

**BBA**  
**Third Semester**  
**Business Law**  
**(BBA- 303)**

**Duration: 3Hrs.**

**Full Marks: 70**

Part-A (Objective) =20  
Part-B (Descriptive) =50

**(PART-B: Descriptive)**

**Duration: 2 hrs. 40 mins.**

**Marks: 50**

**Answer any four from Question no. 2 to 8**  
**Question no. 1 is compulsory.**

1. Define the term 'Company'. Discuss about the characteristics of company. 10
2. What is Memorandum of Association? What are its clauses? Distinguish between Memorandum of Association and Articles of Association. 2+3+5=10
3. How contract is defined in the Indian Contract Act, 1872? What are the essential elements of a valid contract? 2+8=10
4. What do you mean by consideration? "No consideration no contract" Comment. What are the exceptions to this rule? 2+3+5=10
5. What is a contract of sale? What are the essentials of a contract of sale? Distinguish between a sale and an agreement to sell. 2+3+5=10
6. Define a Promissory Note and a Bill of Exchange. What are the circumstances in which a party to a negotiable instrument is discharged from liability? 5+5=10
7. How partnership is defined in the Indian Partnership Act, 1932? What are the rights of a partner? 2+8=10
8. What are the objectives of the Consumer Protection Act, 1986? Write about the Composition and jurisdiction of District Consumer Forum. 5+5=10

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**BBA**  
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**Duration: 20 minutes**

**Marks – 20**

**(PART A - Objective Type)**

**I. Choose the correct answer:**

**1×10=10**

1. Which of the following is not a characteristic feature of company ?
  - (a) Artificial person
  - (b) Separate property
  - (c) Carry on a business for gain
  - (d) Limited liability
2. Which of the following is true about the common seal of a company ?
  - (a) It acts as a symbol of its incorporation
  - (b) It is a statutory requirement
  - (c) It furnishes the authenticity of a document of the company executed
  - (d) All of the above.
3. A statement defining the constitution and objects of the company is known as
  - (a) Prospectus
  - (b) Statement in lieu of prospectus
  - (c) Memorandum of Association
  - (d) Articles of Association.
4. Formation of a private company does not require
  - (a) Declaration of compliance
  - (b) Filing of M.O.A.
  - (c) Filing of A.O.A.
  - (d) Statement in lieu of Prospectus.
5. A declaration by signatories to the Memorandum about their desire to form a company and to take shares is contained in
  - (a) Name clause
  - (b) Objects clause
  - (c) Capital clause
  - (d) Subscription clause.

6. The Board of directors cannot appoint

- (a) Additional directors
- (b) Casual director
- (c) Alternate directors
- (d) Nominee director.

7. Who among the following persons cannot be appointed as director of any company

- (a) An undischarged insolvent
- (b) A person of unsound mind
- (c) A person who has been convicted by a court
- (d) All of the above.

8. Which of the following duties is not a general duty of director of a company ?

- (a) Duty of good faith
- (b) Duty of care
- (c) Duty to attend Board meetings
- (d) Duty not to delegate.

9. A Statutory Meeting must be held

- (a) After 1 month but before 6 months of obtaining the certificate to commence business
- (b) After 1 month but before 3 months of obtaining the certificate to commence business
- (c) After 1 month but before 6 months of incorporation
- (d) After 1 month but before 3 months of incorporation

10. Which of the following is not a basic requirement to form a valid contract of sale

- (a) Two parties
- (b) Transfer of property in goods
- (c) Consideration in price
- (d) Delivery of goods

11. Which of the following is not an essential element of a valid contract ?

- (a) Offer and acceptance
- (b) Free consent and consideration
- (c) Lawful object
- (d) Performance

12. A valid contract becomes a void contract due to

- (a) Supervening impossibility
- (b) Change of law
- (c) Repudiation of a voidable contract
- (d) All of the above.

13. Which of the following rule does not apply to a void offer ?

- (a) The offer must be capable of creating legal relations
- (b) The offer must be unconditional
- (c) The offer must be certain, definite and not vague
- (d) The offer must be communicated.

14. An offer comes to an end
- (a) By lapse of reasonable time
  - (b) By death or insanity of the offeror or offeree before acceptance
  - (c) By revocation by the offeror or rejection by the offeree
  - (d) In all the above cases.
15. Which among the following persons are not competent to contract ?
- (a) Minors
  - (b) Persons of unsound mind
  - (c) Persons disqualified from contracting
  - (d) All of the above.
16. Discharge of a contract due to material alteration falls under
- (a) Novation
  - (b) Operation
  - (c) Substituted agreement
  - (d) Remission.
17. Which one of the following is a negotiable instrument by custom and usage among the businessmen?
- (a) Deposit receipt
  - (b) Demand draft
  - (c) Dividend warrant
  - (d) Share certificate.
18. Which of the following is considered 'exact test' of partnership ?
- (a) Mutual agency
  - (b) Sharing of profits
  - (c) Agreement
  - (d) Carrying on business.
19. The maximum number of partners in a partnership firm carrying on an ordinary business may be
- (a) 10
  - (b) 20
  - (c) 50
  - (d) None of the above.
20. The Consumer Protection Act enshrines which of the following rights of consumers ?
- (a) Right to safety
  - (b) Right to be informed
  - (c) Right to seek redressal
  - (d) All of the above.

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