

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600 086.
(For candidates admitted during the academic year 2011-2012 and thereafter)
SUBJECT CODE: 11CM/MC/BL34

B.Com. / B.Com.(C.S) DEGREE EXAMINATION NOVEMBER 2013
COMMERCE
CORPORATE SECRETARYSHIP
THIRD SEMESTER

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

MAX. MARKS: 100

SECTION A - (30 x 1 = 30 marks)

Answer ALL questions

I.Fill in the Blanks:

1. A contract which is wholly performed by both the parties is called ----- .
2. Ignorance of law is ----- .
3. Promises forming consideration for each other are known as -----.
4. When the promisee refuses to accept performance from the promisor who offers to perform it is -----.
5. The parties in a contract of guarantee are principal debtor, surety and-----.
6. A contract by which one party promises to save the other from loss caused to him by the conduct of the promisor is called a contract of-----.
- 7.The bailment of goods as security for payment of a debt is called----- .
8. ----- is a bailment where no consideration passes between the bailor and bailee.
- 9.When the property in the goods is transferred from the seller to the buyer, the contract is called a -----.
- 10.Agreement of trading with enemy in time of war is ----- on the ground of public policy.

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

11. Minor is not personally liable for necessities supplied to him.
12. All contracts are agreements but all agreements are not contracts.
13. Contractual obligations involving personal skill or ability cannot be assigned.
14. Exemplary damages are allowed in case of wrongful dishonor of cheques.
15. Death of surety does not put an end to the contract of guarantee.
16. In a contract of indemnity there are three parties.
17. In a contract of bailment ownership passes from the bailor to the bailee
18. A finder of goods has no right of lien over the goods for expenses.
19. In an agreement to sell the ownership in goods is transferred from the seller to the buyer.
20. An unpaid seller has no right of resale.

III. Choose the correct answer.

21. Acceptance may be revoked by the acceptor
a. At any time b. Before the letter of acceptance reaches the offeror.
c. After the letter of acceptance reaches the offeror. d. All the above.
22. When a party is compelled to enter into an agreement by using moral force or mental pressure it is called
a. Coercion b. Undue influence c. Fraud d. Mistake.
23. Quantum meruit means
a. An implied promise b. As much as is earned.
c. As much as is paid d. None of these.
24. Assignment by operation of law takes place
a. By mutual consent of the parties
b. By the will of either party.
c. When the subject matter of a contract ceases to exist.
d. By the death of a party to a contract .
25. A contract of indemnity is
a. Contingent contract b. Wagering contract
c. Quasi contract. d. All the above.
26. A guarantee given for an existing debt is
a. Retrospective guarantee b. Prospective guarantee
c. Continuing guarantee d. None of these.
27. Which one of the following is not a right of finder of goods?
a. Right of lien b. Right to use.
c. Right of sale d. All the above.
28. Which one of the following is not a valid pledge?
a. Pledge by mercantile agent. b. Pledge by co-owner
c. Pledge by finder of goods. d. Pledge by minor.
29. The main object of contract of sale is
a. Transfer of possession of goods
b. Transfer of property in goods from seller to buyer.
c. Delivery of goods.
d. None of these.

30. Where a third person in possession of the goods acknowledges to the buyer that he holds them on his behalf, the delivery is said to be
- a. Constructive delivery
 - b. Actual delivery
 - c. Symbolic delivery
 - d. None of these.

SECTION B - (5 x 6 =30 marks)

Answer any FIVE questions.

31. State the rules of a valid offer.
32. "A contract without consideration is void". What are the exceptions to this rule?
33. Explain briefly the principle on which damages are awarded on the breach of a contract.
34. What are the essential features of a contract of guarantee?
35. List out the duties of a bailor.
36. Explain the doctrine of caveat emptor and state the exceptions to it.
37. What are the rights of the buyer.

SECTION C - (2 x 20 =40 marks)

Answer any TWO questions.

38. Describe the essential elements of a valid contract.
39. Explain the various ways in which a contract may be discharged.
40. State the circumstances in which a surety is discharged from liability.
41. What are the rights of an unpaid seller?
