

Choose the most appropriate option.

Overwriting and cutting is not allowed.

1. A contract of sale of goods is a contract whereby the seller transfers or agrees to transfer the property:
 1. for a price
 2. in goods
 3. in goods to the buyer for a price
 4. none of the options provided
2. A declaration of intention
 1. Memorandum of Association.
 2. An application for registration.
 3. A statement of compliance.
 4. The appropriate fee.
3. The ___ constitute the top administrative organ of the company.
 1. general manager
 2. shareholders
 3. Board of directors.
 4. Advisory panel.
4. The partnership entity may be regarded as ____.
 1. A legal entity
 2. An accountable entity.
 3. Both a legal and accountable entity.
 4. neither a legal nor an accountable entity
5. A prospectus is to be issued within _____days of registration.
 1. 30
 2. 60
 3. 90
 4. 180

6. The Negotiable Instruments Act, 1881 is an Act to define and amend the law relating to:

1. cheques
2. bills of exchange
3. promissory notes,
4. All of the above

7. In a Promissory Note, how many parties are involved:

1. 1
2. 2
3. 3
4. 4

8. Which court can entertain any offence punishable under section 138:

1. Court not inferior to that of a Judicial Magistrate of the first class.
2. Any court having jurisdiction may entertain such case.
3. Court not inferior to that of a Metropolitan Magistrate.
4. Options A and C are correct.

9. When a bill is said to be dishonored:

1. where presentment is excused and the bill is not accepted
2. one of several drawees makes default in acceptance upon being duly required to accept the bill.
3. by non-acceptance by the drawee
4. All of the above.

10. To start a partnership business, what should be the minimum number of partners?

1. 2
2. 10
3. 4
4. 20

11. What is the partnership written agreement known as?

1. Partnership contract
2. Agreement
3. Partnership deed

4. Partnership Act

12. Which types of partnership have no agreement in terms of the duration of partnership?

1. Partnership-at-will
2. Limited partnership
3. General partnership
4. Particular partnership

13. Salary of a partner is ____.

1. Credited to a current account
2. Debited to a current account
3. Paid in Cash
4. All the above

14. The term 'body corporate' is applicable to which two types of business form?

1. Companies and sole proprietorships
2. Partnerships and limited liability partnerships
3. Companies and limited liability partnerships
4. Companies and partnerships

15. What is 'limited liability?'.

1. Limited liability refers to how much the directors have to contribute in the event of the company becoming insolvent.
2. Limited liability refers to the ability of a member to limit his liability.
3. Limited liability refers to the directors' ability to limit their liability for acts of negligence, fraud etc.
4. Limited liability refers to the ability of a company to limit its liability.

16. ____ are companies created by a special act of the legislature.

1. Registered company
2. Public Ltd Company
3. Private Ltd company
4. Statutory company

17. Preliminary Contracts are signed ____.

1. Before the incorporation
2. After incorporation but before the capital subscription
3. After incorporation but before the commencement of business
4. After commencement of business

18. Powers, rights, remuneration, qualification, and duties of directors are discussed clearly in ____.

1. Memorandum of Association
2. Articles of Association
3. Prospectus
4. None of the above

19. Regarding the appointment of a receiver, which one of the following statements is NOT true?

1. A receiver may be a natural person or a body corporate.
2. A charge holder can appoint a receiver if the instrument that created the charge states so.
3. The court can appoint a receiver upon an application from a creditor.
4. An undischarged bankrupt cannot normally act as a receiver.

20. An administrator is appointed to realize a hierarchy of objectives. What is an administrator's first objective?

1. To achieve a better result for the company's creditors as a whole than would be likely if the company were wound up.
2. To achieve a better result for the company's creditors as a whole than would be likely if the company were wound up.
3. To rescue the company as a going concern.
4. To wind the company up and distribute the assets to persons entitled to them.

21. What is the person writing out the order to pay called?

1. Drawee
2. Acceptor
3. Payee
4. Drawer

22. In the same country, which bill can be written and accepted?

1. Inland bill
2. Foreign bill
3. Accommodation bill
4. Trade bill

23. Who incurs the interest when a bill is renewed?

1. Drawer
2. Acceptor
3. Endorser
4. Drawee

24. What is the other name for the accommodation bill?

1. Payee bill
2. Kite bill
3. Drawee bill
4. Drawer bill

25. The BOE includes an unconditional ___?

1. Payment
2. Promise
3. Order
4. Pay order

26. An agreement enforceable by law is

1. agreement
2. contract
3. offer
4. promise

27. Every promise and every set of promises, forming the consideration for each other is an

1. agreement
2. offer
3. contract
4. acceptance

28. In a contract of indemnity the right of the indemnifier is similar to that of the:

1. debtor
2. creditor
3. surety
4. agent

29. In a contract of indemnity, minimum no of parties are

1. 4
2. 3
3. 2
4. 1

30. The sale of goods act is of:

1. 1903
2. 1923
3. 1930
4. 1932

31. Seller is a person who

1. sells
2. buys
3. debtor
4. transferee

32. Document of title includes

1. business reports
2. railway receipt
3. cash memo
4. email

33. A person coming forward to accept after it has been dishonoured is called:

1. acceptor for honour
2. acceptor for paying
3. payment for honour
4. holder

34. Protest for better security is done for publicity stunt.

1. True
2. False
3. Attention
4. fun

35. When an instrument is lost, it is presumed that it was duly stamped

1. true
2. false
3. not inchoate
4. inchoate

36. Which one of the following element is not necessary for a contract?

1. Competent parties
2. Reasonable terms and conditions.
3. Free consent
4. Lawful concentration

37. An agreement becomes a contract if :

1. It is by free consent of the parties.
2. Parties are competent.
3. It is enforceable by law.
4. None of the above .

38. In a standardized contract :

1. The individual has no choice but to accept and sign on
2. The individual must be protected in contract.
3. The agreement is without consideration.
4. None of the above.

39. The correct sequence in the formation of a contract is :

1. Offer, acceptance, agreement, consideration.
2. Agreement, consideration, offer, acceptance.
3. Offer , Consideration, acceptance, agreement.
4. Offer, acceptance, consideration, agreement.

40. A sells, by auction to B a horse which A knows to be unsound. A says nothing to B about the horse unsoundness. A does:

1. Fraud
2. Misrepresentation
3. No fraud
4. Undue Influence

41. A patient in a lunatic Asylum who is at intervals of sound mind:

1. May not contract.
2. May contract.
3. May contract during those intervals when he is of sound mind.
4. May contract only after he becomes completely of sound mind .

42. Which is not the correct statement ?

1. If consent is the result of coercion, the agreement is
2. If a party is minor, the agreement is void .
3. If the object of an agreement is unlawful, the agreement is void.
4. If the consideration of an agreement is unlawful, the agreement

43. What is the purpose behind the enactment of Sale of Goods Act, 1930?

1. To define the laws relating to the sale of goods
2. To consolidate and amend the laws relating to the sale of goods
3. To consolidate, amend and define the laws relating to the sale of goods
4. To define and amend the laws relating to the sale of goods

44. Section 2(1) of Sale of Goods Act defines 'buyer' as:

1. Person who buys goods and services
2. Person who agrees to buy goods
3. Person who buys or agrees to buy goods
4. Person who buys or agrees to buy goods and services