

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600 086.
(For candidates admitted during the academic year 2010-2011)

SUBJECT CODE: CM/MC/BL34

B.Com. DEGREE EXAMINATION NOVEMBER 2011
CORPORATE SECRETARYSHIP
THIRD SEMESTER

COURSE : MAJOR CORE
PAPER : BUSINESS LAW
TIME : 3 HOURS

MAX. MARKS: 100

SECTION-A

(30x1=30 Marks)

I. Fill in the blanks:

1. Every agreement and promise enforceable at law is a -----
2. ----- means as much as is earned.
3. A contract to perform the promise or discharge the liability of a third person in case of his default is a -----.
4. Right to retain possession of goods in satisfaction of the claim is called -----.
5. An agreement to sell is an ----- contract.
6. An offer made to the world at large is known as ----- offer.
7. An agreement with or by a minor is -----.
8. ----- damages are allowed in case of a dishonour of a cheque by a banker having sufficient funds.

II. Choose the correct answer:

9. Flaw in capacity to contract may arise from
 - a. Lack of free consent .
 - b. Lack of consideration
 - c. Lack of legal formalities
 - d. Minority.
10. Carlill vs Carbolic Smoke Ball Co., case is related to
 - a. General offer
 - b. specific offer
 - c. Cross offer
 - d. None of these.
11. Each party is a promisor and a promisee in case of
 - a. Reciprocal promises
 - b. Independent promises
 - c. Dependent promises.
 - d. None of these.
12. In a contract of indemnity, the promisor is known as
 - a. Indemnified
 - b. Indemnifier
 - c. Surety
 - d. Co-surety.
13. A gratuitous bailment is one which is
 - a. Supported by consideration
 - b. Not supported by consideration
 - c. Void
 - d. None of these.
14. Pawnor and Pawnee are the parties related to
 - a. Contract of indemnity
 - b. Contract of guarantee
 - c. Bailment
 - d. Pledge
15. When the seller hands over to the buyer the key of the warehouse where the goods are lying is called
 - a. Symbolic delivery
 - b. Actual delivery
 - c. Constructive delivery
 - d. None of these.
16. An unpaid seller can exercise the right of stoppage in transit when the carrier holds the goods
 - a. As seller's agent
 - b. As buyer's agent
 - c. In his own name
 - d. None of these.

III. State whether the following statements are “True” or “False”:

- 17. An agreement made without consideration is void.
- 18. Misrepresentation is a false statement which the person making it honestly believes it to be true.
- 19. Impossibility arising subsequent to the formation of contract is called supervening impossibility.
- 20. If a new contract is substituted in place of an existing contract it is called novation.
- 21. There are only two parties in a contract of guarantee.
- 22. In a contract of bailment ownership passes from the bailor to the bailee.
- 23. A condition is a stipulation which is collateral to the main purpose of the contract of sale.
- 24. Every illegal agreement is unlawful and every unlawful agreement is illegal.

IV. Match the following:

- | | | |
|---------------------------|---|----------------------------|
| 25. Social agreement | - | Right of lien. |
| 26. Undue influence | - | Contract of sale of goods. |
| 27. Tender | - | Contingent contract |
| 28. Contract of indemnity | - | Attempted performance. |
| 29. Caveat emptor | - | Father and son. |
| 30. Finder of lost goods | - | Not enforceable. |

SECTION-B

(5x6= 30 Marks)

Answer any FIVE of the following questions:

- 31. What are the legal rules as to consideration?
- 32. State the differences between coercion and undue influence.
- 33. Explain briefly the principles on which damages are awarded on the breach of contract.
- 34. What are the differences between contract of indemnity and contract of guarantee?
- 35. List out the rights of bailor and bailee.
- 36. What are the essentials of a contract of sale?
- 37. Explain the duties of a buyer.

SECTION-C

(2x20= 40 Marks)

Answer any TWO of the following questions:

- 38. Explain in detail the essential elements of a valid contract.
- 39. State the circumstances in which a surety is discharged from his liability.
- 40. Define Pledge. What are the rights and duties of a pawnor and pawnee?
- 41. Define sale and agreement to sell. State the differences between sale and agreement to sell.

