Final Test Semester 2 Paper 7 INDIAN INSTITUTE OF MATERIALS MANAGEMENT Business Law [PGDMM, PGDSCM & L (2 years)]

Instructions:
1. Answer all 50 questions. Each question carries 2 marks Total: 100 Marks
2. Duration 1 Hour.

*Required

1. Email *

2. Name *

3. Roll Number *

4. _____ can be defined as a set of compelling obligations or principles that drive social transformation. 2 points

Mark only one oval.

☐ Method
☐ Law
☐ Principles
☐ Rights
5. "______ fosters the principles of equity and justice, while ______ regulate(s) and govern(s) the business structure, transactions and relationship with other parties."

*Mark only one oval.*

- Civil law, Criminal law
- Personal and customary law, Common law
- Common law, Mercantile laws
- Criminal law, Personal and customary law

6. The ______ is/are the foundational head of the Indian legal system which defines the ground rules or the code of conduct of human behaviour in the social and economic context.

*Mark only one oval.*

- Constitution of India
- Supreme Court
- High courts
- Subordinate courts

7. The mutual agreement for business transactions or otherwise between parties that defines the obligations of involved parties to each other is known as a ______.

*Mark only one oval.*

- promise
- contract
- agreement
- law

8. Under _____ of the _____, an ‘agreement’ means ‘every promise or a set of promises that forms a consideration for each other’.

*Mark only one oval.*

- Section 2(b); Companies Act, 1956
- Section 2c; Companies Act, 1956
- Section 2c; Indian Contract Act, 1872
- Section 2(b); Indian Contract Act, 1872
9. As per Section 2(l) of the Indian Contract Act, 1872, an agreement which is enforceable by law at the option of one or more parties, but not at the option of the other or others, is a/an _______.

*Mark only one oval.*

- illegal contract
- void contract
- valid contract
- voidable contract

10. The contract of indemnity is defined in ______ of the Indian Contract Act.

*Mark only one oval.*

- Section 131
- Section 133
- Section 124
- Section 134

11. ______ is defined under Sections 148 to 171 of the Indian Contract Act, 1872.

*Mark only one oval.*

- Bailment
- Pawn
- Pledge
- Agency

12. "A/An _____ can be appointed by any person who is eligible to enter into a contract, i.e., a person who is a major and is of sound mind."

*Mark only one oval.*

- pledger
- bailor
- pawner
- agent
13. ______ is an executor contract where both the parties are yet to perform their mutual promises within the agreed time. 

Mark only one oval.

☐ Sale of goods
☐ Agreement to sell
☐ Executed contract
☐ Contract of sale

14. Breach of ______ gives right to repudiate the contract and also to claim damages. 

Mark only one oval.

☐ condition
☐ stipulations
☐ warranty
☐ instances

15. The term ‘unpaid seller’ is defined in ______ of the Sale of Goods Act, 1930. 

Mark only one oval.

☐ Section 12(1)
☐ Section 45(a)
☐ Section 30(2)
☐ Section 30(1)

16. “A partnership is a ______ relationship between persons who have agreed to work together to perform certain business activities.” 

Mark only one oval.

☐ personal
☐ temporary
☐ permanent
☐ legal
17. “The laws relating to partnership are governed by the ______ and it extends to the whole of India except to the state of ______.”  
   
   *Mark only one oval.*
   
   ☐ Sale of Goods Act, 1930; Arunachal Pradesh
   ☐ Companies Act, 1956; Assam
   ☐ Indian Partnership Act, 1932; Jammu and Kashmir
   ☐ The Companies Act, 1956; Nagaland

18. “In ______ business mode, there is a legal relationship shared by only _____ entities which share the ownership of property.”  
   
   *Mark only one oval.*
   
   ☐ Hindu Undivided Family; three
   ☐ Co-ownership; two
   ☐ Joint stock company; four
   ☐ Sole proprietorship; two

19. India was introduced to a legal system of negotiable instruments in ______.  
   
   *Mark only one oval.*
   
   ☐ 1885
   ☐ 1932
   ☐ 1881
   ☐ 1951

20. According to _____ of the Negotiable Instruments Act, 1881, negotiable instruments include promissory notes, bills of exchange and cheques payable to the assignee or the holder of the instrument.  
   
   *Mark only one oval.*
   
   ☐ Section 4
   ☐ Section 13
   ☐ Section 5
   ☐ Section 31
21. According to ____ of the Negotiable Instruments Act, 1881, a bill of exchange is dishonoured by non-payment if the acceptor fails to make the payment on the due date.

*Mark only one oval.*

☐ Section 91  
☐ Section 80  
☐ Section 78  
☐ Section 92

22. ________ consists of laws that are designed to ensure the rights of consumers and the free flow of truthful information in the marketplace.

*Mark only one oval.*

☐ Companies Act, 1956  
☐ The Consumer Protection Act  
☐ Sale of Goods Act, 1930  
☐ Indian Partnership Act, 1932

23. As per Section 2(1)(f) of the Consumer Protection Act, 1986, "______" means any fault, imperfection or shortcoming in the quality, quantity, potency, purity or standard which is required to be maintained under any law or contract.

*Mark only one oval.*

☐ complaint  
☐ unfair trade practice  
☐ deficiency  
☐ defect
24. “The State Redressal Commission consisting of a President and not less than two members has been set up in each state to take up cases in which the value of goods or services along with the claim or compensation is greater than Rs. _____ but less than Rs. _____.”

Mark only one oval.

- 10 lakhs; 2 crores
- 15 lakhs; 1.5 crores
- 20 lakhs; 1 crore
- 30 lakhs; 3 crores

25. Copyright is denoted with the symbol of ____ and is valid for the lifetime of the author and a minimum of _______ years after the death of the owner.

Mark only one oval.

- #: 40
- $: 30
- &: 60
- ©: 50

26. The laws pertaining to trademarks are governed by the Trademarks Act, ____ in India.

Mark only one oval.

- 1999
- 2001
- 1997
- 2003
27. According to the law of copyright, the minimum punishment for an infringement of copyright is ______ months with a fine of Rs. ______.

Mark only one oval.

☐ three; 30000
☐ nine; 60000
☐ six; 50000
☐ twelve; 100000

28. As per Section 2(20) of the ______, “A company means a company incorporated under this Act or under any previous company law.”

Mark only one oval.

☐ Companies Act, 1956
☐ Companies Act, 2013
☐ Sale of Goods Act, 1930
☐ Consumer Protection Act, 1986

29. The minimum number of people required for formulating a public company and a private company are ______ and ______, respectively.

Mark only one oval.

☐ two; five
☐ six; three
☐ seven; two
☐ three; seven

30. The Companies Act, 2013, governed by the ______, classifies the companies on the basis of incorporation, liability of members, and number of members.

Mark only one oval.

☐ Ministry of Corporate Affairs
☐ Ministry of External Affairs
☐ Ministry of Finance
☐ Ministry of Consumer Affairs
31. The law relating to companies in India is contained in the Companies Act, 1956 as amended up to date. This Act runs into _____ sections and____ schedules.

Mark only one oval.

- 700; 20
- 558; 16
- 460; 13
- 658; 15

32. “In case a company fails to file its annual return under Subsection (4), the company shall be punishable with a penalty of not less than ___ thousand rupees that may extend up to ____ lakh rupees under Section 92 of the Companies Act, 2013.”

Mark only one oval.

- 50; 5
- 35; 10
- 40; 15
- 60; 20

33. A notice for calling an extraordinary general meeting (EGM) should be sent at least ____ days prior to the meeting. However, in case of a shorter notice, the consent of ____ voting members is required to conduct an EGM under Section 100 of the Companies Act, 2013.

Mark only one oval.

- 11; 75%
- 15; 80%
- 21; 95%
- 20; 85%
34. Articles ____ and ____ of the Constitution of India address the competition law.

*Mark only one oval.*

- 38; 39
- 41; 42
- 48; 49
- 58; 59

35. Competition Commission of India (CCI) was founded by the central government of India in ______ to achieve the objectives of Competition Act, 2002.

*Mark only one oval.*

- 12 October, 2002
- 14 November, 2003
- 14 October, 2003
- 13 November, 2002

36. As per ______, price-fixing agreements and group boycotts are horizontal agreements which, if entered, shall be considered as void under the Competition Act, 2002.

*Mark only one oval.*

- Section 4(2)
- Section 3(3)
- Section 5(3)
- Section 6(2)

37. The ______ is quintessential in order to keep up with the rapid pace to the settlement of the disputes between two or more parties or organisations in India.

*Mark only one oval.*

- High Court
- Supreme Court
- Alternative Disputes Resolution (ADR) system
- District Court
38. _____ provides for legal recognition for transactions done by electronic communication through the Internet, which is known as ‘electronic commerce’. It is an alternative method of communication as well as storage of information.

*Mark only one oval.*

- Information Technology Act, 2000
- Indian Succession Act, 1925
- Indian Trusts Act, 1882
- Right to Information (RTI) Act, 2005

39. A law was established in _____ and called _____ under which the employees must know about various policies and practices of an organisation.

*Mark only one oval.*

- 1996; Arbitration and Conciliation Act
- 2000; Information Technology Act
- 2017; IGST Act
- 2005; Right to Information (RTI) Act

40. Which one of the following laws regulates and governs the business structure, transactions and relationship with other parties?

*Mark only one oval.*

- Mercantile law
- Common law
- Civil law
- Criminal law

41. Which one of the following is the apex court in the Indian legal system?

*Mark only one oval.*

- Subordinate courts
- High courts
- Supreme Court
- None of these
42. Which one of the following source of laws are laid down in the Acts of Parliament, which is superior to and overrides any rules of the common law, equity or law merchant?

*Mark only one oval.*

- [ ] English Mercantile Law
- [ ] Statute laws
- [ ] Case laws
- [ ] Customs

43. Which one of the following Indian Mercantile Laws is a statute law?

*Mark only one oval.*

- [ ] The Indian Contract Act, 1872 and The Negotiable Instruments Act, 1881
- [ ] "The Sale of Goods Act, 1930 and The Indian Partnership Act, 1932”
- [ ] The Companies Act, 1956 only
- [ ] All of these

44. Which one of the following laws related to business should a manager know in an organisation?

*Mark only one oval.*

- [ ] Employment laws
- [ ] Licensing laws
- [ ] Environment laws
- [ ] All of these

45. Which one of the following is not a void agreement?

*Mark only one oval.*

- [ ] Agreements made without consideration (Section 25)
- [ ] Agreements made by incompetent parties (Section 11)
- [ ] Wagering agreement (Section 30)
- [ ] None of these
46. Which one of the following Sections describes that "when there is no time specified in the contract, the promise must be performed within a reasonable time. The reasonable time would depend on the circumstances of the promise"?

Mark only one oval.

☐ Section 46
☐ Section 47
☐ Section 48
☐ Section 49

47. A contract can be discharged if it is not executed within the time specified under the contract or by law. It is called:

Mark only one oval.

☐ Discharge by operation of law
☐ Discharge by mutual agreement
☐ Discharge by lapse of time
☐ Discharge by performance

48. According to which one of the following cases of breach of contract can the party with whom the breach has been done obtain a right of action against the party who has done the breach of contract?

Mark only one oval.

☐ Anticipatory breach
☐ Actual breach
☐ Both a and b
☐ None of these

49. Which one of the following contracts is performed only upon the experience of a possible future event?

Mark only one oval.

☐ Contingent Contract
☐ Wagering Contract
☐ Quasi-contract
☐ Void contract
50. Which one of the following is not a party in the contract of guarantee?  

Mark only one oval.

☐ Surety
☐ Principal debtor
☐ Creditor
☐ "Indemnifier and
☐ Indemnity holder"  

2 points

51. A surety can revoke continuing guarantee at any time by intimating the creditor for any further transaction according to:

Mark only one oval.

☐ Death of surety (Section 131)
☐ Notice of revocation (Section 130)
☐ Loss of security (Section 141)
☐ Release or discharge of principal debtor (Section 134)  

2 points

52. When a debt is guaranteed by two or more than two persons, which one of the following rights of a surety does exist?  

Mark only one oval.

☐ Rights against the creditor
☐ Rights against the principal debtor
☐ Rights against co-sureties
☐ Right to be indemnified  

2 points

53. Which one of the following types of lien can only be vested for holding particular goods for which the dues are not cleared?  

Mark only one oval.

☐ Particular lien
☐ General lien
☐ Both a and b
☐ None of these  

2 points
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