

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) Threat to commit suicide amounts to -
(a) Undue influence
(b) Coercion
(c) Fraud
(d) Misrepresentation
- (ii) An agreement with or by a minor is -
(a) Void ab initio
(b) Voidable at the option of the minor
(c) Voidable at the option of the other party
(d) valid
- (iii) when the consent is caused by undue influence, the contract is -
(a) Valid
(b) Void
(c) Voidable
(d) Illegal
- (iv) The law of contract is nothing but-
(a) A child of commercial dealing
(b) A child of religion
(c) A child of day to day politics
(d) A child of economics
- (v) A invites B for his son's wedding. B accepts the invitation. In case, there is a/an-
(a) Agreement
(b) Contract
(c) Acceptance
(d) Offer
- (vi) An offer made to the public at large is called as-
(a) Standing offer
(b) Specific offer
(c) General offer
(d) Express offer
- (vii) Which of the following is not correct?
(a) Offer must not be conditional
(b) Acceptance may be given in any manner
(c) Acceptance must be absolute
(d) Communication of offer is an essential element
- (viii) Mistake as to foreign law is treated in the same manner as -
(a) Mistake of Indian law
(b) Mistake of fact
(c) Misrepresentation
(d) Fraud

- (ix) Execution of a bond requiring employees leaving the organisation to pay compensation to employer is -
- (a) Voidable agreement
 - (b) Void agreement
 - (c) Unenforceable agreement
 - (d) Valid agreement
- (x) _____ contracts are enforceable by future events
- (a) Contingent contract
 - (b) Quasi contract
 - (c) Conditional contract
 - (d) Wagering contract
- (xi) The right of joint promises to demand performance is -
- (a) Joint
 - (b) Several
 - (c) Joint or several
 - (d) Joint and several
- (xii) Change in some or all terms of the contract is -
- (a) Novation
 - (b) Alteration
 - (c) Merger
 - (d) Rescission
- (xiii) Quantum meruit means -
- (a) A non-gratuitous promise
 - (b) As implied promise
 - (c) As much as is earned
 - (d) As much as is paid
- (xiv) Quasi contractual liabilities lead to _____
- (a) Prevention of unjust enrichment
 - (b) Counter offer
 - (c) Cross offer
 - (d) Specific offer
- (xv) A share certificate is a-
- (a) Document of title to goods
 - (b) Bill of exchange
 - (c) Document showing title to goods
 - (d) Instrument of transfer
- (xvi) In an agreement to sell, the property in goods is transferred in-
- (a) Past
 - (b) Present
 - (c) Future
 - (d) There is no transfer of property at all.
- (xvii) Prachi sends gold to Lokesh for making an ornament. This is a _____
- (a) Contract of sale
 - (b) Contract of work and labour
 - (c) Hire purchase agreement

- (d) Sale on approval basis
- (xviii) An agreement made between two parties to pay consideration in future and in execution of sale deed is known as-
- (a) Sale
 - (b) Agreement to sell
 - (c) Hire purchase
 - (d) None
- (xix) Goods sold by description but not identified or agreed upon at the time of contract of sale are
- (a) Specific goods
 - (b) Future goods
 - (c) Existing goods
 - (d) Unascertained goods
- (xx) Breach of a "warranty" in a contract of sale of goods, gives the right to -
- (a) Reject the goods
 - (b) Claim for damages
 - (c) Repudiate the contract
 - (d) All of the above
- (xxi) The keys of warehouse where the goods are stored is handed over to the buyer. It is called _____
- (a) Actual
 - (b) Symbolic
 - (c) Constructive
 - (d) Conditional
- (xxii) Crossing of a cheque effects the _____
- (a) Negotiability of the cheque
 - (b) Made of payment on the cheque
 - (c) Both (a) & (b)
 - (d) None of the above
- (xxiii) If an instrument may be construed either as a promissory note or bill of exchange, it is
- (a) A valid instrument
 - (b) An ambiguous instrument
 - (c) A returnable instrument
 - (d) None of the above
- (xxiv) When a cheque is payable across the counter of a bank it is called -
- (a) OTC Cheque
 - (b) Open cheque
 - (c) Crossed cheque
 - (d) Restricted cheque
- (xxv) In a promissory note, the amount of money payable
- (a) Must be certain
 - (b) May be certain or uncertain
 - (c) Is usually uncertain
 - (d) None of the above

(b) Match the following:

[5×1=5]

	Column 'A'		Column 'B'
1.	Executory contract.	A.	Means taking back
2.	Remission.	B.	Bill of exchange
3.	Endorsement and delivery	C.	Sale
4.	Revocation	D.	Agreement to sell
5.	Executed contract.	E.	Agreement to receive less than what is due.

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

[12×1=12]

- (i) The time and place of performance of a contract are determined by an agreement between the parties.
- (ii) When a promisee accepts performance of the promise from a third person, he cannot afterwards enforce it against the promisor.
- (iii) Enforcement of contracts contingent on an event happening.
- (iv) The payment made should be bonafide for the protection of one's interest.
- (v) Any breach of duty which brings advantages to the person committing it by misleading the other to his prejudice is a misrepresentation.
- (vi) Every instrument payable, otherwise, than on demand is entitled to four days of grace.
- (vii) Double crossing is permitted to general public.
- (viii) The promissory note may not be signed by the maker.
- (ix) Puffer is a person who is employed by the seller to raise the price by fictitious bids.
- (x) The auctioneer doesn't warrants his authority to sell.
- (xi) An implied warranty or condition as to quality or fitness for a particular purpose may be annexed by the usage of trade.
- (xii) When terms of contract expressly provide for them, they are known as express conditions or warranties.

PART B

Answer any four questions out of six questions

[4×7=28]

- 2. Describe the essential elements of a valid contract. [7]
- 3. Define acceptance. Explain essentials of a valid acceptance. [7]
- 4. Define discharge of contract. Explain the modes of discharge. [7]
- 5. Differentiate between Sale and Agreement to Sell. [7]
- 6. What are the rules regarding delivery of goods? [7]
- 7. Explain the requisites of a bill of exchange. [7]

**Section – B
PART A**

8. Answer all the questions :

(a) Choose the correct answer:

[12×1=12]

- (i) The study of ethics is divided into _____ operational areas
(a) Six
(b) Four
(c) Five
(d) Nine
- (ii) _____ is about obeying and adhering to rule an authority
(a) Ethics
(b) Code
(c) Conduct
(d) Compliance
- (iii) Business ethics is _____ in nature
(a) Absolute
(b) Not absolute
(c) Permanent
(d) None of the above
- (iv) Ethical and unethical behaviours are determined by
(a) The individual
(b) The culture
(c) Both the individual and the culture
(d) Neither the individual nor the culture
- (v) Which of the following is an unethical business practice?
(a) Collusion
(b) False communication
(c) Insider trading
(d) All the above
- (vi) Business ethics is a code of conduct which businessmen should follow while conducting their _____
(a) Normal activities
(b) Special activities
(c) Specific activities
(d) None of the above
- (vii) _____ is a set of principles and expectations that are considered binding on any person who is member of a particular group.
(a) Code of conduct
(b) Code of ethics
(c) Code of practice
(d) Any of the above
- (viii) Ethical executives abide by _____ relating to their business activities.
(a) Laws
(b) Rules
(c) Laws, rules and regulations
(d) None of the above
- (ix) 'It is difficult but not impossible to conduct strictly honest business' is famous quote by :

- (a) Mahatma Gandhi
- (b) Adam Smith
- (c) George Bernard Shaw
- (d) Peter Drucker

(x) The relevance of ethics is in its :

- (a) Context
- (b) Principles
- (c) Application
- (d) understanding

(xi) The idea of business ethics caught the attention of academics, media and business firms by the end of the _____

- (a) First world war
- (b) Second world war
- (c) Cold war
- (d) None of the above

(xii) Top managers demonstrate commitment to ethical business practices with

- (a) The adoption of written codes of ethics
- (b) Employee empowerment
- (c) Decentralized decision making practices
- (d) Collusion with other companies

(b) State whether the following statements are true (or) false.

[6×1=6]

- (i) The business must use business ethics while dealing with the competitors.
- (ii) Holders of public office should not promote and support these principles by sound leadership and prove to be an example in whatever they perform.
- (iii) The concept of 'value-free' business ethics appears to be quite appealing to businessmen.
- (iv) Ethics refers to the study and development of one's ethical standards.
- (v) Ethics refers to the study and development of one's ethical standards.
- (vi) Business ethics is not a pure science but a professional practice, and society expects businessmen to abide by the principles of a civil society.

PART B

Answer any two questions out of three questions:

[2×6=12]

- 9. Write a note on professional ethics. State its characteristics.
- 10. Describe the seven principles of public life.
- 11. Discuss ethics vs morals.

[6]

[6]

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