



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

FUNDAMENTALS OF BUSINESS LAWS AND BUSINESS COMMUNICATION (PAPER - 1)

MCQ BANK

SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
1	What are the sources of law? +B7:F23B7:F29B7:F33D96B7:G14B7:F37D96B7:G14B7:F41D96B7:G14B7:F45D96B7:G14B7:F51D96B7:G14B7:E56D96B7:G14B7:E61D96B7:B7:F134	Constitution of India	Constitution of India, judicial precedents, customary laws, statutes and ordinance	Statutes enacted by the Parliament of India and State Legislatures	Religion
2	Which Article in the Constitution of India, 1950 has provisions for introduction of a bill in the Parliament of India?	Article 119	Article 141	Article 107	Article 243
3	Money Bill is introduced in which House of the Parliament?	Council of People – Lok Sabha	Council of States – Rajya Sabha	Both the Houses	None of the Houses
4	Under what Article of the Constitution of India, 1950 is The President of India empowered to make an Ordinance?	Article 243	Article 123	Article 129	Article 368
5	The essence of Sub-Ordinate legislation can be found in which Article of the Constitution of India, 1950?	Article 12	Article 32	Article 13	Article 14
6	When was the Constitution of India passed by the Constituent Assembly?	26th January 1950	26th November 1949	25th November 1949	15th August 1947
7	Which is the highest Court in India?	High Court	Supreme Court of India	International Court of Justice	Sessions Court
8	Which Articles of the Constitution of India have the power to entertain petitions of violation of Fundamental Right?	Article 32	Article 226	Article 226 and Article 32	Article 356
9	Which is the highest civil court in a district?	Sessions Court	Supreme Court of India	District Court	High Court
10	Which Article of the Constitution of India empowers the legislature to make laws?	Article 12	Article 243	Article 141	Article 245
11	When was the Supreme Court of India established?	26th November 1949	26th January 1950	28th January 1950	1st October 1937
12	Which Article of the Constitution of India stipulates law made by the Supreme Court of India?	Article 141	Article 245	Article 368	Article 352
13	What is the Schedule in the Constitution of India, for Separation of Subject for Legislature?	9th Schedule	7th Schedule	32nd Schedule	14th Schedule
14	What kind of structure does the Indian Constitution have?	Unitary	Federal	Autocracy	Totalitarian
15	Under which Article can we amend the provisions of the Constitution of India?	Article 356	Article 368	Article 254	Article 245
16	Which is the lowest court to approach for criminal matters?	Munsif Court	Judicial Magistrate	Sessions Court	District Court
17	Mention the number of judges in the Supreme Court of India including Chief Justice of India currently.	23	32	34	46
18	Fundamental Rights are mentioned under which part of the Constitution of India?	Part-II	Part-III	Part-IX	Part-XII
19	Municipalities are provided for authority under which part of the Constitution of India?	Part IX	Part IXA	Part III	Part I
20	Under what Article of the Constitution of India, 1950 is the Governor of a State empowered to make an Ordinance?	Article 123	Article 243	Article 245	Article 213



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21	What Are Personal Laws?	Laws relating to inter personal behaviour	Customs (religious beliefs) that have now been codified	Laws that a person makes	Laws based on opinion
22	Which Article of the Constitution of India, deal with inconsistency between laws made by Parliament and laws made by the Legislatures of States?	Article 245	Article 254	Article 368	Article 32
23	What is a Private Bill?	A bill introduced by a member other than a Minister	Bill introduced by a private citizen	Bill introduced by a Private company	A bill relating affairs which are private to individual
24	The Parliament for the Union of India which shall consist?	The President, the Council of States (Rajya Sabha) and the House of the People (Lok Sabha)	Rajya Sabha	Lok Sabha	Legislative Assembly
25	Secondary/Sub-ordinate legislation cannot go beyond:	The ambit of the Act	The ambit of the Act or the Constitution of India	The Constitution of India	Directive Principles of State Policy
26	The Appellate court for National consumer disputes redressal communication tribunal is	High Court	district courts/Subordinate court	court of subordinate judge class -1	supreme court
27	The ancient Indian courts can be evided into six categories based on their rank as :	The Gana- The Kula- The Shreni - The Nripa - the Adhikrita - The Sasita	The Kula - The Shreni - The Gana - the Adhikrita - The sasita - The Nripa	The Kula -the Adhikrita - The Gana - the Adhikrita - The sasita - The Nripa- The shreni	The Nripa -the Adhikrita- The Kula -The Gana -The shreni - The sasita
28	Voidable contract is one :	Which is lawful	Which is invalid	Which is valid so long it is not avoided by the party entitled to do so	None of these
29	The difference between an advertisement for sale and a proposal is :	No difference at all	That a proposal becomes a promise as soon as the party to whom it is made accepts it but an advertisement does not	Every case will be viewed according to the circumstances	None of these
30	In a Book depot a catalogue of books enlisting the price of each book and specifying the place where the particular book is available is :	An invitation to offer	An offer	An invitation to visit the book shop	None of these
31	A catalogue of the goods of a company for sale a series of offers but only an invitation for offers.	is	is not	in normal cases is	in normal cases is not



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32	An offer does not lapse if the :	offeror dies before acceptance	The offeree dies before acceptance	Acceptance is made by the offeree in ignorance of the death of the offeror	Acceptance is made by the offeree with knowledge of the death of the offeror
33	A telephonic acceptance is complete when the offer is :	spoken into the telephone	heard but not understood by the offeror	heard and understood by the offeror	is received, heard and understood by some person in the offeror's house
34	With regard to the contractual capacity of a person of unsound mind, which one of the following statements is most appropriate?	A person of unsound mind can never enter into a contract	A person of unsound mind can enter into a contract	A person who is usually of unsound mind can contract when he is, at the time of entering into a contract, of sound mind	A person who is occasionally of unsound mind can contract although at the time of making the contract, he is of unsound mind
35	While obtaining the consent of the promisee, keeping silence by the promisor when he has a duty to speak about the material facts, amounts to consent obtained by:	Coercion	Misrepresentation	Mistake	Fraud
36	A' threatened to commit suicide if his wife did not execute a sale deed in favour of this brother. The wife executed the sale deed. This transaction is:	Voidable due to undue influence	Voidable due to coercion	Void being immoral	Void being forbidden by law
37	A contract which is vitiated by undue influence is declared as which one of the following by the Indian Contract Act?	Invalid	Void	Illegal	Voidable
38	Consider the following: 1. Active concealment of fact. 2. Promise made without any intention of performing it. 3. Breach of duty which gains an advantage to the person committing it. 4. Inducing mistakes as to subject matter. Which of the above amount to fraud?	1 and 2	2 and 3	3 and 4	1 and 4
39	Factors vitiating consent are:	Coercion, Undue influence	Fraud, Misrepresentation	Mistake	All of these
40	Misrepresentation means:	Unwarranted assertion	Any breach of duty without an intent to deceive	Innocent mistake	All the above
41	If a party stands in a fiduciary relation to the other:	He cannot dominate	He can dominate the will of another	The trust should be maintained	None of these
42	A person is deemed to be in a position to dominate the will of another if he:	Holds real or apparent authority	Stands in a fiduciary relationship	Both 1 and 2	Either 1 or 2



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43	If both the parties to a contract believe in the existence of a subject, which in fact does not exist, the agreement would be :	Unenforceable	Void	Voidable	None of these
44	For a valid contract :	Both the parties should have given their consent	The consent should be free	Both 1 and 2	Either 1 or 2
45	When both the parties to an agreement are under a mistake as to a matter of fact essential to an agreement, the agreement is:	Void	Valid	Voidable	Illegal
46	In Indian Contract Act, the term consensus ad idem means :	Parties under a mistake	Parties under the free consent	Parties agreeing upon the same thing in same sense	None of these
47	To prove undue influence, the plaintiff has to prove that:	The relations, subsisting between the parties are such that the defendant was in a position to dominate the will of the plaintiff	The defendant used that position to obtain an unfair advantage from the plaintiff	Both 1 and 2	None of these
48	The validity of contract is not affected by :	Mistake of fact	Mistake of Indian law	Misrepresentation	Fraud
49	Unlawful agreements comprise :	Illegal agreements	Immoral agreements only	Agreements opposed to public policy only	All the agreements mentioned above
50	The exceptions to the rule that an agreement in restraint of trade is void, are contained in :	The provisions of Sec. 27 of the Contract Act only	Secs. 11, 36, 54 and 55 of the partnership Act only	Both the above mentioned provisions of the Contract Act & Partnership Act respectively	None of the above provisions
51	A contract to trade with an enemy is :	an immoral agreement	a valid agreement	an agreement opposed to public policy	an enforceable agreement
52	An agreement will be unlawful if:	There is no consent	Consent is not free	There is no consideration	The object is forbidden by law
53	In a wagering agreement:	Both the parties win	Both the parties lose	None of the parties wins	One party wins and the other loses
54	Which one of the following statements is correct?	Void agreements are always illegal	Illegal agreements are voidable	Illegal agreement can be ratified by the parties	Illegal agreements are always void



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55	Which one of the following is not a wagering agreement?	A lottery	An agreement to buy a ticket for a lottery	Commercial transaction, the intention of which is not to deliver the goods but only to pay the difference in price	A contract of insurance
56	A wagering agreement in India is declared by the Contract Act as :	Illegal and void	Void but not illegal	Voidable at the option of the aggrieved party	Immoral
57	Which one of the following is a void agreement?	An agreement without consideration	An agreement in restraint of marriage	An agreement in restraint of trade	All of the above
58	An agreement which restricts a person's freedom to marry or to marry any person of his choice is against public policy and is :	Lawful	Illegal	Void	None of these
59	An agreement of service under which an employee agrees that he will serve a particular employer for a certain duration and that he will not serve anybody else during that period, is :	Valid agreement	Void agreement	Illegal agreement	None of these
60	If the seller agrees to supply all the goods produced by him to a certain buyer and to nobody else, and the buyer also, in turn undertakes to accept the whole of the quantity, the agreement is :	Void agreement	Solus agreement	Illegal agreement	None of these
61	M, who is a dealer in mustard oil only, agrees to sell to N '500 litres of oil'. This agreement is :	Valid contract	Void contract	Voidable contract	Unenforceable contract
62	A and B agree that A shall pay ₹1,000 for which B shall afterwards deliver to an either rice or smuggled opium. In this case :	The first agreement is void and the second voidable	The first is voidable and the second is void	The first is valid and the second is void	The first is void and the second is valid
63	A agrees to sell to B a 'hundred tons of oil'. There is nothing whatever to show what kind of oil was intended. The agreement is :	Valid	Void for uncertainty	Voidable	Illegal
64	A agrees to sell to B 'my white horse for ₹500 or ₹1,000'. There is nothing to show which of the two prices was to be given. The agreement is :	Valid	Void	Voidable	Unenforceable
65	Agreements between a husband and wife living in friendly environment are :	Valid contracts	A void contracts	Domestic arrangements	Voidable contract
66	A promised to marry none else than Miss B and in default to pay her a sum of ₹1,000. Subsequently A married Miss C and Miss B sued for recovery of ₹1,000. The contract is :	Valid	Void	Voidable	Enforceable
67	A promises B to pay ₹100 if it rains on Monday, and B promises A to pay ₹100 if it does not rain on Monday. This agreement is :	a valid agreement	avoidable agreement	a wagering agreement	an illegal agreement



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68	P engages B to kill C and borrows ₹100 from D to pay B. If D is aware of the purpose of the loan, the transaction is :	Valid	Void	Illegal	Not enforceable
69	A leaves a firm doing a particular business in Mumbai. He agrees with the other partners of the firm not to start a similar business as that of the firm in and around Mumbai for 3 years. This agreement is :	Valid	Immoral	Illegal	Void
70	A, while filling up the insurance application form, states his age as 25 believing it to be true. His actual age was 27. The Life Insurance Corporation issued a policy in his favour charging a lower premium than what it should have charged if the actual age had been given. This is a case of :	Fraud	Misrepresentation	Undue influence	Mistake of fact
71	B, having discovered a vein of ore on the estate of A, adopts means to conceal, and does conceal, the existence of the ore from A. Owing to A's ignorance B is enabled to buy the estate at a low-price. The contract is :	Valid	Void	Voidable at the option of A	Invalid
72	B let a cabin on hire to P a prostitute, knowing that it would be used for immoral purposes. The agreement is :	Enforceable	Valid	Voidable	Void
73	A enters into an agreement with B who has robbed A of ₹10,000 to drop prosecution against him (B) in consideration of B's returning ₹8,000. Afterwards B refused to pay. A can get from B	₹ 8,000	₹ 100	Nothing	₹ 10,000 plus damages
74	A agrees with B to discover treasure by magic for a consideration of ₹500. This is :	A void agreement	A void contract	A valid agreement	An unenforceable contract
75	X, a tailor, employed Y as his assistant under an agreement that Y, on termination of his employment shall not start the business of a tailor. This restraint is :	Void	Valid	Illegal	Voidable
76	X leaves a firm doing a particular business in Delhi. He agrees with other partners of the firm not to start a similar business as that of the firm in Delhi for 2 years. This agreement is :	Void	Valid	Voidable at X's option	Invalid
77	X promises to supply Y one tola of gold brought from the sun. This is :	a valid contract	an illegal contract	a void agreement	a voidable agreement
78	A promises B not to carry on a similar business as that of B if B pays him a certain amount. B pays the money but A continues to carry on the business. B can :	Do nothing	Compel A to stop the business	Get him imprisoned for fraud	Sue A for damages
79	A purchases B's business of selling neckties in Delhi. A can restrain B from :	Doing the business of selling neckties again in his life	Doing any business in Delhi	Doing the business of selling neckties in Delhi for a limited period	None of the above
80	A promised to marry B and none else and promised her to pay a sum of ₹5,000 in addition to what he gets from the other party if he marries someone else. A marries C and gets ₹10,000 from C. B can get from A :	₹ 15,000	₹ 10,000	Nothing	₹15,000 plus damages



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81	A promised B to obtain an employment for him in a public office. B promised to pay ₹2,000 to A for this. B gets a job through A but refuses to pay the money. A can :	Challenge B's appointment on the ground of non-payment of money	Sue B for ₹ 2,000	Do nothing	Do both given at 1 and 2
82	A, a Hindu already married with a living wife B, enters into a marriage agreement with a widow of 30 years of age. This agreement is :	Void, because of being opposed to public policy	Valid and can be enforced by either party	Voidable, because A has obtained B's consent by exercising undue influence against her	Void, because of being forbidden by law
83	Rajeev entered into a contract with Lata to marry her on a fixed date. However, before the marriage date. Rajeev went mad. With reference to the Indian Contract Act which is the valid response?	Lata can't marry till Rajeev dies	The executors of Rajeev can enforce the contract against Lata	The contract becomes void	All the statements are correct
84	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:	B can enforce the agreement in the court.	B can only claim damages.	B has no remedy as the contract is illegal.	B can enforce the contract or claim damages
85	A and B agree that law of limitation shall not apply to them. A debt becomes time barred and A refuses to pay the amount. Can B recover the amount under the terms of the agreement?	yes, the agreement between them is valid and enforceable.	yes, the agreement is not opposed to public policy.	no, the agreement is a voidable agreement I and can be avoided by A.	no, the agreement falls under section 23 and hence void
86	A borrows ₹ 5,000 from B to purchase a revolver to shoot C. Can B recover his loan of ₹5,000.	yes, the agreement between them is valid and enforceable.	yes, the agreement is not opposed to public policy.	no, the agreement is a voidable agreement and can be avoided by A.	no, the agreement falls under section 23 and hence void
87	A borrows from B ₹500 to bet with C. Can B recover the amount of his loan?	yes, the agreement between them is collateral to a wagering agreement and hence enforceable	yes, the agreement is not opposed to public policy	no, the agreement is a voidable agreement and can be avoided by A	no, the agreement is wagering agreement and falls under section 23 and hence void
88	A paid ₹500 to a Government servant to get him a contract for the canteen. The Government servant could not get the contract. Can A recover ₹500 paid by him to the Government servant?	yes, the agreement between them is valid and enforceable	yes, the agreement is not opposed to public policy	no, the agreement is a voidable agreement and can be avoided by A	no, the agreement is void
89	A person contracted to deliver a part of a specific crop of potatoes. The potatoes were destroyed by blight though no fault of the party. The contract is	Valid	Voidable	Void due to frustration of contract	Illegal



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90	A contracts to sing for B at a concert for ₹ 1,000 which are paid in advance. A is too ill to sing. Which of the following options is correct?	A is bound to make compensation	A is not bound to make compensation to B for the loss of the profit which B would have made if A had been able to sing, but must refund to B ₹1,000 paid in advance	A is not liable to refund to B ₹ 1,000 paid in advance	A is liable for loss of profit as well as for refund
91	A contractor entered into an agreement with Government to construct a godown and received advance payments for the same. He did not complete the work and the Government terminated the contract.	The Government can claim damages	The Government under sec. 65 could recover the amount advanced to the contractor	The Government cannot claim damages	Both 1 & 2
92	Which one of the following has the correct sequence?	Offer, acceptance, contract, consideration.	Offer, acceptance, consideration, contract	Contract, acceptance, consideration, offer	Offer, consideration, acceptance, contract.
93	A telephonic acceptance is complete when the offer is	spoken into the telephone.	heard but not understood by the offeror.	heard and understood by the offeror	received, heard and understood by some person in the offeror's house.
94	In case of appropriation of goods, which are the essential requirements:	The goods should confirm to the description and quality stated in the contract.	The goods must be in a deliverable state	The appropriation must be by the seller with the assent of the buyer	All the above
95	Appropriation of goods means :	separating the goods sold from other goods	putting the quantity of goods sold in suitable receptacles	delivering the goods to the carrier or other bailee for the purpose of transmission to the buyer with reserving the right of disposal	all the above
96	The general rule of Sale of Goods Act is, risk prima facie passes with :	Ownership	Possession	Delivery	Custody
97	"Nemo dat quad non habet", means:	no one is greater than god	none can give who does not himself possess	every one can give everything he has	everyone is bound by is habit
98	Transfer of documents of title to the goods sold to the buyer, amounts to :	actual delivery	symbolic delivery	constructive delivery	none of these



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99	Under Sec.2(4) of the Sale of Goods Act, a delivery order enabling a person to obtain delivery on payment of price is :	Deemed as a Document of Title	Not a Document of Title	Document enabling title to Goods	Not a valid document at all
100	A Share Certificate is a —	Document of Title to Goods	Bill of Exchange	Document Showing Title to Goods	Instrument of Transfer
101	A Bill of Lading is a —	Bill of Exchange	Promissory Note	Cheque	Document of Title to Goods
102	Section 19 of the Sale of Goods Act, deals with passing of property of.....goods.	Unascertained Goods	Future Goods	Specific or Ascertained Goods	Contingent Goods
103	Voluntary transfer of possession from one person to another is called as :	Ownership	Delivery	Gift	License
104	Which of the statement is incorrect in connection with duties of seller and buyer:	It is the duty of the seller to deliver the goods	It is the duty of the buyer to accept and pay for them	It is not the duty of the seller to deliver the goods	It is the duty of the buyer to take delivery of goods
105	Delivery of goods means-	Voluntary transfer of possession	Compulsory transfer of possession	Exchange of goods	Voluntary transfer of ownership
106	For a valid contract of sale, delivery may be:	Actual delivery	Symbolic delivery	Constructive delivery	All of these
107	Delivery of the keys of a godown where goods are kept amounts to:	Actual delivery	Symbolic delivery	Constructive delivery	All of these
108	There are.....modes of delivery.	Three	Two	Four	Five
109	The term "Unpaid Seller" includes —	Agent of the Buyer	Agent of the Seller	Agent of the Carrier/Transporter	All of the above
110	The term "Unpaid Seller" includes —	Buyer's agent to whom the Bill of Lading is endorsed	Buyer's agent to whom the goods have been delivered	Seller's agent to whom the Bill of Lading is endorsed	Seller's agent to whom the goods have been delivered
111	Unpaid Seller can exercise his right of lien —	even when property in goods has passed to the Buyer	only when property in goods has not passed to the Buyer	either 1 or 2	neither 1 nor 2
112	Unpaid Seller can exercise his right of re-sale of goods—	even when property in goods has passed to the Buyer	only when property in goods has not passed to the Buyer	either 1 or 2	neither 1 nor 2
113	Unpaid Seller can exercise his right of withholding delivery of goods —	even when property in goods has passed to the Buyer	only when property in goods has not passed to the Buyer	either 1 or 2	neither 1 nor 2
114	The doctrine of Caveat emptor is not applicable	in case of sale under a patent name.	in case of sale under a trade name.	where the seller is guilty of fraud	where the buyer relies on the skill and judgement of the seller
115	Property in the goods in the Sale of Goods Act, 1930 means	Ownership of goods	Possession of goods	Asset in the goods	Custody of goods



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116	The Sale of Goods Act, 1930 governs the transfer of property in	movable property	immovable property	both movable and immovable property	all types of properties
117	A valid contract of sale	includes 'an agreement to sell'	does not include 'an agreement to sell'	includes hire purchase contract	includes contract for work and labour
118	The undertaking contained in a promissory note, to pay a certain sum of money is :	Conditional	Unconditional	may be conditional or unconditional depending upon the circumstances	none of the above
119	A bill of exchange contains a/an :	unconditional undertaking	unconditional order	conditional undertaking	conditional order
120	Cheque is a _____.	promissory note	bill of exchange	both (a) and (b) above	None of the above
121	The term 'Negotiable instrument' is defined in the Negotiable Instruments Act, 1881, under section:	12	13	13A	2(d)
122	The term 'negotiation' in section 14 of the Negotiable Instruments Act, 1881 refers to :	the transfer of a bill of exchange, promissory note or cheque to any person, so as to constitute the person the holder thereof	the payment by a bank on a negotiable instrument after due verification of the instrument	the bargaining between the parties to a negotiable instrument	all of the above
123	If a minor draws, endorses, delivers or negotiates an instrument, such instrument binds :	all parties to the instrument including the minor	only the minor and not other parties to the instrument	all parties to the instrument except the minor	none of the above
124	In a promissory note, the amount of money payable :	must be certain	may be certain or uncertain	is usually uncertain	none of the above
125	A cheque is crossed when it bears across its face an addition of the name of a banker, either with or without the words "not negotiable".	Specially	General	Restrictive	None of the above
126	Under section 118 of the Negotiable Instruments Act, 1881, it is presumed, until the contrary is proved, that every transfer of a negotiable instrument was made :	after its maturity	before its maturity	at its maturity	none of the above
127	Who among the following cannot cross a cheque?	Drawer	Holder	Banker	Foreigner
128	Where a cheque is crossed generally the banker on whom it is drawn :	shall not pay it otherwise than to a banker	shall not pay it otherwise than to the holder	shall not pay it to a banker	none of the above
129	The Negotiable Instrument Act is applicable to—	Whole of India	Whole of India except JK state	Whole of India except J & Kashmir city	None of the above
130	The Negotiable Instruments Act, 1881 came into force on :	9th December, 1881	19th December, 1881	1st March, 1882	None of the above



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131	The term Negotiable instrument is defined in section ____ of the Negotiable Instrument Act, 1881	2	13	12	10
132	Which of these is not a negotiable Instrument as per the Negotiable Instrument Act, 1881	Bill of exchange	Delivery note	Bearer Cheque	Share certificate
133	_____ is not a negotiable instrument as per customs and usage :	Delivery note	Railway Receipt	Cheque	Government promissory note
134	An instrument incomplete in one way or other is called :	Inchoate Instrument	Ambiguous instrument	Foreign Instrument	Dishonored Instrument
135	A bill of exchange contains a/an_____ :	unconditional undertaking	unconditional order	conditional undertaking	conditional order.
136	A Corporation can be party to a Negotiable Instrument if____	authorized by its article of association	if special permission of Board of Directors taken	if special resolution by Share holders is passed	absolutely without any restrictions
137	The grace period for payment of a negotiable instrument other than payable on demand is----- days/months	7days	3 days	1 month	15 days
138	The term "a cheque in the electronic form" is defined in the Negotiable Instruments Act, 1881 - under :	Section 6(a)	Section 6(1)(a)	Explanation 1(a) of Section 6	Section 6A
139	How many parties are involved in a Bill of Exchange :	2	3	4	1
140	A promissory note, bill of exchange or cheque drawn or made in India and made payable in, or drawn upon any person resident in, India is treated as a/an –	Inland instrument	Local instrument	Foreign instrument	Indigenous instrument
141	If an instrument may be construed either as a promissory note or bill of exchange, it is---	a valid instrument	ambiguous instrument	a returnable instrument	none of the above.
142	If the words "not negotiable" are used with special crossing in a cheque, the cheque is---	not transferable	transferable	negotiable under certain circumstances	none of the above.
143	Under Section 118 of the Negotiable Instruments Act, 1881, it is presumed, until the contrary is proved, that every transfer of a negotiable instrument was made:	after its maturity	before its maturity	at its maturity	none of the above
144	When an Instrument is drawn conditionally or for a special purpose as a collateral security and not for the purpose of transferring property therein, it is called an	Escrow Instrument	Inchoate Instrumen	Ambiguous Instrument	None of the above
145	When a cheque is payable across the counter of a bank it is called	OTC cheque	Open cheque	Crossed Cheque	Restricted cheque
146	A Promissory Note must be	in writing	unconditional	signed by the maker	all of the above
147	Communication that originates at a lower level and flows to a higher level is called -	Upward Communication	Diagonal Communication	Downward Communication	None of the above
148	Communication among employees at the same level in the organizational structure is called -	Grapevine Communication	Diagonal Communication	Lateral Communication	None of the above



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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
149	Which of the following should be avoided in the Group discussion?	Positive body language	Leadership initiative	False statements	Confidence
150	Which business communication usage provides a bird's eye view on a matter?	Speech	Group Discussion	Debate	Presentation
151	How many types of communication takes place in an organisation?	5	1	3	4
152	In which business communication, a speaker has to clearly speak for or against a topic?	Presentation	Debate	Speech	Group discussion
153	Includes face to face interaction with customers for closing the sale?	Sales promotion	Advertising	Direct marketing	Personal Selling
154	Use of coupons and samples come under which mode of marketing communication?	Sales promotion	Advertising	Direct marketing	Personal Selling
155	What is the situation called when a bad image of the company is created?	Positive PR	Negative PR	Customer service	Promotion
156	Business communications help in establishing _____ when marketing?	Professionalism	Rudeness	Negativity	Casualness
157	Participants involved in the process of communication must be _____.	Judgemental	Open-minded	Both 1 and 2	None of the above
158	Which of the following is not one of the 8C's of communication?	Curiousness	Conciseness	Considerate	Concreteness
159	Need of proper grammar and syntax comes under which C of communication?	Completeness	Coherence	Courteous	Correctness
160	If a message is short and to the point, the message is said to be _____?	Correct	Concise	Coherent	Complete
161	The way the information is described or translated into a message and put in verbal or non-verbal medium is called _____.	Feedback	Decoding	Encoding	None of the above
162	Affirming comments with regard to future behaviour is called _____.	Positive Feedback	Negative Feedforward	Positive Feedforward	Decoding
163	Corrective comments with regard to past behaviour -	Encoding	Positive Feedback	Negative Feedforward	Negative Feedback
164	Interpretation and conversion of information communicated into the intelligible form so that the recipient can fully understand the true meaning of the information is called _____.	Decoding	Encoding	Feedback	None of the above
165	What is the first step of communication process?	Encoding	Transmitting	Decoding	Developing an idea
166	Method of delivering the message is known as _____?	Receiver	Channel	Sender	Feedback
167	Feedback is needed in which way communication?	One-way	Two-way	Both 1 and 2	None of the above
168	Communication happens when a person randomly chooses some persons to pass on the information which is of little interest but not important.	Gossip Chain	Cluster Chain	Probability Chain	None of the above



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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
169	The communication starts when a person tells something to a group of people, and then they pass on the information to some more people and in this way the information is passed on to everyone.	Gossip Chain	Probability Chain	Either 1 or 2	None of the above
170	Which of the following is not an advantage of formal communication?	Reliable	Fast	Secrecy	d) None of the above
171	At which stage the communicator focuses on correcting the grammar, spellings and punctuations.	Proof Reading	Revising and editing	Either 1 or 2	None of the above
172	Study of body language of a person is called _____.	Kinesics	Chronemics	Paralanguage	None of the above
173	A cloud computing is availability of computer resources?	Off demand	From demand	On demand	None of the above
174	The cost incurred in interacting with customers via video call has been _____?	Constant	Reduced	Increased	None of the above
175	Providing Frequently Asked Questions (FAQs) to customers result in which of the following benefits of internet communication?	Support care	Professional presentation	Personal touch	None of the above
176	Professional behaviour includes behave in a _____ manner in the workplace?	Neutral	Positive	Negative	None of the above
177	Business attire refers to _____ in a professional conduct?	Manners	Qualities	Clothing	None of the above
178	It is to interrupt people while they are speaking?	Polite	Desirable	Rude	None of the above
179	At the end of the day, who needs to be satisfied?	Company	Customers	Suppliers	None of the above
180	Writing is _____ in nature?	Personal	Impersonal	Neutral	None of the above
181	Which of the following skills is the most important for professionals like editors?	Oral skills	Writing Skills	Presenting skills	None of the above
182	In which type of letter, buyers want to know the price and quality of the goods they are willing to buy?	Quotation	Enquiry	Complaint	Order
183	How many reports are there on the basis of legality?	2	3	1	None of the above
184	A stage wherein member have spotted the differences in their cultures and they look upon these differences as negatives is called _____.	Minimization	Integration	Denial	None of the above
185	Mr. A and Mr. B belong to two distinct cultural backgrounds. Mr. B believes that his culture is superior compared to the culture of Mr. A. This phenomenon is known as _____.	Defence	Ethnocentrism	Denial	None of the above
186	_____ stage at which members learn to accept each other's culture however they still remain devoted to their own respective cultures .	Adoption	Integration	Denial	Minimization
187	Recognizing the different types of cultures, the similarities and differences between them without being judgemental is called _____.	Acceptance	Cultural Sensitivity	Adoption	Integration
188	Which of the following is not an example of a physical communication barrier?	Telephonic Disturbances	Distance	Background noises	Language



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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
189	Excessive usage of technical jargons and double meaning words are what type of barrier?	Sematic Barriers	Psychological Barriers	Physical Barriers	None of the above
190	Information Overload is when _____.	Listener gets inadequate information	Listener gets too much information	Listener gets adequate information	Listener is inattentive
191	What is the process called where disputes are settled without the intervention of a judicial institution or trial?	Judicial Review	Alternative Dispute Resolution (ADR)	Legal Arbitration	Civil Litigation
192	Which types of matters can ADR help resolve?	Only criminal cases	Only civil and industrial matters	Civil, commercial, industrial, and family matters	Only family disputes
193	What is the decision made by the arbitral tribunal called?	Verdict	Decree	Award	Order
194	What is the role of the conciliator in conciliation?	To assist the parties in reaching a mutually satisfactory settlement	To issue a judgment	To enforce the law	To represent one party
195	Who helps the parties reach a resolution in mediation?	Judge	Arbitrator	Lawyer	Mediator
196	What is the role of the mediator in a dispute?	To give a final decision	To enforce the law	To help the parties communicate and settle the dispute themselves	To represent one party in court
197	What is Lok Adalat also known as?	Civil Court	High Court	Public Tribunal	People's Court
198	Can the order of a Lok Adalat be appealed in a court of law?	Yes, within 30 days	Yes, with special permission	No, it is not appealable	Only in the Supreme Court
199	Who can issue ordinances when Parliament or State Legislature is not in session?	Prime Minister and Chief Ministers	Speaker of the House and Governors	President and Governors	Election Commission
200	What type of jurisdiction allows the Supreme Court to hear appeals against any order of the High Court?	Original Jurisdiction	Appellate Jurisdiction	Advisory Jurisdiction	Special Jurisdiction
201	Will all agreements give rise to a contract?	Yes, always	No, only if there is a legal obligation	Only social agreements become contracts	All oral agreements are contracts
202	What must an agreement give rise to in order to become a contract?	Legal obligation	Financial loss	Verbal consent	Written record
203	When is an agreement regarded as a contract?	When it is written down	When it is signed by a lawyer	When it is enforceable by law	When both parties verbally agree
204	According to Section 2(d), what is 'consideration' in a contract?	A written contract	Something done or promised to be done at the desire of the promisor	Mutual friendship	A legal punishment
205	What transforms an agreement into a contract?	Presence of a witness	Verbal communication	Enforceability by law	Registration in court



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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
206	In the agreement where A promises to sell his house to B for ₹5,00,000, who is the promisor?	A	B	The broker	The registrar
207	What is the definition of a proposal (offer) under the Indian Contract Act?	A mutual discussion between two parties	A legal document prepared by a lawyer	A person's willingness to do or abstain from doing something to obtain the assent of another	A statement of intent with no expectation of acceptance
208	In a voidable contract, who has the right to enforce or reject the contract?	The court	Both parties equally	None of the parties	One or more of the parties to the contract
209	According to Section 14 of the Indian Contract Act, consent is said to be free when it is not caused by:	Free will	Legal advice	Coercion, undue influence, fraud, misrepresentation or mistake	Written agreement
210	Who is considered a competent party under the Indian Contract Act?	A person aged 16 with consent	A person 18 years old, of sound mind, and not disqualified by law	A mentally unstable person	A foreign national without legal identity
211	An agreement which is not enforceable by law and has no legal consequences is called:	Voidable Agreement	Void Agreement	Valid Contract	Contingent Contract
212	A has two bikes — a Hero Honda and a Bajaj Pulsar. He offers to sell his Pulsar, but does not mention which bike he is selling. B, thinking A is offering to sell his Hero Honda, accepts the offer. Based on this situation, why is there no valid agreement between A and B?	Because A did not specify a price	Because B did not pay any advance	Because there was no consensus ad idem (meeting of minds)	Because both bikes are of different makes
213	What happens if there is no <i>consensus ad idem</i> between the parties?	The contract becomes voidable	There cannot be any contract at all	The contract becomes illegal	The contract is enforceable but with penalties
214	Anil puts three one-rupee coins into a platform ticket vending machine at the railway station. As soon as he does this, a valid contract is formed. What does Anil's act represent?	A counteroffer	A rejection of offer	A mere invitation to offer	An acceptance of an implied offer
215	A father and daughter agree to go for a morning walk every day. This agreement is not a valid contract. Why?	Because it lacks consideration	Because it is not in writing	Because it involves a minor	Because it is a social agreement, not intended to create legal relations
216	In the case where a father and daughter agree to go for a morning walk daily, which essential element of a valid contract is missing?	Intention to create legal relationship	Offer and acceptance	Free consent	Lawful consideration
217	The agreement between a father and daughter to go on a morning walk is best described as:	A valid contract	A void contract	A social agreement	A voidable contract



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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
218	Ramamurthy, who is a citizen of India, enters into an agreement with his alien friend. The agreement is said to be a valid contract. Why is this so?	Because a contract between a citizen and an alien friend is not prohibited by law	Because only citizens can form valid contracts	Because aliens have no contractual rights in India	Because the contract involves social relations
219	A contracts with B, a local criminal, to beat his business competitor. This act is forbidden by law. What is the legal status of this agreement?	It is a valid contract	It is a voidable contract	It is a void contract	It is an illegal and unenforceable contract
220	A enters into an agreement with B, a local criminal, to physically harm his business rival. Which essential element of a valid contract is missing here?	Free consent	Lawful consideration and lawful object	Competency of parties	Offer and acceptance
221	When a person withdraws cash from an ATM, no words are spoken between the person and the bank, but a contract is formed. What type of contract is this?	Express contract	Implied contract	Tacit contract	Void contract
222	In which of the following situations does a tacit contract arise?	Two people signing a written agreement	One person makes an oral promise to another	A buyer places the highest bid, and the hammer falls at an auction sale	D) A contract is made before a notary public
223	Ajit sees a book displayed on a shelf in a bookshop with a price tag of ₹95. He offers ₹95 at the counter and asks for the book. The bookseller refuses, saying the book has already been sold. What is the correct legal position?	The bookseller must sell the book to Ajit	The display of the book with a price tag is an offer, and Ajit's payment is acceptance	The display of the book is only an invitation to offer, not a legal offer	The contract is completed when Ajit picks up the book
224	According to Section 25, what is the general rule regarding agreements made without consideration?	They are valid	They are void	They are partially valid	They require judicial approval
225	Which of the following is an exception to the rule that an agreement without consideration is void?	Promise made to pay a debt barred by law	Promise made for illegal activities	Promise made without any written form	Promise made between strangers
226	Under Section 25(1), an agreement made without consideration is valid if it is:	Made verbally	Made on account of natural love and affection	Made for commercial purposes	Made only between business partners
227	What happens to a gift once it is completed, even if there was no consideration?	It can be revoked by the giver	It cannot be recovered on the ground of absence of consideration	It becomes invalid automatically	It requires mutual consent to remain valid
228	What does "remission" in contract law mean?	Complete cancellation of the contract	Lesser performance of the contract than originally agreed	Changing the terms of the contract	Performance of a contract by a third party
229	If a party agrees to perform less than originally promised under a contract, this is called:	Novation	Rescission	Remission	Counter Offer



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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
230	Can an insolvent person enter into a contract relating to his property?	Yes, at any time	No, not while insolvency proceedings are ongoing	Only with creditor's permission	Only if the contract benefits the creditors
231	Can a drunken or intoxicated person enter into a valid contract?	No, while intoxication lasts and they are incapable of understanding the contract	Yes, at any time	Only if the contract is witnessed	Yes, if they sign in writing
232	A contract is not voidable because it was caused by a mistake as to any law in force in India; but mistake as to a law not in force in India has the same effect as:	A mistake of case	A mistake of fact	A mistake of law	A mistake of understanding
233	Which of the following contracts by a company may be invalid?	Contracts made within its business scope	Contracts outside the Memorandum of Association	Contracts for daily operations	Contracts signed by the CEO
234	In contracts involving personal skill or ability, what happens upon the death of the person?	The contract continues through legal representatives	The contract is transferred to the employer	The contract is terminated	The performance is postponed
235	What does unauthorized material alteration in a contract lead to?	Discharge of the contract	Renewal of the contract	Amendment of the contract automatically	No effect on the contract
236	When a part-time lecturer becomes a full-time lecturer, the earlier contract is discharged by:	Breach	Performance	Agreement	Merger
237	If A and B plan to marry but A goes mad before the marriage, the contract becomes:	Valid	Void due to impossibility of performance	Illegal	Conditional
238	The term "Quantum Meruit" literally means:	Payment in advance	As much as is merited or earned	As per the contract terms	Payment after completion only
239	What are E-contracts?	Contracts written and signed on paper	Contracts that are not paper-based and are electronic in nature	Verbal agreements made in person	Contracts that require physical presence of parties
240	What is another name for Actual Breach of Contract?	Future breach	Present breach	Conditional breach	Partial breach
241	Where the trees were sold so that they were to be cut out and separated from land and taken away by the buyer. This sale is considered a sale of:	Immovable property	Future goods only	Goods as movable property	Services, not goods
242	What are specific goods?	Goods that are not yet manufactured	Goods identified and agreed upon at the time the contract of sale is made	Goods sold in bulk without identification	Goods that are intangible



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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
243	In a contract of sale, when one table is sold out of 25 tables, under which condition would the table be considered specific goods?	If the table is manufactured after the contract	If the table is not separated from the rest	If the table is delivered after payment	If the table is selected before the contract of sale is made
244	When the buyer does not select goods for him from a lot but the goods are defined only by description, they are called:	Specific goods	Contingent goods	Unascertained goods	Future goods
245	where ABC agrees to sell to XYZ all the apples which will be produced in his garden next year, these apples are classified as:	Future goods	Unascertained goods	Specific goods	Contingent goods
246	X selected some party wears in a retail showroom, agreed to take delivery next day and pay next week, but the party wears are destroyed by fire the same day, who bears the loss?	The seller, because goods were not delivered	The insurance company only	No one, as the contract is void	The buyer, because property in goods had passed to him
247	A sends 3 dozen silk saris to B on approval or sale or return basis with an option to return within 21 days. B sends a letter of approval within 15 days. When does the sale take place?	On the day B sends the letter of approval	On the day the goods were sent	On the 21st day automatically	Only after payment is made
248	B of Benaras writes to C of Chennai to send 50 wrist watches by parcel post. C sends the parcel with the correct address, but it is misplaced and never reaches B. Who bears the loss?	C, the seller	B, the buyer	The post office	Both B and C equally
249	A wants to sell his typewriter and tells B, who has not seen it, that it is a brand new machine. B agrees to buy it. On delivery, the machine is found to be old and repaired. What right does B have?	B must accept the machine	B can repudiate the contract and return the machine	B has no claim	B can only pay half the price
250	What does the warranty of freedom from encumbrances imply?	The goods are of merchantable quality.	The goods are free from any charge or claim by a third party.	The goods match the sample provided.	The goods will be delivered on time.
251	Which of the following is an example of actual delivery?	The seller gives the car keys to the buyer, but the car remains in the seller's garage.	The buyer receives an invoice but not the goods.	The seller hands over a car to the buyer directly.	The seller ships the car via courier without the buyer's acknowledgement.
252	What right does Section 41 of the Sale of Goods Act give to the buyer?	Right to reject goods without examining them	Right to examine goods delivered to him which he has not previously examined	Right to claim damages immediately after delivery	Right to resell the goods before payment
253	How can a negotiable instrument be transferred?	Only by delivery	Only by endorsement	By delivery or by endorsement and delivery	By sale in the market
254	What does "ad infinitum transfer" of a negotiable instrument mean?	It can be transferred only once	It expires if transferred more than twice	It cannot be transferred	It can be transferred any number of times until its maturity



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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
255	A bill drawn, accepted, or endorsed without consideration is known as:	Genuine bill	Fictitious bill	Accommodation bill	Bearer bill
256	Which of the following is essential for a general crossing of a cheque?	Two parallel transverse lines	The words "Not negotiable"	The drawer's signature	The date of the cheque
257	A cheque is said to be specially crossed when:	It bears two parallel transverse lines only	It is signed by the drawer	It is payable to bearer	It bears the addition of the name of a banker across its face, with or without the words "Not Negotiable"
258	Which of the following is true regarding special crossing?	It is the same as general crossing	It restricts the payment of the cheque to a particular banker	It allows payment to any person presenting the cheque	It makes the cheque dishonourable automatically
259	Who is allowed to perform a double crossing?	Only the banker to whom the cheque is initially crossed	Any private party presenting the cheque	The drawer of the cheque	The holder in due course
260	A cheque is dishonoured when:	It is paid to the payee	The drawer cancels it before payment	The bank refuses to pay the amount to the payee	It is crossed generally
261	The Cheque Return Memo contains:	The signature of the drawer	Instructions for double crossing	Bank's profit details	Reasons for the dishonour of the cheque
262	How does crossing a cheque help prevent fraud?	It allows the cheque to be paid to anyone	It makes the cheque non-negotiable	Misuse can be easily traced and the fraudulent person detected	It guarantees the drawer's signature
263	Which of the following is a condition for a payment to be considered "in due course"?	It must be made to the person in possession of the instrument and entitled to payment	It can be made to any person, regardless of possession	It can be in any form, including barter	It must be made before the maturity date
264	When does truncation of a cheque occur?	After dishonour by the drawee bank	Only when the cheque is lost	After payment in cash across the counter	Immediately on generation of an electronic image during the clearing cycle



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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
265	To whom is the payment in a promissory note made?	Only to the maker	To a certain person, to the order of that person, or to the bearer of the instrument	Only to the drawer	To any person presenting it
266	The promise to pay in a promissory note must be:	Conditional on the payee's acceptance	Unconditional and express	Payable in goods or services	Only to a bank
267	An instrument that is incomplete in some respect is called:	Promissory Note	Escrow Instrument	Inchoate Instrument	Truncated Cheque
268	An Escrow Instrument is:	An instrument payable immediately in cash	An instrument drawn conditionally or for a special purpose, not for transferring property	Always a promissory note	A cheque that is dishonoured
269	A bill of exchange without any documents relating to goods attached is called:	Clean bill	Documentary bill	Inchoate instrument	Escrow instrument
270	What is the primary purpose of a product disclaimer?	To warn buyers about any harmful side effects or dangers of the product	To promote the product's features	To advertise the product legally	To negotiate prices with buyers
271	Which form of written communication presents the actual financial status of a company?	Product disclaimers	Financial reporting	Marketing communications	Internal communications
272	In marketing communications, what must the salesperson be careful about?	Using technical jargon	Being tactful and clever in word usage to avoid violating business communication laws	Speaking loudly	Avoiding all communication with customers
273	Why is it important to avoid beating around the bush in communication?	To confuse the listener	To keep the message precise and clear	To make the conversation longer	To impress the listener
274	Why is feedback important in business communication?	To confuse the stakeholders	To delay decision-making	To reduce communication	To ensure the listener understood the message as intended
275	How does proper division of labor help organizational communication?	It increases workload on employees	It reduces information overload and delays in communication	It complicates communication channels	It isolates departments



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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
276	Physical barriers in communication are mainly created due to:	Differences in opinions	Emotional conflicts	Lack of vocabulary	Disturbances in the surroundings or environment
277	Who proposed the six stages of Intercultural Sensitivity?	Milton Bennett	Abraham Maslow	Peter Drucker	Edward T. Hall
278	During the Denial stage, what is the main challenge faced by members?	Over-acceptance of other cultures	Adapting too quickly to new cultures	Ignoring the existence of cultural differences	Being judgmental about others' values
279	In which stage do members view the differences in culture as negative and believe their own culture is superior?	Minimization	Denial	Defence	Acceptance
280	Advertising through newspapers, magazines, and brochures is called:	Broadcast Advertising	Outdoor Advertising	Print Media Advertising	Digital Advertising
281	Which type of report presents only facts about an activity without any note or suggestions?	Analytical Report	Research Report	Information Report	Special Report
282	Reports that are based on research conducted on a particular problem are known as:	Information Reports	Research Reports	Routine Reports	Statutory Reports
283	Which of the following is considered good telephone etiquette?	Calling clients at odd hours	Using warm greetings like "Good morning" and "Thank you"	Giving long, unstructured explanations	Interrupting the client frequently
284	A seller sends a letter providing details about price, quality, and terms of sale after receiving an enquiry. This is known as:	Complaint Letter	Recovery Letter	Quotation Letter	Order Letter
285	One of the primary reasons businesses write and draft messages is to:	Entertain their employees	Inform, persuade, and create goodwill	Confuse competitors	Delay decision-making
286	Building trust among stakeholders and developing company reputation is mainly part of:	Informing	Persuading	Creating Goodwill	Reporting
287	Effective communication with customers helps a business by:	Reducing customer satisfaction	Damaging business reputation	Enhancing customer satisfaction and reputation	Ignoring customer needs
288	Courteous communication helps in:	Showing superiority of one team over another	Maintaining healthy working relationships	Ignoring others' opinions	Using harsh and direct language
289	What is essential for the speaker to avoid miscommunication?	Speaking rapidly and emotionally	Delivering the message in a concrete and clear manner	Using technical jargon	Avoiding examples
290	A debate is usually based on:	Current affairs or specific situations	Imaginative storytelling	Poetry and creative writing	Historical speeches



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ANSWERS TO MCQ BANK

SL NO	QUESTIONS	CORRECT ANSWER	ANSWER CODE
1	What are the sources of law?	Constitution of India, judicial precedents, customary laws, statutes and ordinance	2
2	Which Article in the Constitution of India, 1950 has provisions for introduction of a bill in the Parliament of India?	Article 107	3
3	Money Bill is introduced in which House of the Parliament?	Council of People – Lok Sabha	1
4	Under what Article of the Constitution of India, 1950 is The President of India empowered to make an Ordinance?	Article 123	2
5	The essence of Sub-Ordinate legislation can be found in which Article of the Constitution of India, 1950?	Article 13	3
6	When was the Constitution of India passed by the Constituent Assembly?	26th November 1949	2
7	Which is the highest Court in India?	Supreme Court of India	2
8	Which Articles of the Constitution of India have the power to entertain petitions of violation of Fundamental Right?	Article 226 and Article 32	3
9	Which is the highest civil court in a district?	District Court	3
10	Which Article of the Constitution of India empowers the legislature to make laws?	Article 245	4
11	When was the Supreme Court of India established?	26th January 1950	2
12	Which Article of the Constitution of India stipulates law made by the Supreme Court of India?	Article 141	1
13	What is the Schedule in the Constitution of India, for Separation of Subject for Legislature?	7th Schedule	2
14	What kind of structure does the Indian Constitution have?	Federal	2
15	Under which Article can we amend the provisions of the Constitution of India?	Article 368	2
16	Which is the lowest court to approach for criminal matters?	Judicial Magistrate	2
17	Mention the number of judges in the Supreme Court of India including Chief Justice of India currently.	34	3
18	Fundamental Rights are mentioned under which part of the Constitution of India?	Part-III	2
19	Municipalities are provided for authority under which part of the Constitution of India?	Part IXA	2
20	Under what Article of the Constitution of India, 1950 is the Governor of a State empowered to make an Ordinance?	Article 213	4
21	What Are Personal Laws?	Customs (religious beliefs) that have now been codified	2
22	Which Article of the Constitution of India, deal with inconsistency between laws made by Parliament and laws made by the Legislatures of States?	Article 254	2
23	What is a Private Bill?	A bill introduced by a member other than a Minister	1
24	The Parliament for the Union of India which shall consist?	The President, the Council of States (Rajya Sabha) and the House of the People (Lok Sabha)	1
25	Secondary/Sub-ordinate legislation cannot go beyond:	The ambit of the Act or the Constitution of India	2
26	The Appellate court for National consumer disputes redressal communication tribunal is	supreme court	1
27	The ancient Indian courts can be evided into six categories based on their rank as :	The Kula - The Shreni - The Gana -the Adhikrita - The sasita - The Nripa	2
28	Voidable contract is one :	Which is valid so long it is not avoided by the party entitled to do so	3
29	The difference between an advertisement for sale and a proposal is :	That a proposal becomes a promise as soon as the party to whom it is made accepts it but an advertisement does not	2



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ANSWERS TO MCQ BANK

SL NO	QUESTIONS	CORRECT ANSWER	ANSWER CODE
30	In a Book depot a catalogue of books enlisting the price of each book and specifying the place where the particular book is available is :	An invitation to visit the book shop	3
31	A catalogue of the goods of a company for sale a series of offers but only an invitation for offers.	is not	2
32	An offer does not lapse if the :	Acceptance is made by the offeree in ignorance of the death of the offeror	3
33	A telephonic acceptance is complete when the offer is :	heard and understood by the offeror	3
34	With regard to the contractual capacity of a person of unsound mind, which one of the following statements is most appropriate?	A person of unsound mind can enter into a contract	3
35	While obtaining the consent of the promisee, keeping silence by the promisor when he has a duty to speak about the material facts, amounts to consent obtained by:	Fraud	4
36	A' threatened to commit suicide if his wife did not execute a sale deed in favour of this brother. The wife executed the sale deed. This transaction is:	Voidable due to coercion	2
37	A contract which is vitiated by undue influence is declared as which one of the following by the Indian Contract Act?	Voidable	4
38	Consider the following: 1. Active concealment of fact. 2. Promise made without any intention of performing it. 3. Breach of duty which gains an advantage to the person committing it. 4. Inducing mistakes as to subject matter. Which of the above amount to fraud?	1 and 2	1
39	Factors vitiating consent are:	All of these	4
40	Misrepresentation means:	All the above	4
41	If a party stands in a fiduciary relation to the other:	He can dominate the will of another	2
42	A person is deemed to be in a position to dominate the will of another if he:	Both 1 and 2	3
43	If both the parties to a contract believe in the existence of a subject, which in fact does not exist, the agreement would be :	Void	2
44	For a valid contract :	Both 1 and 2	3
45	When both the parties to an agreement are under a mistake as to a matter of fact essential to an agreement, the agreement is:	Void	1
46	In Indian Contract Act, the term consensus ad idem means :	Parties agreeing upon the same thing in same sense	3
47	To prove undue influence, the plaintiff has to prove that:	Both 1 and 2	3
48	The validity of contract is not affected by :	Mistake of Indian law	2
49	Unlawful agreements comprise :	All the agreements mentioned above	4
50	The exceptions to the rule that an agreement in restraint of trade is void, are contained in :	The provisions of Sec. 27 of the Contract Act only	1
51	A contract to trade with an enemy is :	an agreement opposed to public policy	3
52	An agreement will be unlawful if:	The object is forbidden by law	4
53	In a wagering agreement:	One party wins and the other loses	4
54	Which one of the following statements is correct?	Illegal agreements are always void	4
55	Which one of the following is not a wagering agreement?	A contract of insurance	4
56	A wagering agreement in India is declared by the Contract Act as :	Void but not illegal	2
57	Which one of the following is a void agreement?	All of the above	4
58	An agreement which restricts a person's freedom to marry or to marry any person of his choice is against public policy and is :	Void	3



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SL NO	QUESTIONS	CORRECT ANSWER	ANSWER CODE
59	An agreement of service under which an employee agrees that he will serve a particular employer for a certain duration and that he will not serve anybody else during that period, is :	Valid agreement	1
60	If the seller agrees to supply all the goods produced by him to a certain buyer and to nobody else, and the buyer also, in turn undertakes to accept the whole of the quantity, the agreement is :	None of these	4
61	M, who is a dealer in mustard oil only, agrees to sell to N '500 litres of oil'. This agreement is :	Valid contract	1
62	A and B agree that A shall pay ₹1,000 for which B shall afterwards deliver to an either rice or smuggled opium. In this case :	The first is valid and the second is void	3
63	A agrees to sell to B a 'hundred tons of oil'. There is nothing whatever to show what kind of oil was intended. The agreement is :	Void for uncertainty	2
64	A agrees to sell to B 'my white horse for ₹500 or ₹1,000'. There is nothing to show which of the two prices was to be given. The agreement is :	Void	2
65	Agreements between a husband and wife living in friendly environment are :	Domestic arrangements	3
66	A promised to marry none else than Miss B and in default to pay her a sum of ₹1,000. Subsequently A married Miss C and Miss B sued for recovery of ₹1,000. The contract is :	Void	2
67	A promises B to pay ₹100 if it rains on Monday, and B promises A to pay ₹100 if it does not rain on Monday. This agreement is :	a wagering agreement	3
68	P engages B to kill C and borrows ₹100 from D to pay B. If D is aware of the purpose of the loan, the transaction is :	Illegal	3
69	A leaves a firm doing a particular business in Mumbai. He agrees with the other partners of the firm not to start a similar business as that of the firm in and around Mumbai for 3 years. This agreement is :	Void	4
70	A, while filling up the insurance application form, states his age as 25 believing it to be true. His actual age was 27. The Life Insurance Corporation issued a policy in his favour charging a lower premium than what it should have charged if the actual age had been given. This is a case of :	Misrepresentation	2
71	B, having discovered a vein of ore on the estate of A, adopts means to conceal, and does conceal, the existence of the ore from A. Owing to A's ignorance B is enabled to buy the estate at a low- price. The contract is :	Voidable at the option of A	3
72	B let a cabin on hire to P a prostitute, knowing that it would be used for immoral purposes. The agreement is :	Void	4
73	A enters into an agreement with B who has robbed A of ₹10,000 to drop prosecution against him (B) in consideration of B's returning ₹8,000. Afterwards B refused to pay. A can get from B	Nothing	3
74	A agrees with B to discover treasure by magic for a consideration of ₹500. This is :	A void agreement	1
75	X, a tailor, employed Y as his assistant under an agreement that Y, on termination of his employment shall not start the business of a tailor. This restraint is :	Void	1
76	X leaves a firm doing a particular business in Delhi. He agrees with other partners of the firm not to start a similar business as that of the firm in Delhi for 2 years. This agreement is :	Valid	2
77	X promises to supply Y one tola of gold brought from the sun. This is :	a void agreement	3



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SL NO	QUESTIONS	CORRECT ANSWER	ANSWER CODE
78	A promises B not to carry on a similar business as that of B if B pays him a certain amount. B pays the money but A continues to carry on the business. B can :	Do nothing	1
79	A purchases B's business of selling neckties in Delhi. A can restrain B from :	Doing the business of selling neckties in Delhi for a limited period	3
80	A promised to marry B and none else and promised her to pay a sum of ₹5,000 in addition to what he gets from the other party if he marries someone else. A marries C and gets ₹10,000 from C. B can get from A :	Nothing	3
81	A promised B to obtain an employment for him in a public office. B promised to pay ₹2,000 to A for this. B gets a job through A but refuses to pay the money. A can :	Do nothing	3
82	A, a Hindu already married with a living wife B, enters into a marriage agreement with a widow of 30 years of age. This agreement is :	Void, because of being forbidden by law	4
83	Rajeev entered into a contract with Lata to marry her on a fixed date. However, before the marriage date. Rajeev went mad. With reference to the Indian Contract Act which is the valid response?	The contract becomes void	3
84	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:	B has no remedy as the contract is illegal.	3
85	A and B agree that law of limitation shall not apply to them. A debt becomes time barred and A refuses to pay the amount. Can B recover the amount under the terms of the agreement?	no, the agreement falls under section 23 and hence void	4
86	A borrows ₹ 5,000 from B to purchase a revolver to shoot C. Can B recover his loan of ₹5,000.	no, the agreement falls under section 23 and hence void	4
87	A borrows from B ₹500 to bet with C. Can B recover the amount of his loan?	no, the agreement is wagering agreement and falls under section 23 and hence void	4
88	A paid ₹500 to a Government servant to get him a contract for the canteen. The Government servant could not get the contract. Can A recover ₹500 paid by him to the Government servant?	no, the agreement is void	4
89	A person contracted to deliver a part of a specific crop of potatoes. The potatoes were destroyed by blight though no fault of the party. The contract is	Void due to frustration of contract	3
90	A contracts to sing for B at a concert for ₹ 1,000 which are paid in advance. A is too ill to sing. Which of the following options is correct?	A is not bound to make compensation to B for the loss of the profit which B would have made if A had been able to sing, but must refund to B ₹1,000 paid in advance	3
91	A contractor entered into an agreement with Government to construct a godown and received advance payments for the same. He did not complete the work and the Government terminated the contract.	Both 1 & 2	4
92	Which one of the following has the correct sequence?	Offer, acceptance, consideration, contract	2
93	A telephonic acceptance is complete when the offer is	received, heard and understood by some person in the offeror's house.	4
94	In case of appropriation of goods, which are the essential requirements:	All the above	4
95	Appropriation of goods means :	all the above	4
96	The general rule of Sale of Goods Act is, risk prima facie passes with :	Ownership	1
97	"Nemo dat quad non habet", means:	none can give who does not himself possess	2
98	Transfer of documents of title to the goods sold to the buyer, amounts to :	symbolic delivery	2
99	Under Sec.2(4) of the Sale of Goods Act, a delivery order enabling a person to obtain delivery on payment of price is :	Deemed as a Document of Title	1



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SL NO	QUESTIONS	CORRECT ANSWER	ANSWER CODE
100	A Share Certificate is a —	Document Showing Title to Goods	3
101	A Bill of Lading is a —	Document of Title to Goods	4
102	Section 19 of the Sale of Goods Act, deals with passing of property of.....goods.	Specific or Ascertained Goods	3
103	Voluntary transfer of possession from one person to another is called as :	Delivery	2
104	Which of the statement is incorrect in connection with duties of seller and buyer:	It is not the duty of the seller to deliver the goods	3
105	Delivery of goods means-	Voluntary transfer of possession	1
106	For a valid contract of sale, delivery may be:	All of these	4
107	Delivery of the keys of a godown where goods are kept amounts to:	Symbolic delivery	2
108	There are.....modes of delivery.	Three	1
109	The term “Unpaid Seller” includes —	Agent of the Seller	2
110	The term “Unpaid Seller” includes —	Seller’s agent to whom the Bill of Lading is endorsed	3
111	Unpaid Seller can exercise his right of lien —	even when property in goods has passed to the Buyer	1
112	Unpaid Seller can exercise his right of re-sale of goods—	even when property in goods has passed to the Buyer	1
113	Unpaid Seller can exercise his right of withholding delivery of goods —	even when property in goods has passed to the Buyer	1
114	The doctrine of Caveat emptor is not applicable	where the seller is guilty of fraud	3
115	Property in the goods in the Sale of Goods Act, 1930 means	Ownership of goods	1
116	The Sale of Goods Act, 1930 governs the transfer of property in	movable property	1
117	A valid contract of sale	includes ‘an agreement to sell’	1
118	The undertaking contained in a promissory note, to pay a certain sum of money is :	Unconditional	2
119	A bill of exchange contains a/an :	unconditional order	2
120	Cheque is a _____.	bill of exchange	2
121	The term ‘Negotiable instrument’ is defined in the Negotiable Instruments Act, 1881, under section:	13	2
122	The term ‘negotiation’ in section 14 of the Negotiable Instruments Act, 1881 refers to :	the transfer of a bill of exchange, promissory note or cheque to any person, so as to constitute the person the holder thereof	1
123	If a minor draws, endorses, delivers or negotiates an instrument, such instrument binds :	all parties to the instrument except the minor	3
124	In a promissory note, the amount of money payable :	must be certain	1
125	A cheque is crossed when it bears across its face an addition of the name of a banker, either with or without the words “not negotiable”.	Specially	1
126	Under section 118 of the Negotiable Instruments Act, 1881, it is presumed, until the contrary is proved, that every transfer of a negotiable instrument was made :	before its maturity	2
127	Who among the following cannot cross a cheque?	Foreigner	4
128	Where a cheque is crossed generally the banker on whom it is drawn :	shall not pay it otherwise than to a banker	1
129	The Negotiable Instrument Act is applicable to—	Whole of India	1
130	The Negotiable Instruments Act, 1881 came into force on :	1st March, 1882	3
131	The term Negotiable instrument is defined in section ___ of the Negotiable Instrument Act, 1881	13	2
132	Which of these is not a negotiable Instrument as per the Negotiable Instrument Act,1881	Share certificate	4
133	_____ is not a negotiable instrument as per customs and usage :	Cheque	3
134	An instrument incomplete in one way or other is called :	Inchoate Instrument	1
135	A bill of exchange contains a/an_____ :	unconditional order	2



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SL NO	QUESTIONS	CORRECT ANSWER	ANSWER CODE
136	A Corporation can be party to a Negotiable Instrument if ____	authorized by its article of association	1
137	The grace period for payment of a negotiable instrument other than payable on demand is----- days/months	3 days	2
138	The term “a cheque in the electronic form” is defined in the Negotiable Instruments Act, 1881 - under :	Explanation 1(a) of Section 6	3
139	How many parties are involved in a Bill of Exchange :	3	2
140	A promissory note, bill of exchange or cheque drawn or made in India and made payable in, or drawn upon any person resident in, India is treated as a/an –	Inland instrument	1
141	If an instrument may be construed either as a promissory note or bill of exchange, it is---	ambiguous instrument	2
142	If the words “not negotiable” are used with special crossing in a cheque, the cheque is---	not transferable	1
143	Under Section 118 of the Negotiable Instruments Act, 1881, it is presumed, until the contrary is proved, that every transfer of a negotiable instrument was made:	before its maturity	2
144	When an Instrument is drawn conditionally or for a special purpose as a collateral security and not for the purpose of transferring property therein, it is called an	Escrow Instrument	1
145	When a cheque is payable across the counter of a bank it is called	Open cheque	2
146	A Promissory Note must be	all of the above	4
147	Communication that originates at a lower level and flows to a higher level is called -	Upward Communication	1
148	Communication among employees at the same level in the organizational structure is called -	Lateral Communication	3
149	Which of the following should be avoided in the Group discussion?	False statements	3
150	Which business communication usage provides a bird’s eye view on a matter?	Presentation	4
151	How many types of communication takes place in an organisation?	4	4
152	In which business communication, a speaker has to clearly speak for or against a topic?	Debate	2
153	Includes face to face interaction with customers for closing the sale?	Personal Selling	4
154	Use of coupons and samples come under which mode of marketing communication?	Sales promotion	1
155	What is the situation called when a bad image of the company is created?	Negative PR	2
156	Business communications help in establishing _____ when marketing?	Professionalism	1
157	Participants involved in the process of communication must be _____.	Open-minded	2
158	Which of the following is not one of the 8C’s of communication?	Curiousness	1
159	Need of proper grammar and syntax comes under which C of communication?	Correctness	4
160	If a message is short and to the point, the message is said to be _____?	Concise	2
161	The way the information is described or translated into a message and put in verbal or non-verbal medium is called _____.	Encoding	3
162	Affirming comments with regard to future behaviour is called _____.	Positive Feedforward	3
163	Corrective comments with regard to past behaviour -	Negative Feedback	4



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SL NO	QUESTIONS	CORRECT ANSWER	ANSWER CODE
164	Interpretation and conversion of information communicated into the intelligible form so that the recipient can fully understand the true meaning of the information is called _____.	Decoding	1
165	What is the first step of communication process?	Encoding	1
166	Method of delivering the message is known as _____?	Channel	2
167	Feedback is needed in which way communication?	Two-way	2
168	Communication happens when a person randomly chooses some persons to pass on the information which is of little interest but not important.	Probability Chain	3
169	The communication starts when a person tells something to a group of people, and then they pass on the information to some more people and in this way the information is passed on to everyone.	Gossip Chain	1
170	Which of the following is not an advantage of formal communication?	Secrecy	3
171	At which stage the communicator focuses on correcting the grammar, spellings and punctuations.	Proof Reading	1
172	Study of body language of a person is called _____.	Kinesics	1
173	A cloud computing is availability of computer resources?	On demand	3
174	The cost incurred in interacting with customers via video call has been _____?	Increased	3
175	Providing Frequently Asked Questions (FAQs) to customers result in which of the following benefits of internet communication?	Support care	1
176	Professional behaviour includes behave in a _____ manner in the workplace?	Positive	2
177	Business attire refers to _____ in a professional conduct?	Clothing	3
178	It is to interrupt people while they are speaking?	Rude	3
179	At the end of the day, who needs to be satisfied?	Customers	2
180	Writing is _____ in nature?	Personal	1
181	Which of the following skills is the most important for professionals like editors?	Writing Skills	2
182	In which type of letter, buyers want to know the price and quality of the goods they are willing to buy?	Enquiry	2
183	How many reports are there on the basis of legality?	2	1
184	A stage wherein member have spotted the differences in their cultures and they look upon these differences as negatives is called _____.	None of the above	4
185	Mr. A and Mr. B belong to two distinct cultural backgrounds. Mr. B believes that his culture is superior compared to the culture of Mr. A. This phenomenon is known as _____.	Ethnocentrism	2
186	_____ stage at which members learn to accept each other's culture however they still remain devoted to their own respective cultures .	Adoption	1
187	Recognizing the different types of cultures, the similarities and differences between them without being judgemental is called _____.	Cultural Sensitivity	2
188	Which of the following is not an example of a physical communication barrier?	Language	4
189	Excessive usage of technical jargons and double meaning words are what type of barrier?	Sematic Barriers	1
190	Information Overload is when _____.	Listener gets too much information	2
191	What is the process called where disputes are settled without the intervention of a judicial institution or trial?	Alternative Dispute Resolution (ADR)	2
192	Which types of matters can ADR help resolve?	Civil, commercial, industrial, and family matters	3



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SL NO	QUESTIONS	CORRECT ANSWER	ANSWER CODE
193	What is the decision made by the arbitral tribunal called?	Award	3
194	What is the role of the conciliator in conciliation?	To assist the parties in reaching a mutually satisfactory settlement	1
195	Who helps the parties reach a resolution in mediation?	Mediator	4
196	What is the role of the mediator in a dispute?	To help the parties communicate and settle the dispute themselves	3
197	What is Lok Adalat also known as?	People's Court	4
198	Can the order of a Lok Adalat be appealed in a court of law?	No, it is not appealable	3
199	Who can issue ordinances when Parliament or State Legislature is not in session?	President and Governors	3
200	What type of jurisdiction allows the Supreme Court to hear appeals against any order of the High Court?	Appellate Jurisdiction	2
201	Will all agreements give rise to a contract?	No, only if there is a legal obligation	2
202	What must an agreement give rise to in order to become a contract?	Legal obligation	1
203	When is an agreement regarded as a contract?	When it is enforceable by law	3
204	According to Section 2(d), what is 'consideration' in a contract?	Something done or promised to be done at the desire of the promisor	2
205	What transforms an agreement into a contract?	Enforceability by law	3
206	In the agreement where A promises to sell his house to B for ₹5,00,000, who is the promisor?	A	1
207	What is the definition of a proposal (offer) under the Indian Contract Act?	A person's willingness to do or abstain from doing something to obtain the assent of another	3
208	In a voidable contract, who has the right to enforce or reject the contract?	One or more of the parties to the contract	4
209	According to Section 14 of the Indian Contract Act, consent is said to be free when it is not caused by:	Coercion, undue influence, fraud, misrepresentation or mistake	3
210	Who is considered a competent party under the Indian Contract Act?	A person 18 years old, of sound mind, and not disqualified by law	2
211	An agreement which is not enforceable by law and has no legal consequences is called:	Void Agreement	2
212	A has two bikes — a Hero Honda and a Bajaj Pulsar. He offers to sell his Pulsar, but does not mention which bike he is selling. B, thinking A is offering to sell his Hero Honda, accepts the offer. Based on this situation, why is there no valid agreement between A and B?	Because there was no consensus ad idem (meeting of minds)	3
213	What happens if there is no <i>consensus ad idem</i> between the parties?	There cannot be any contract at all	2
214	Anil puts three one-rupee coins into a platform ticket vending machine at the railway station. As soon as he does this, a valid contract is formed. What does Anil's act represent?	An acceptance of an implied offer	4
215	A father and daughter agree to go for a morning walk every day. This agreement is not a valid contract. Why?	Because it is a social agreement, not intended to create legal relations	4
216	In the case where a father and daughter agree to go for a morning walk daily, which essential element of a valid contract is missing?	Intention to create legal relationship	1
217	The agreement between a father and daughter to go on a morning walk is best described as:	A social agreement	3
218	Ramamurthy, who is a citizen of India, enters into an agreement with his alien friend. The agreement is said to be a valid contract. Why is this so?	Because a contract between a citizen and an alien friend is not prohibited by law	1
219	A contracts with B, a local criminal, to beat his business competitor. This act is forbidden by law. What is the legal status of this agreement?	It is an illegal and unenforceable contract	4
220	A enters into an agreement with B, a local criminal, to physically harm his business rival. Which essential element of a valid contract is missing here?	Lawful consideration and lawful object	2



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221	When a person withdraws cash from an ATM, no words are spoken between the person and the bank, but a contract is formed. What type of contract is this?	Tacit contract	3
222	In which of the following situations does a tacit contract arise?	A buyer places the highest bid, and the hammer falls at an auction sale	3
223	Ajit sees a book displayed on a shelf in a bookshop with a price tag of ₹95. He offers ₹95 at the counter and asks for the book. The bookseller refuses, saying the book has already been sold. What is the correct legal position?	The display of the book is only an invitation to offer, not a legal offer	3
224	According to Section 25, what is the general rule regarding agreements made without consideration?	They are void	2
225	Which of the following is an exception to the rule that an agreement without consideration is void?	Promise made to pay a debt barred by law	1
226	Under Section 25(1), an agreement made without consideration is valid if it is:	Made on account of natural love and affection	2
227	What happens to a gift once it is completed, even if there was no consideration?	It cannot be recovered on the ground of absence of consideration	2
228	What does "remission" in contract law mean?	Lesser performance of the contract than originally agreed	2
229	If a party agrees to perform less than originally promised under a contract, this is called:	Remission	3
230	Can an insolvent person enter into a contract relating to his property?	No, not while insolvency proceedings are ongoing	2
231	Can a drunken or intoxicated person enter into a valid contract?	No, while intoxication lasts and they are incapable of understanding the contract	1
232	A contract is not voidable because it was caused by a mistake as to any law in force in India; but mistake as to a law not in force in India has the same effect as:	A mistake of fact	2
233	Which of the following contracts by a company may be invalid?	Contracts outside the Memorandum of Association	2
234	In contracts involving personal skill or ability, what happens upon the death of the person?	The contract is terminated	3
235	What does unauthorized material alteration in a contract lead to?	Discharge of the contract	1
236	when a part-time lecturer becomes a full-time lecturer, the earlier contract is discharged by:	Merger	4
237	if A and B plan to marry but A goes mad before the marriage, the contract becomes:	Void due to impossibility of performance	2
238	The term "Quantum Meruit" literally means:	As much as is merited or earned	2
239	What are E-contracts?	Contracts that are not paper-based and are electronic in nature	2
240	What is another name for Actual Breach of Contract?	Present breach	2
241	Where the trees were sold so that they were to be cut out and separated from land and taken away by the buyer. This sale is considered a sale of:	Goods as movable property	3
242	What are specific goods?	Goods identified and agreed upon at the time the contract of sale is made	2
243	In a contract of sale, when one table is sold out of 25 tables, under which condition would the table be considered specific goods?	If the table is selected before the contract of sale is made	4
244	When the buyer does not select goods for him from a lot but the goods are defined only by description, they are called:	Unascertained goods	3
245	where ABC agrees to sell to XYZ all the apples which will be produced in his garden next year, these apples are classified as:	Future goods	1
246	X selected some party wears in a retail showroom, agreed to take delivery next day and pay next week, but the party wears are destroyed by fire the same day, who bears the loss?	The buyer, because property in goods had passed to him	4



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247	A sends 3 dozen silk saris to B on approval or sale or return basis with an option to return within 21 days. B sends a letter of approval within 15 days. When does the sale take place?	On the day B sends the letter of approval	1
248	B of Benaras writes to C of Chennai to send 50 wrist watches by parcel post. C sends the parcel with the correct address, but it is misplaced and never reaches B. Who bears the loss?	B, the buyer	2
249	A wants to sell his typewriter and tells B, who has not seen it, that it is a brand new machine. B agrees to buy it. On delivery, the machine is found to be old and repaired. What right does B have?	B can repudiate the contract and return the machine	2
250	What does the warranty of freedom from encumbrances imply?	The goods are free from any charge or claim by a third party.	2
251	Which of the following is an example of actual delivery?	The seller hands over a car to the buyer directly.	3
252	What right does Section 41 of the Sale of Goods Act give to the buyer?	Right to examine goods delivered to him which he has not previously examined	2
253	How can a negotiable instrument be transferred?	By delivery or by endorsement and delivery	3
254	What does "ad infinitum transfer" of a negotiable instrument mean?	It can be transferred any number of times until its maturity	4
255	A bill drawn, accepted, or endorsed without consideration is known as:	Accommodation bill	3
256	Which of the following is essential for a general crossing of a cheque?	Two parallel transverse lines	1
257	A cheque is said to be specially crossed when:	It bears the addition of the name of a banker across its face, with or without the words "Not Negotiable"	4
258	Which of the following is true regarding special crossing?	It restricts the payment of the cheque to a particular banker	2
259	Who is allowed to perform a double crossing?	Only the banker to whom the cheque is initially crossed	1
260	A cheque is dishonoured when:	The bank refuses to pay the amount to the payee	3
261	The Cheque Return Memo contains:	Reasons for the dishonour of the cheque	4
262	How does crossing a cheque help prevent fraud?	Misuse can be easily traced and the fraudulent person detected	3
263	Which of the following is a condition for a payment to be considered "in due course"?	It must be made to the person in possession of the instrument and entitled to payment	1
264	When does truncation of a cheque occur?	Immediately on generation of an electronic image during the clearing cycle	4
265	To whom is the payment in a promissory note made?	To a certain person, to the order of that person, or to the bearer of the instrument	2
266	The promise to pay in a promissory note must be:	Unconditional and express	2
267	An instrument that is incomplete in some respect is called:	Inchoate Instrument	3
268	An Escrow Instrument is:	An instrument drawn conditionally or for a special purpose, not for transferring property	2
269	A bill of exchange without any documents relating to goods attached is called:	Clean bill	1
270	What is the primary purpose of a product disclaimer?	To warn buyers about any harmful side effects or dangers of the product	1
271	Which form of written communication presents the actual financial status of a company?	Financial reporting	2



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

FUNDAMENTALS OF BUSINESS LAWS AND BUSINESS COMMUNICATION (PAPER - 1)

ANSWERS TO MCQ BANK

SL NO	QUESTIONS	CORRECT ANSWER	ANSWER CODE
272	In marketing communications, what must the salesperson be careful about?	Being tactful and clever in word usage to avoid violating business communication laws	2
273	Why is it important to avoid beating around the bush in communication?	To keep the message precise and clear	2
274	Why is feedback important in business communication?	To ensure the listener understood the message as intended	4
275	How does proper division of labor help organizational communication?	It reduces information overload and delays in communication	2
276	Physical barriers in communication are mainly created due to:	Disturbances in the surroundings or environment	4
277	Who proposed the six stages of Intercultural Sensitivity?	Milton Bennett	1
278	During the Denial stage, what is the main challenge faced by members?	Ignoring the existence of cultural differences	3
279	In which stage do members view the differences in culture as negative and believe their own culture is superior?	Defence	3
280	Advertising through newspapers, magazines, and brochures is called:	Print Media Advertising	3
281	Which type of report presents only facts about an activity without any note or suggestions?	Information Report	3
282	Reports that are based on research conducted on a particular problem are known as:	Research Reports	2
283	Which of the following is considered good telephone etiquette?	Using warm greetings like "Good morning" and "Thank you"	2
284	A seller sends a letter providing details about price, quality, and terms of sale after receiving an enquiry. This is known as:	Quotation Letter	3
285	One of the primary reasons businesses write and draft messages is to:	Inform, persuade, and create goodwill	2
286	Building trust among stakeholders and developing company reputation is mainly part of:	Creating Goodwill	3
287	Effective communication with customers helps a business by:	Enhancing customer satisfaction and reputation	3
288	Courteous communication helps in:	Maintaining healthy working relationships	2
289	What is essential for the speaker to avoid miscommunication?	Delivering the message in a concrete and clear manner	2
290	A debate is usually based on:	Current affairs or specific situations	1