale of Goods Act, 1930 means

- A. Possession.
- B. Ownership.
- C. Ownership and possession both.
- D. The subject matter of contract of sale.

ANSWER: B

101. If a price is not determined by the parties in a contract of sale, the buyer is bound to pay

- A. The price demanded by the seller
- B. A reasonable price.
- C. The price which the buyer thinks is reasonable.
- D. The price to be determined by a third independent person.

ANSWER: B

102. The doctrine of caveat emptor applies

- A. In case of implied conditions and warranties.
- B. When the buyer does not intimate the purpose to the seller and depends upon his own skill and judgment.
- C. When goods are sold by sample.
- D. When goods are sold by description.

ANSWER: A

103. If a sale is by sample as well as by description, the implied condition is that the goods shall correspond with

- A. Sample.
- B. Description.
- C. Both sample and description.
- D. Either sample or description

ANSWER: C

104. In a sale, there is an implied condition on the part of the seller that he

- A. Has a right to sell the goods.
- B. Is in possession of the goods.
- C. Will have the right to sell.
- D. Will acquire the goods.

ANSWER: A

105. A condition is a stipulation which is

- A. Essential to the main purpose of contract of sale.
- B. Not essential to the main purpose of contract of sale.
- C. Collateral to the main purpose of contract of sale.
- D. None of the above.

ANSWER: A

106. In case of breach of a warranty, the buyer can_____

- A. Repudiate the contract.
- B. Claim damages only.
- C. Return the goods.
- D. Refuse to pay the price.

ANSWER: B

107. _____ of the agent is to act on behalf of principal is must

- A. Consideration
- B. Rule
- C. Intention
- D. None of the above

ANSWER: C

108. The main objective of a contract of sale is

- A. Transfer of possession of goods.
- B. Transfer of property in goods.
- C. Delivery of goods.
- D. Payment of price.

ANSWER: B

109. Risk follows ownership

- A. Only when goods have been delivered
- B. Only when price has been paid.
- C. Whether delivery has been made or not
- D. Even when price has not been paid.

ANSWER: C

110. In an agreement to sell, the seller gets for price if

- A. The goods have been delivered to the buyer.
- B. The goods have not been delivered to the buyer.
- C. There is specific agreement.
- D. It is not a specific agreement.

ANSWER: C

111. In a contract of sale, unless goods are ascertained, there is

- A. A sale
- B. An agreement to sell.

- C. A void agreement.
- D. An unenforceable agreement.

ANSWER: B

112. Where there is an unconditional contract for the sale of specific goods in a deliverable state, the property in the goods passes to the buyer when

- A. The goods are delivered to the buyer.
- B. The price is paid by the buyer.
- C. The contract is made.
- D. The buyer accepts the good.

ANSWER: C

113. If the contract is silent as to the party who is to appropriate the goods

- A. The buyer is to appropriate
- B. Goods seller is to be appropriate
- C. The party who under the contract is first to act is to appropriate.
- D. Any party may appropriate.

ANSWER: C

114. In a C.I.F., contract the property in goods passes from the seller to the buyer when the A. Goods are shipped

- A. Goods are shipped.
- B. Goods are received by the buyer.
- C. Contract is entered into.
- D. Price is paid.

ANSWER: A

115. There is a constructive delivery of goods

- A. When the seller hands over to the buyer the key of the warehouse where the goods are lying
- B. Where a third person in possession of the goods acknowledged to the buyer that he holds them on his behalf.
- C. When the seller physically delivers the goods to the buyers
- D. When the seller asks the buyer to take delivery of the goods.

ANSWER: B

116. Where there is no specific agreement as to place, the goods sold are to be delivered at the place

- A. At which they are at the time of sale
- B. Of the buyer
- C. Desired by the buyer.
- D. To be determined by the seller.

ANSWER: A

117. Unless otherwise agreed, where goods are sent by the seller to the buyer by a route involved sea transit, the seller

- A. Must inform the buyer in time to get the goods insured
- B. May insure the goods.
- C. Must insure the goods.
- D. Did not inform the buyer.

ANSWER: A

118. Unless otherwise agreed, where goods are delivered to the buyer and he rejects them

- A. He is not bound to return them to the seller.
- B. It is sufficient if he intimates to the seller that he has rejected the goods.
- C. He is bound to deliver them to the seller.
- D. He may keep them with him.

ANSWER: B

119. A seller delivers goods in excess of the quantity ordered for. The buyer may

- A. Accept the whole.
- B. Rejects the whole.
- C. Accept the goods ordered for and return the excess.
- D. Accept the part of goods.

ANSWER: A

120. Where the neglect or refusal of the buyer to take delivery of goods amounts to a repudiation of the contract, the seller may sue for the .

- A. Price or damages.
- B. Price only.
- C. Damages only.
- D. Both for price and damages.

ANSWER: A

121. The lien of an unpaid seller depends on

- A. Possession
- B. Title.
- C. Ownership.
- D. Whether the buyer has pad the price or not.

ANSWER: A

122. An unpaid seller can excise his right of lien

- A. Where the goods have been sold on credit and the terms of credit has not expired.
- B. B. Where the buyers has not become insolvent.
- C. Where the buyer is insolvent.
- D. Where the seller is insolvent.

ANSWER: C

123. The right of lien excises by an unpaid seller is to

- A. Retain possession.
- B. Regain possession.
- C. Recover price and other charges.
- D. Recover damages.

ANSWER: A

124. An unpaid seller can excise the right of the stoppage in transit when the carrier holds the good

- A. as sellers agent.
- B. as buyer agent.
- C. as agent of both of them.
- D. in his own name.

ANSWER: D

125. If the goods are rejected by the buyer and the carrier of the other baillee continuous to be in possession of them, the transit .

- A. is deemed to be commence.
- B. is deemed to be an end.
- C. commences.
- D. is deemed to be not at an end.

ANSWER: B

126. An unpaid seller has not given notice of resale to the buyer. On release there is a loss .

- A. the unpaid seller can recover it from the buyer.
- B. the unpaid seller cannot recover it from buyer.
- C. the buyer can recover it from the unpaid seller.
- D. the buyer must compensate the unpaid seller.

ANSWER: B

127. . An unpaid seller has not given notice of resale to the buyer there is profit. The unpaid seller

- A. is bound to hand it over to the buyer.
- B. is not bound to hand it over to the buyer.
- C. may deposes it of in any manner he likes.
- D. may set it of against a previous loss in similar circumstances.

ANSWER: A

128. If a seller makes use of pertained bidding at an auction to raise the price, the sale is .

- A. voidable at the option of the buyer.
- B. void.
- C. valid.
- D. Illegal.

ANSWER: A

129. If one exclusive test of partnership between a group of person is to be named, it is

- A. joint ownership of property.
- B. sharing of profit.
- C. contribution of capital.
- D. mutual agency.

ANSWER: B

130. In partnership, the liability of partner is _____.

- A. Joint .
- B. Several.
- C. Joint and several.
- D. Joint or several.

ANSWER: C

131. The maximum any of partners in a firm carrying on banking businesses cannot exist

- A. 5
- B. 10.
- C. 15.
- D. 20.

ANSWER: D

132. An unregistered firm wants to enforce against a third party a right arising from a contract. It

- A. Can sue the third party.
- B. Cannot sue the third party.

- C. Can sue the party subject to certain condition.
- D. Can sue the party for any loss suffered by the aggrieved party.

ANSWER: B

133. The case of Cox V. Hickman, (1860. 8 H.L.C, 268)deals with

- A. Trust of partnership.
- B. Registration of a firm.
- C. Implant authority of a partner.
- D. Dissolution a firm.

ANSWER: A

134. The maximum no of partners allowed in a firm carrying on general business is_____.

- A. 10.
- B. 20.
- C. 50.
- D. 100.

ANSWER: B

135. Under Indian contract act,1872 a contract of indemnity is defined in the section

- A. 126
- B. 127
- C. 124
- D. 139

ANSWER: C

136. Registration of a firm under the Indian partnership act, 1932 is

- A. Compulsory
- B. Not optional
- C. Not necessary
- D. Inevitable

ANSWER: C

137. The non- registration of firm does not effect the right the form

- A. To file a suit for the recovery of more than Rs 100
- B. To file a suit for the recovery of less than Rs 100 .
- C. To file a suit against a partner for recovery of money due by him.
- D. To claim a set off not exceeding Rs 100

ANSWER: B

138. A nominal partner is _____.

- A. Labile for the debts of the firm .
- B. not Labile for the debts of the firm .
- C. labile for a nominal sum .
- D. one whose liability is primary.

ANSWER: A

139. As to important t matters concerning the nature of the business of firm, No changes may be effected

- A. With out the consent of all the partners
- B. With out the consent of the majority of the partners at all.
- C. With the consent of all the partners.
- D. With the consent of majority of the partners.

ANSWER: A

140. In the absence of an agreement, the partners the are entitle to share profits

- A. Equally
- B. In the ratio of capital.
- C. In any special agreement in deed.
- D. In any special ratio agreed by all partners.

ANSWER: A

141. If a minor choose to become a partner on attaining the age of majority he liable for the debts

- A. From the date of his attaining majority.
- B. From the date of his admission to the benefits of the partnership.
- C. From the date of his election to become a partner of the firm.
- D. As determined by other partners.

ANSWER: B

142. The liability of a partner in firm is _____.

- A. Limited.
- B. Unlimited.
- C. From personal assets.
- D. From other relative assets

ANSWER: B

143. A contract creates_____

- A. Rights in personal.
- B. Rights in rem.
- C. Only rights and no obligations.
- D. Only obligations and no rights.

ANSWER: A

144. Considering must move at the desire of_____

- A. The promisor.
- B. The promise.
- C. promisor or any third party.
- D. Both the promisor and the promise.

ANSWER: B

145. The Person who is represented by the agent is_____

- A. Principal
- B. Principle
- C. Middle man
- D. None of the above

ANSWER: A

146. An agreement made without consideration is_____

- A. Valid.
- B. Illegal.
- C. Voidable.
- D. Void.

ANSWER: A

147. An agreement with a minor is-_____

- A. Absolutely void.
- B. A voidable contract.
- C. A contract which is valid.
- D. Invalid.

ANSWER: A

148. The collateral transition to an illegal agreement are _____

- A. Void .
- B. Illegal.
- C. Voidable.
- D. Not effected at all.

ANSWER: B

149. A contract of a insurance is_____.

- A. Contract of guarantee.
- B. Contingent contract.
- C. Wagering contract agreement.
- D. Unilateral agreement.

ANSWER: B

150. Quantum merit means _____

- A. A non-gratuitous promise.
- B. An implied promise.
- C. As much as is earned.
- D. As much is paid.

ANSWER: C

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