

Paper 3- Fundamentals of Laws and Ethics

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Full Marks : 100

Time allowed: 3 hours

**Section – A
Part A**

1. (a) Choose the correct answer from the given four alternatives: [25 × 1 = 25]

- (i) Consideration is
(a) Doing or abstaining from doing something at the desire of promisor
(b) Essential condition of a contract
(c) Elements of exchange in a contract
(d) All of the above
- (ii) Delivery of goods means-
(a) Voluntary transfer of possession
(b) Compulsory transfer of possession
(c) Exchange of goods
(d) Voluntary transfer of ownership
- (iii) Cheque is a
(a) Promissory note
(b) Bill of exchange
(c) Both (a) and (b)
(d) None of the above
- (iv) 'Future goods'
(a) Can be the subject matter of sale
(b) Cannot be subject matter of sale
(c) Sometimes may be the subject matter of sale
(d) Depends on circumstances
- (v) Agreement by way of wager are
(a) Valid and enforceable by law
(b) Void
(c) Voidable at the option of party
(d) Illegal
- (vi) Contingent contract to do or not to do anything, if an impossible event happens are :-
(a) Valid
(b) Void
(c) Voidable
(d) Illegal
- (vii) Mental acceptance is
(a) No acceptance at all
(b) Valid
(c) Binding promise
(d) None of the above
- (viii) A warranty is stipulation
(a) Essential to the main purpose of the contract
(b) Collateral to the main purpose of the contract
(c) Very important to the seller
(d) Very important to the buyer

- (ix) Who among the following cannot cross a cheque?
(a) Drawer
(b) Holder
(c) Banker
(d) Foreigner
- (x) A cheque is always payable on -
(a) The date mentioned therein
(b) On demand
(c) 3 days after presentation
(d) Within 24 hrs of presentation
- (xi) An offer doesnot lapse if the
(a) Offeror dies before acceptance
(b) The offeree dies before acceptance
(c) Acceptance is made by the offeree in ignorance of the death of the offeror
(d) Acceptance is made by the offeree with knowledge of the death of the offeror
- (xii) A contract is a contract
(a) From the time it is made
(b) From the time its performance is due
(c) At the time from its performance
(d) None of the above
- (xiii) A bill lading is a-
(a) Bill of exchange
(b) Promissory note
(c) Cheque
(d) Document of title to goods
- (xiv) There are _____ modes of delivery
(a) Three
(b) Two
(c) Four
(d) Five
- (xv) How many parties are involved in a bill of exchange
(a) 2
(b) 3
(c) 4
(d) 1
- (xvi) A bill of exchange does not requires –
(a) Crossing
(b) Acceptance
(c) Both
(d) Either (a) or (b)
- (xvii) A finder of goods can :
(a) File a suit to recover his expenses
(b) Sell the goods if he likes
(c) Can sue for a reward , if any
(d) None of the above

- (xviii) An agreement to create legal liability
(a) Is not enforceable by law
(b) Is a void agreement
(c) Is enforceable by law
(d) None of the above
- (xix) A stranger to a consideration
(a) Can file a suit
(b) Cannot file a suit
(c) Can file , only with consent of court
(d) Is similar to stranger to a contract
- (xx) Factors vitiating consent are :
(a) Coercion,undue influence
(b) Fraud ,misrepresentation
(c) Mistake
(d) All of these
- (xxi) Liability of the joint promisor is
(a) Joint
(b) Several
(c) Joint and several
(d) None of the above
- (xxii) Property in the goods 'In the sale of goods act means'
(a) Ownership of goods
(b) Possession of goods
(c) Asset in the goods
(d) Custody of goods
- (xxiii) A brearer instrument is negotiated by____
(a) Delivery only
(b) Delivery and endorsement
(c) Endorsement
(d) Stamping and attention
- (xxiv) A valid tender or offer of performance must be :
(a) Made at proper time
(b) Made at proper place
(c) Made to the proper person
(d) All of the above
- (xxv) When a minor has been supplied with necessaries in credit-
(a) The minor is not liable
(b) The minor's property ' is liable
(c) The minor is personally liable
(d) The minor is liable at his option

(b) Match the following:

[5×1=5]

	Column 'A'		Column 'B'
1.	Consensus-ad-idem	A.	Dock-Warrants
2.	Condition as to Merchantability	B.	From the very beginning it is void
3.	Document of Title to goods	C.	Unconditional order
4.	Void-ab-initio	D.	Acceptability in the market
5.	Bill of Exchange	E.	Identity of minds

(c) State whether the following statements are True (or) False.

[12×1=12]

- (i) A cheque is a bill of exchange drawn on a specified banker payable on demand.
- (ii) A bill which is not an inland bill is deemed to be a foreign bill.
- (iii) Sale is an executed contract.
- (iv) Caveat emptor means buyer be aware.
- (v) Condition as to title, condition as to description, condition in a sale by sample, condition as to wholesomeness and condition as to merchantability etc are express conditions.
- (vi) A pawnee may under certain circumstances sell the goods pledged to him on giving the pawnor reasonable notice of the sale.
- (vii) An offer need not be made to a ascertained person.
- (viii) Can the mere writing on bills of medical practitioners that interest at one per cent, per mensem be charged, amount to a contract?
- (ix) Silence is fraud when silence is, in itself equivalent to speech.
- (x) An officer enters into a contract with his subordinate to sell his (subordinate's) house at a lower price than the market price. The subordinate may challenge the contract on the ground of Mistake.
- (xi) A Negotiable Instrument may be transferred by delivery.
- (xii) If a finder of lost goods could not trace the owner or the owner refuses to pay the lawful charges of the finder, the finder can resell the goods when the thing is perishable or when his lawful charges for finding the owner amount to 1/3rd of value of goods.

PART B

Answer any four questions out of six questions : [4×7=28]

- 2. How is revocation made ? [7]
- 3. Define consideration. What are the legal rules regarding consideration? [7]
- 4. What is breach of contract? Describe remedies for breach of contract. [7]
- 5. State the types of implied conditions. [7]
- 6. Define Auction sales. What are the legal rules relating auction sales? [7]
- 7. Explain the classification of Negotiable Instruments. [7]

Section – B
PART A

8. Answer all the questions :

(a) Choose the correct answer:

[12×1=12]

- (i) Law is _____ of ethics.
 - (a) No connection
 - (b) Decodification
 - (c) Codification
 - (d) Visualization
- (ii) Business ethics relates to
 - (a) Society's decision
 - (b) An individual's or work group's decision
 - (c) Customers decision
 - (d) Government decision
- (iii) Ethics has become important because of
 - (a) Globalization

- (b) Communication explosion
(c) Both (a)&(b)
(d) None of the above
- (iv) Corporate codes of ethics
(a) Are always externally audited
(b) Create guidelines for employees to work by
(c) Are always compliance based
(d) Are always integrity based
- (v) Which of the following is not a 'code of conduct' ?
(a) code of ethics
(b) code of practices
(c) code of behavior
(d) code of management
- (vi) Business ethics has a _____ application.
(a) Natural
(b) Practical
(c) Universal
(d) None of the above
- (vii) The word ethics is derived from:
(a) Latin word 'ethike'
(b) Greek work 'ethik'
(c) Greek word 'ethike'
(d) Latin word 'ethik'
- (viii) An expert who is confidentially available to solve the ethical dilemmas is known as _____
(a) Ethic coach
(b) Ethics trainer
(c) Ethics guide
(d) None of the above
- (ix) Compliance is about obeying and adhering to _____
(a) Rules an authority
(b) Discipline
(c) Laws
(d) All of the above
- (x) _____are beliefs about what is right and wrong or good or bad.
(a) Mores
(b) Motivators
(c) Cultures
(d) Ethics
- (xi) The term 'business ethics' came into common use in year _____
(a) 1680
(b) 1780
(c) 1980
(d) 1970
- (xii) Feature that is not presented in business ethics are
(a) It has universal application
(b) It is absolute in nature
(c) It depends from business to business

(d) It cannot be enforced by law

(b) State whether the following statements are True (or) False.

[6×1=6]

- (i) Morals refers to well founded standards of right and wrong that describe what humans ought to do in terms of rights, obligations, benefits to society.
- (ii) The study of Ethics is divided into four operational areas.
- (iii) " Business ethics is the study of business situations, activities and decisions where issues of right and wrong are addressed"
- (iv) Holders of public office are not accountable for their decisions and actions to the public.
- (v) The concept of 'value-free' business ethics appears to be quite appealing to businessmen.
- (vi) The study of ethics is a systematic science.

PART B

Answer any two questions out of three questions: [2×6=12]

- 9. Explain about evaluation of ethics. **[6]**
- 10. Describe Ethics as a principle. **[6]**
- 11. State the need for Business Ethics. **[6]**