

(6 pages)

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B.B.A. (CBCS) DEGREE EXAMINATION,
NOVEMBER 2016.

Third Semester

Business Administration – Main

BUSINESS LAW

(For those who joined in July 2012–2015)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer:

1. An offer made to a particular person is called as
(a) Specific offer (b) General offer
(c) Implied offer (d) Gross offer
2. A minor _____ into a contract of partnership.
(a) Can enter (b) Can not enter
(c) May enter (d) None of these

3. Where only one of the parties is under a mistake as to a matter of fact, the contract is not
(a) Valid (b) Voidable
(c) Void (d) Affected
4. When consideration or object is unlawful, the contract is
(a) Illegal (b) Voidable
(c) Void (d) Not affected
5. Promises which form the consideration or part of the considerations for each other are called as
(a) Promises
(b) Reciprocal promises
(c) Demand performance
(d) None of these
6. Quantum Merit is also known as
(a) As much as earned
(b) As much as merited
(c) Both (a) and (b)
(d) None of these



7. It is a contract of perform the promise or discharge the liability of a third person in case of default
- (a) Contract of indemnity
 - (b) Contract of guarantee
 - (c) Surety
 - (d) None of these
8. A person who finds goods belong to another and takes them into his custody.
- (a) Bailer (b) Bailee
 - (c) Promissor (d) Promisee
9. Which of the following refers to Caveat Emptor?
- (a) Let the buyer beware
 - (b) Buyer's due to choose the goods
 - (c) Buyer must examine them thoroughly
 - (d) All the above
10. A person employed by and acting under the control of the original agent in the business of agency is called
- (a) Agent (b) Sub agent
 - (c) Substituted agent (d) Servant

PART B — (5 × 5 = 25 marks)

Answer ALL questions, choosing either (a) or (b) in 250 words.

11. (a) State the rules of a valid offer.
- Or
- (b) When is a minor liable on a contract for necessities?
12. (a) Examine the law relating to the effect of mistake on contracts.
- Or
- (b) What are the essential elements of fraud?
13. (a) What conditions should be fulfilled for assignment of contracts?
- Or
- (b) Enumerate the quasi-contracts dealt with under the Indian Contract Act, 1872.
14. (a) What are the rights of an indemnity holder when sued?
- Or
- (b) When does a bailment come to an end?



15. (a) What are the essentials of relationship of agency?

Or

- (b) State the conditions necessary to make a person liable as partner by holding out.

PART C — (5 × 8 = 40 marks)

Answer ALL questions, choosing either (a) or (b) in 600 words.

16. (a) The law of contract is neither the whole law of agreement, nor is it the whole law of obligations." — Discuss.

Or

- (b) Define consideration and point out the salient features of the term consideration.

17. (a) Distinguish between misrepresentation and fraud.

Or

- (b) Explain the essential elements of coercion.

18. (a) Explain various types of agreements which are illegal because they are contrary to public policy.

Or

- (b) Explain breach of contract as a mode of discharge of contract.

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19. (a) Explain with illustration the distinction between a contract of indemnity and a contract of guarantee.

Or

- (b) Discuss the rights and responsibilities of a paid and a gratuitous bailee.

20. (a) How is a contract of sale made? State briefly the necessary formalities of such a contract with illustration.

Or

- (b) "The law of partnership is but an extension of the law of principal and agent." Explain.

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