



**FOUNDATION EXAMINATION** **SET 1**  
**MODEL QUESTION PAPER TERM DECEMBER-2024**  
**PAPER - 1**

**FUNDAMENTALS OF BUSINESS LAWS & BUSINESS COMMUNICATION**

**Time Allowed: 1 Hour**

**Full Marks: 100**

Answer all questions. Each question carries 2 marks.

1.	What is a Private Bill?	
(a)	A bill introduced by a member other than a Minister	O
(b)	Bill introduced by a private citizen	O
(c)	Bill introduced by a Private company	O
(d)	A bill relating affairs which are private to individual	O
2.	The difference between an advertisement for sale and a proposal is :	
(a)	No difference at all	O
(b)	That a proposal becomes a promise as soon as the party to whom it is made accepts it but an advertisement does not	O
(c)	Every case will be viewed according to the circumstances	O
(d)	None of these	O
3.	With regard to the contractual capacity of a person of unsound mind, which one of the following statements is most appropriate?	
(a)	A person of unsound mind can never enter into a contract	O
(b)	A person of unsound mind can enter into a contract	O
(c)	A person who is usually of unsound mind can contract when he is, at the time of entering into a contract, of sound mind	O
(d)	A person who is occasionally of unsound mind can contract although at the time of making the contract, he is of unsound mind	O
4.	The validity of contract is not affected by :	
(a)	Mistake of fact	O
(b)	Mistake of Indian law	O
(c)	Misrepresentation	O
(d)	Fraud	O
5.	Which one of the following is not a wagering agreement?	
(a)	A lottery	O
(b)	An agreement to buy a ticket for a lottery	O
(c)	Commercial transaction, the intention of which is not to deliver the goods but only to pay the difference in price	O



	(d)	A contract of insurance	O
6.	Which one of the following is a void agreement?		
	(a)	An agreement without consideration	O
	(b)	An agreement in restraint of marriage	O
	(c)	An agreement in restraint of trade	O
	(d)	All of the above	O
7.	If the seller agrees to supply all the goods produced by him to a certain buyer and to nobody else, and the buyer also, in turn undertakes to accept the whole of the quantity, the agreement is :		
	(a)	Void agreement	O
	(b)	Solus agreement	O
	(c)	Illegal agreement	O
	(d)	None of these	O
8.	A agrees to sell to B a 'hundred tons of oil'. There is nothing whatever to show what kind of oil was intended. The agreement is :		
	(a)	Valid	O
	(b)	Void for uncertainty	O
	(c)	Voidable	O
	(d)	Illegal	O
9.	X leaves a firm doing a particular business in Delhi. He agrees with other partners of the firm not to start a similar business as that of the firm in Delhi for 2 years. This agreement is :		
	(a)	Void	O
	(b)	Valid	O
	(c)	Voidable at X's option	O
	(d)	Invalid	O
10.	The Parliament for the Union of India which shall consist?		
	(a)	The President, the Council of States (Rajya Sabha) and the House of the People (Lok Sabha)	O
	(b)	Rajya Sabha	O
	(c)	Lok Sabha	O



	(d)	Legislative Assembly	O
11.	Mention the number of judges in the Supreme Court of India including Chief Justice of India currently.		
	(a)	33	O
	(b)	32	O
	(c)	34	O
	(d)	46	O
12.	Under what Article of the Constitution of India, 1950 is the Governor of a State empowered to make an Ordinance?		
	(a)	Article 123	O
	(b)	Article 243	O
	(c)	Article 245	O
	(d)	Article 213	O
13.	When a law is proposed in parliament it is called		
	(a)	Act	O
	(b)	statue	O
	(c)	bill	O
	(d)	notification	O
14.	A and B agree to deal in smuggled goods and share the profits. A refuses to give B's share of profit. In this case:		
	(a)	B can enforce the agreement in the court.	O
	(b)	B can only claim damages.	O
	(c)	B has no remedy as the contract is illegal.	O
	(d)	B can enforce the contact or claim damages	O
15.	Quasi-Contracts are		
	(a)	not contracts in the real sense of the world.	O
	(b)	relations which create certain obligations resembling those created by a contract	O
	(c)	implied contracts	O
	(d)	unenforceable contracts	O



16.	Insolvency leads to discharge of a contract because of		
	(a)	Impossibility of performance	O
	(b)	Operation of law	O
	(c)	Mutual consent	O
	(d)	Breach of contract	O
17.	"Nemo dat quad non habet", means:		
	(a)	no one is greater than god	O
	(b)	none can give who does not himself possess	O
	(c)	everyone can give everything he has	O
	(d)	everyone is bound by is habit	O
18.	For a valid contract of sale, delivery may be:		
	(a)	Actual delivery	O
	(b)	Symbolic delivery	O
	(c)	Constructive delivery	O
	(d)	All of these	O
19.	Unpaid Seller can exercise his right of lien —		
	(a)	even when property in goods has passed to the Buyer	O
	(b)	only when property in goods has not passed to the Buyer	O
	(c)	either (a) or (b)	O
	(d)	neither (a) nor (b)	O
20.	Which one of the following does not connote 'goods' as defined in the Sale of Goods Act?		
	(a)	Money	O
	(b)	Animals	O
	(c)	Debt	O
	(d)	Both (A) and (C)	O
21.	In a contract of sale , price may be		
	(a)	fixed by the contract	O
	(b)	agreed to be fixed in a manner thereby agreed	O
	(c)	determined by course of dealings between the parties	O
	(d)	all of the above	O



22.	Which of the following is not an essential element of a contract of sale ?		
	(a)	Existence of essential elements of a valid contract	O
	(b)	payment of price at the time of contract	O
	(c)	subject matter of contract must be goods	O
	(d)	there should be two parties i.e seller and buyer	O
23.	A creditor agrees with his debtor and a third party to accept that third party as his debtor. The contract is discharged by,		
	(a)	performance	O
	(b)	alteration	O
	(c)	waiver	O
	(d)	remission	O
24.	What are the essential elements of contract of sale ?		
	(a)	At least two parties	O
	(b)	subject matter must be goods	O
	(c)	both (a) and (b)	O
	(d)	none of these	O
25.	If the goods completely perish before contract of sale ,the contract becomes :		
	(a)	valid	O
	(b)	void	O
	(c)	voidable	O
	(d)	unenforceable	O
26.	The doctrine of Caveat emptor is not applicable		
	(a)	in case of sale under a patent name.	O
	(b)	in case of sale under a trade name.	O
	(c)	where the seller is guilty of fraud	O
	(d)	where the buyer relies on the skill and judgement of the seller	O
27.	Virus agrees to buy the crop of rice that would yield in Y's farm located in Punjab at the rate of Rupees 2000 per 100kg .this deals under the sale of goods act 1930		
	(a)	Agreement for sale of present goods	O
	(b)	contract of sale	O
	(c)	Agreement for sale of future goods	O



	(d)	none of these	O
28.	A hire purchaser of the goods :		
	(a)	can resale the goods	O
	(b)	cannot use the goods	O
	(c)	has an option to return the goods (or) buy it	O
	(d)	none of the above	O
29.	There are _____ modes of delivery.		
	(a)	3	O
	(b)	2	O
	(c)	4	O
	(d)	5	O
30.	Right of Stoppage in transit may be exercised by the Unpaid Seller, by		
	(a)	taking actual possession of goods.	O
	(b)	giving notice of his claim to the Carrier/Bailee who holds the goods	O
	(c)	Either (a) or (b)	O
	(d)	Both (a) and (b)	O
31.	Delivery of the keys of a godown where goods are kept amounts to:		
	(a)	Actual delivery	O
	(b)	Symbolic delivery	O
	(c)	Constructive delivery	O
	(d)	All of these	O
32.	The presumption as to the date of a negotiable instrument under section 118 is that, every negotiable instrument bearing a date was made or drawn :		
	(a)	prior to that date	O
	(b)	on such date	O
	(c)	may be on or prior to that date	O
	(d)	none of the above	O
33.	If an instrument may be construed either as a promissory note or bill of exchange, it is _____.		
	(a)	a valid instrument	O



	(b)	ambiguous instrument	O
	(c)	a returnable instrument	O
	(d)	none of the above.	O
34.	A bill of exchange contains a/an :		
	(a)	unconditional undertaking	O
	(b)	unconditional order	O
	(c)	conditional undertaking	O
	(d)	conditional order	O
35.	A promissory note, bill of exchange or cheque drawn or made in India and made payable in, or drawn upon any person resident in, India is treated as a/an –		
	(a)	Inland instrument	O
	(b)	Local instrument	O
	(c)	Foreign instrument	O
	(d)	Indigenous instrument	O
36.	Inchoate instrument is _____.		
	(a)	An instrument incomplete in some respect	O
	(b)	An ambiguous instrument	O
	(c)	A clean bill	O
	(d)	Drawn conditionally as collateral security	O
37.	Who among the following cannot cross a cheque?		
	(a)	Drawer	O
	(b)	Holder	O
	(c)	Banker	O
	(d)	Foreigner	O
38.	A person becomes a 'holder in due course' of a negotiable instrument if he receives it _____.		
	(a)	in good faith	O
	(b)	for value	O
	(c)	before maturity	O
	(d)	by satisfying all these	O



39.	Which of the following is a valid promissory note?		
	(a)	I owe you some amount	<input type="radio"/>
	(b)	I owe you ` 1000	<input type="radio"/>
	(c)	I promise to pay A or order ` 1000	<input type="radio"/>
	(d)	I promise to pay the bearer ` 1000	<input type="radio"/>
40.	A Promissory Note must be _____.		
	(a)	in writing	<input type="radio"/>
	(b)	unconditional	<input type="radio"/>
	(c)	signed by the maker	<input type="radio"/>
	(d)	all of the above	<input type="radio"/>
41.	Corrective comments with regard to past behaviour -		
	(a)	Encoding	<input type="radio"/>
	(b)	Positive Feedback	<input type="radio"/>
	(c)	Negative Feedforward	<input type="radio"/>
	(d)	Negative Feedback	<input type="radio"/>
42.	At which stage the communicator focuses on correcting the grammar, spellings and punctuations.		
	(a)	Proof Reading	<input type="radio"/>
	(b)	Revising and editing	<input type="radio"/>
	(c)	Either (a) or (b)	<input type="radio"/>
	(d)	None of the above	<input type="radio"/>
43.	Providing Frequently Asked Questions (FAQs) to customers result in which of the following benefits of internet communication?		
	(a)	Support care	<input type="radio"/>
	(b)	Professional presentation	<input type="radio"/>
	(c)	Personal touch	<input type="radio"/>
	(d)	None of the above	<input type="radio"/>
44.	How many types of communication takes place in an organisation?		
	(a)	5	<input type="radio"/>
	(b)	1	<input type="radio"/>
	(c)	3	<input type="radio"/>





	(d)	4	O
45.	In which business communication, a speaker has to clearly speak for or against a topic?		
	(a)	Presentation	O
	(b)	Debate	O
	(c)	Speech	O
	(d)	Group discussion	O
46.	Communication happens when a person randomly chooses some persons to pass on the information which is of little interest but not important.		
	(a)	Gossip Chain	O
	(b)	Cluster Chain	O
	(c)	Probability Chain	O
	(d)	None of the above	O
47.	Interpretation and conversion of information communicated into the intelligible form so that the recipient can fully understand the true meaning of the information is called _____.		
	(a)	Decoding	O
	(b)	Encoding	O
	(c)	Feedback	O
	(d)	None of the above	O
48.	What is the first step of communication process?		
	(a)	Encoding	O
	(b)	Transmitting	O
	(c)	Decoding	O
	(d)	Developing an idea	O
49.	Need of proper grammar and syntax comes under which C of communication?		
	(a)	Completeness	O
	(b)	Coherence	O
	(c)	Courteous	O
	(d)	Correctness	O



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50.	Which of the following is not one of the 8C's of communication?		
	(a)	Curiousness	O
	(b)	Conciseness	O
	(c)	Considerate	O
	(d)	Concreteness	O