

Paper 3- Fundamentals of Laws and Ethics



Paper-8: Fundamentals of Laws and Ethics

Full Marks: 100

Time allowed:3 hours

Section A

1. Answer the following questions:

Choose the correct answer from the given four alternatives:

[1 × 25 = 25]

- (i) Social agreements are
- (A) Enforceable in the courts
 - (B) Not enforceable in the courts
 - (C) Subject to legal obligations
 - (D) Made by social workers
- (ii) Cross offer do not constitute a contract because
- (A) there is no acceptance
 - (B) there is implied acceptance
 - (C) crossing implies cancellation
 - (D) it amounts to counter offer
- (iii) When parties enter into a contract on telephone the contract becomes complete at the place where acceptance is heard by the proposer. This has been provided
- (A) In no section of Indian Contract Act but so decided by the Supreme Court
 - (B) In section – 2
 - (C) In section – 3
 - (D) In section – 4
- (iv) The difference between an advertisement for sale and a proposal is
- (A) No difference at all
 - (B) Every case will be viewed according to the circumstances crossing implies cancellation
 - (C) Every case will be viewed according to the circumstances
 - (D) None of these
- (v) 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
- (vi) Unpaid Seller can exercise his right of re-sale of goods—
- (A) even when property in goods has passed to the Buyer
 - (B) only when property in goods has not passed to the Buyer
 - (C) either (a) or (b)
 - (D) neither (a) nor (b)
- (vii) The term 'quasi-contracts' is :
- (A) Defined By Section 68 of the Indian Contract Act
 - (B) Named 'implied in fact contract' by Section 69 of the Indian Contract Act

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- (C) Found as 'unjust' enrichment' is Section 70 only of the Indian Contract Act
(D) Conspicuous by its absence in the Indian Contract Act
- (viii) A Contract of personal nature can be performed by
(A) The promisor
(B) The agent
(C) The legal representative
(D) None of the above.
- (ix) On auctioneer will be liable for damages:
(A) If the auctioneer had no authority to sell the goods
(B) If there is a defect in principal's title
(C) If the buyer's possession is distributed by auctioneer principal or auctioneer himself
(D) All of the above.
- (x) "Nemo dat quad non habet", means:
(A) no one is greater than god
(B) None can give who does not himself possess
(C) everyone can give everything he has
(D) everyone is bound by habit
- (xi) Voluntary transfer of possession from one person to another is called as
(A) Ownership
(B) Delivery
(C) Gift
(D) License
- (xii) "Future goods"
(A) can be the subject matter of sale
(B) cannot be subject matter of sale
(C) sometimes may be subject matter of sale
(D) depends on circumstances
- (xiii) ----- parties are involved in a Bill of exchange.
(A) 2
(B) 3
(C) 4
(D) 1
- (xiv) The term Negotiable instrument is defined in section ___ of the Negotiable Instrument Act, 1881
(A) 2
(B) 13
(C) 12
(D) 10
- (xv) A borrows Rs 5,000 from B to purchase a revolver to shoot C. Can B recover his loan of Rs 5,000.
(A) Yes, the agreement between them is valid and enforceable.
(B) Yes, the agreement is not opposed to public policy

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- (C) no, the agreement is a voidable agreement and can be avoided by A.
(D) no the agreement fails under section 23 and hence void.
- (xvi) Two persons have the capacity to contract
(A) If both are not of unsound mind
(B) If none is disqualified from contracting by any law to which he is subject
(C) If both have attained the age of maturity
(D) All of the above
- (xvii) For a valid contract
(A) Both the parties should have given their consent
(B) The consent should be free
(C) Both (A) & (B)
(D) Either (A) & (B)
- (xviii) 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
(B) B can only claim damages
(C) B has no remedy as the contract is illegal
(D) B can enforce the contract or claim damages
- (xix) A Borrowed Rs 1,000 from B. A die before paying
(A) Both the parties should have given their consent
(B) The consent should be free
(C) Both (A) & (B)
(D) Either (A) & (B)
- (xx) When time is not the essence of contract
(A) It is expected that the promisor would perform the contract within the time
(B) It must be performed within a reasonable time
(C) The promisor would perform the contract within stipulated time
(D) None of these
- (xxi) When a minor has been supplied with necessaries in credit
(A) The minor is liable
(B) The minor's property is liable
(C) The minor is personally liable
(D) The minor is liable at his option
- (xxii) General offers open for world at large can be accepted by
(A) Any person in the world
(B) Any person within the country
(C) Any person who complies with the conditions of the offer
(D) Any person who reads the advertisement
- (xxiii) A counter offer proposing different terms and conditions
(A) Amount to acceptance of the offer
(B) Amount to rejection of the offer
(C) Result in making of the provisional contract

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(D) Both (b) & (c)

(xxiv) A Contracts with B to construct a building for a fixed price,B supplying the necessary timber. This reciprocal promise is

- (A) Mutual and Independent
- (B) Mutual and Dependent
- (C) Mutual and Concurrent
- (D) None of the above

(xxv) Who among the following cannot cross a cheque

- (A) Drawer
- (B) Holder
- (C) Banker
- (D) Foreigner

2. Match the following:

[1 X5=5]

| | Column A | | Column B |
|-------|---------------------------------|-----|--|
| (i) | Cross Offer | (A) | Sec.56 |
| (ii) | Contingent Contracts | (B) | Acceptability in the market |
| (iii) | Rule of Impossibility | (C) | Identical offer made in ignorance of each other. |
| (iv) | Condition as to Merchantability | (D) | Sec.32 to 36 |
| (v) | Existing Goods | (E) | Sec.6 Of the Sale Of Goods Act,1930 |

3. State whether the following statement is True or False:

- (i) Can there be an acceptance of an offer which has not come to the knowledge of the offeree.
- (ii) Silence is fraud when silence is, in itself equivalent to speech
- (iii) All contracts are agreements.
- (iv) Restitution of benefit is allowed in case of a minor.
- (v) Seller can sue for price only when property in goods has passed on the buyer.
- (vi) 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
- (vii) caveat emptor means buyer be aware.
- (viii) A cheque is a bill of exchange drawn on a specified banker payable on demand.
- (ix) If the agreement is made by obtaining consent by doing an act forbidden by the Indian Penal Code, the agreement would be caused by fraud.
- (x) Unpaid seller has right of lien, stoppage of goods in transit, resale, sue for price, sue for specific damages, sue for interest etc
- (xi) Symbolic delivery occurs by doing some act, which has the effect of putting the goods in the possession of the buyer. Delivery of the keys to a godown or warehouse is symbolic delivery
- (xii) A Negotiable Instrument may be transferred by delivery.

4. Answer any four of the following questions:

[7X4=28]

- (i) Essentials of a valid acceptance
- (ii) Under what condition promise to compensate for voluntary services
- (iii) What are the features of Quasi Contract
- (iv) Definition of Beach of Contract and there types
- (v) Rules regarding an auction.
- (vi) Differences between Sale and Agreement to Sell
- (vii) Types of Negotiable Instrument

Section B

5. Choose the correct answer from the given four alternatives:

[1X12=12]

- (i) The study of Ethics is divided into ____ operational areas.
 - (A) 6
 - (B) 4
 - (C) 5
 - (D) 9
- (ii) Business ethics is a code of conduct which society should follow while conducting their social activities.
 - (A) True
 - (B) False
 - (C) Partly True
 - (D) None of the above
- (iii) Feature that us Not present 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
- (iv) Which of the following is not a "code of conduct"
 - (A) Code of ethics
 - (B) Code of conduct
 - (C) Code of behavior
 - (D) Code of management
- (v) Business ethics relates to
 - (A) Society's decisions
 - (B) An individual's or work group's decisions
 - (C) Customers decisions
 - (D) Government decisions
- (vi) 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

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- (D) Collusion with other companies
- (vii) -----are beliefs about what is right and wrong or good or bad
- (A) Mores
 - (B) Motivations
 - (C) Cultures
 - (D) Ethics
- (viii) Administrative corruption includes "gift" to the _____
- (A) Factory inspector
 - (B) Boiler inspector
 - (C) Pollution control board inspectors
 - (D) All of the above
- (ix) A set of principles and expectation that are considered bindind on any person who is member of a particular group
- (A) Code of ethics
 - (B) Values
 - (C) Ethics
 - (D) None of the above
- (x) Business ethics has a _____application
- (A) Factory inspector
 - (B) Boiler inspector
 - (C) Pollution control board inspectors
 - (D) All of the above
6. State whether the following statement is True or False: [1 X 6=6]
- (i) The word ethics is derived from Greek Word.
 - (ii) Ethics refers to the study and development of one's ethical standards.
 - (iii) Holders of public office are not accountable to their decisions and actions to the public.
 - (iv) Ethics fundamentally comprises of four elements.
 - (v) Ethics & Morals are same think.
 - (vi) "It is difficult but not impossible to conduct strictly honest business" is famous quote by Mahatma Gandhi
7. Answer any two of the following question: [6 X 2=12]
- (i) Discuss the relationship between Ethics and Law
 - (ii) Define Value free ethics & professional Ethics
 - (iii) Explain: any three principles of Public Life