



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

BUSINESS LAWS AND ETHICS (PAPER - 5)

MCQ BANK

SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
1	Right to Property is a:	Fundamental Right	Fundamental Duty	Constitutional Right	None of the above
2	The Constitution of India describes India as:	A federation	Quasi-federal	A Union of states	None of the above
3	Constitution is the:	Law of the land	Administrative Law of the land	Constitutional Law of the land	None of the above
4	What is the chief source of legal authority in India?	President of India	Constitution of India	Parliament	None of the above
5	Which of the following is described as the 'Soul of the Constitution'?	Fundamental Rights	Fundamental Duties	Directive Principles of State Policy	Preamble
6	The Preamble to the Indian Constitution is based on	Philosophy of India	Objectives Resolution' drafted & moved by Pandit Nehru	Indian Culture	Religious Concept
7	The term 'We' in Preamble means	Indian Government	Supreme Courts	Indian Parliament	The People of India
8	Indian Constitution ensures 'Justice' in which of the following form	Social	Economic	Political	All of the above
9	Preamble has been amended by which Amendment Act?	27th Constitutional Amendment	42nd Constitutional Amendment	44th Constitutional Amendment	40th Constitutional Amendment
10	In which case, the Supreme Court specifically opined that Preamble is 'not' a part of the Constitution?	Berubari Union case	Kesavanada Bharati case	Both (a) & (b)	None of the above
11	In which case, the Supreme Court rejected the earlier opinion and held that Preamble is an integral part of the Constitution?	Berubari Union case	Kesavanada Bharati case	Both (a) & (b)	None of the above
12	The Preamble states that the Constitution derives its authority from	Indian Culture	Government of India	The People of India	Princely states
13	As per Preamble, date of adoption of the Constitution is	26th January 1950	26th November 1949	11th December 1946	None of the above
14	42nd Constitutional Amendment (1976) added which of the terms to the Preamble	Socialist	Secular	Sovereign	Both (a) & (b)
15	Which part of the Indian Constitution expressly declares that India is a Sovereign Socialist Secular Democratic Republic?	Fundamental Rights	Directive Principles of State Policy	Preamble	Fundamental Duties
16	'Economic Justice' as one of the objectives of the Indian Constitution has been provided in	the Preamble and the Fundamental Rights	the Preamble and the Directive Principles of State Policy	the Fundamental Rights and the Directive Principles of State Policy	None of the Above
17	The correct sequence of the following words in the Preamble is	Sovereign, Democratic, Socialist, Secular, Republic	Sovereign, Socialist, Secular, Democratic, Republic	Sovereign, Socialist, Democratic, Secular, Republic	None of these
18	The Constitution of which country was the first to begin with a Preamble?	USA	India	Britain	Canada
19	The ideal of Justice (Social, Economic and Political) in the Preamble draws its inspiration from	Russian Revolution	American Civil War	French Revolution	Japanese Constitution
20	The ideals of liberty, equality and fraternity in the Preamble have been taken from	French Revolution	Russian Revolution	American Civil War	None of the above



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21	Which of the following is true about Preamble?	It is a source of power to legislature and a source of prohibition upon the powers of legislature	It is justiciable	Its provisions are enforceable in courts of law.	None of the above
22	The 42nd Constitutional Amendment added which of the following 4 words in the Preamble?	Socialist	Secular	Integrity	All of the above
23	Which of the following words is not mentioned in the Preamble to the Indian Constitution?	Sovereign	Socialist	Democratic	Indians
24	The word 'Sovereign' mentioned in the Preamble implies _____	India is an Independent State.	India is neither a dependency nor a dominion of any other nation	India is free to conduct its own affairs (both internal and external).	All of the above.
25	Which of the following statements is/are true?	India's membership of the Commonwealth of Nations does not affect India's Sovereignty in any manner.	India's membership of United Nations Organization (UNO) does not limit India's Sovereignty.	India can either acquire a foreign territory or cede a part of its territory in favor of a foreign state	All of the above.
26	In which of the following, are the basic aims and objectives of the Indian Constitution discussed?	Part -1	Preamble	Part -II	Schedule
27	What is the meaning of 'equality' in the Indian Constitution?	Lack of opportunities	Lack of equality	Absence of special privileges to any section of the society, and provision of adequate opportunities for all individuals without any discrimination.	None of the above.
28	Which of the following terms was not included in a "union of trinity" by Dr. B. R. Ambedkar in his concluding speech in the Constituent Assembly?	Liberty	Flexibility	Equality	Fraternity
29	Acceptance to be a valid must :	Be absolute	Be unqualified	Both be absolute & unqualified	Be conditional
30	A proposal can be accepted :	By notice of acceptance	By performance of condition of proposal	By acceptance of consideration for a reciprocal promise	All of the above
31	Competency to contract relates to :	Age of parties	Soundness of mind of the parties	Both age and soundness of mind	Intelligence of the parties
32	If only a part of the consideration or object is unlawful, the contract under Section 24 shall be:	Valid	Voidable	Void	Illegal
33	When the consent is caused by undue influence, the contract under Section 19A is:	Valid	Void	Voidable	Illegal



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34	State who is competent to contracts :	A minor	A person of sound mind	A lunatic	A purdanasheen women
35	When are the essential elements of a valid contract :	Offer and acceptance	lawful consideration	Capacity of parties	All of the above
36	When one person signifies to another his willingness to do or to abstain from doing anything it is known as :	Proposal	Offer	Agreement	Contract
37	What is the effect of wagering agreements :	Agreement is void	No suit shall be filed	Void and not illegal	All of the above
38	A contract is :	a legal obligation	An agreement plus a legal obligation	Consensus ad idem	An agreement plus a legal object
39	Which of the following result/results in an offer ?	A declaration of intention	An invitation to offer	An advertisement offering reward to anyone who finds the lost dog of the advertiser	An offer made in a joke
40	A special offer can be accepted by	any person	any friend of offerer	the person to whom it is made	any friend of offeree
41	An acceptance is not according to the mode prescribed but the offerer decides to keep quiet .In such case there is	a contract	no contract	a voidable contract	an enforceable contract
42	There is a counter offer when	a the offeree gives conditions for acceptance or introduces a fresh term in acceptance	the offerer makes a fresh offer	the offeree makes some query	the offeree accepts it
43	Acceptance may be revoked by the acceptor :	at any time	before the letter of acceptance reaches the offerer	after the letter of acceptance reaches the offerer	before the death of the acceptor
44	An advertisement to sell a thing by auction is :	an offer	An invitation to offer	no offer at all	a contract
45	A makes an offer to B on 10th by a letter which reaches B on 12th. B posts letter of acceptance on 14th which reaches A on 16th. The communication of acceptance is complete as against A on :	12th	14th	16th	17th
46	An agreement made without consideration is :	Valid	illegal	voidable	void
47	A promises to subscribe to a charity.The promise is a :	valid contract	voidable contract	void contract	void agreement
48	consideration in a contract :	may be past ,present or future	may be present or future only	must be present only	must be future only
49	A promise to compensate , wholly or in part ,a person who has already voluntarily done something for he promisor is	enforceable	not enforceable because it is without consideration	void	voidable
50	Where consent is caused by fraud or misrepresentation the contract is	voidable at the option of the aggrieved party	void	enforceable	not affected in any manner
51	Where both the parties to an agreement are under a mistake as a matter of fact essential to the agreement , the agreement is	void	voidable	illegal	not affected at all



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52	What are the requisites of fraud :	A representation or assertion and it must be false	The representation or asertion must be of a fact	The representation or assertion must have been made with a knowledge of its falsity or without belief in its truth or recklessly	any of the above
53	A valuable consideration in the eyes of law may consist of :	Right, Interest, Profit or Benefit to one party	Forbearance ,detriment, loss or responsibility by other person	Either of (a) or (b)	Both (a) or (b)
54	An agreement with or by a minor is -	void	voidable at the option of the minor	Voidable at the option of the other party	valid
55	On attaining the age maturity a minor's agreement	can be ratified by him	cannot be ratified by him	becomes void	becomes valid
56	A minor enters into a contract for the purchase of certain necessaries .In such a case -	He can be sued for fraud	He cannot be sued for fraud	He is liable to return the money	None of the above
57	contracts made before war with an alien enemy which are against public policy are -	void ab initio	dissolved	no affected at all	None of the above
58	When a person positively asserts that a fact is true when his information does not warrant it to be so, thoughhe believes it to be true,there is	misrepresentation	fraud	undue influence	coercion
59	A promise made without the intention of performing it amounts to	innocent misrepresentation	fraud	negligent misrepresentation	wrongful misrepresentation
60	A bailee has	a right of particular lien over the goods bailed	a right of generation	a right of both particulars and general lien	no lien at all over the goods bailed
61	The position of a finder of lost goods is that of a	bailor	bailee	surety	principal debtor
62	A bailee fails to return the goods according to the bailor's direction.He takes reasonable care of the goods but still the goods are lost.The loss will fall on	the bailee	the bailor	on both of them	neither of them
63	A who purchases certain goods from B by a misrepresentation pledges them with C. The pledge is	valid	void	voidable	invalid
64	A contract of indemnity is a	a contingent contract	wagering contract	quasi contract	void agreement
65	The definition of a contract of indemnity as given in the Indian Contract Act, 1872 includes	express promises to indemnity	implied promises to indemnity	cases where loss arises from accidents and events not depending on the conduct of the promisor or any other person	cases where the loss is caused by the conduct of the promisor himself or by the conduct of any other person
66	Where there are co - sureties , a release by the creditor of one of them	discharges the other co-sureties	does not discharges the other co-sureties	makes all the co-sureties immediatedly liable	makes the contract of guarantee void



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67	A guarantee obtained by a creditor by keeping silence as to material circumstances is	valid	voidable	enforceable	invalid
68	A quasi contract	is a contract	in an agreement	creates only a legal obligation	is none of these
69	When an agreement is discovered to be void , any person who has received any advantage under such agreement	is bound to restore it	is not bound to restore it	is not bound to return it	may retain it
70	A minor has been supplied necessaries on credit --	he is not liable	he is personally liable	his estate is liable	He is not personally liable
71	A finder of lost goods is a	bailor	bailee	true owner	thief
72	Quantum meruit means	a non-gratuitous	an implied promise	as much as is earned	as much as is paid
73	A agreed to sell 100 shares to B at rs 75 per share , delivery to be given on 1st march, B refused to accept delivery on 1st march as price had gone down to rs 60 per share . Subsequently A sold these shares at rs 92 per share	A cannot recover any damages from B	A will have to restore to B rs 1700, i.e, the profit he made	A can recover damages to be determined by the President of the stock exchange	None of them
74	Anticipatory breach of a contract takes place	during the performance of the contract	at the time when the performance is due	before the performance is due	at the time when the contract is entered into
75	Specific performance may be ordered by the court when	the contract is voidable	damages are an adequate remedy	damages are not an adequate remedy	the contract is uncertain
76	A undertakes to paint a picture of B.He dies before he paints the picture. The contract	is discharged by death	becomes voidable at the option of B	becomes voidable at the option of the legal representatives of A	will have to be performed by the legal representatives of A
77	A creditor agrees with his debtor and a third to accept that third party as his debtor	performance	alteration	waiver	remission
78	A lends rs 500 to B .He later tells B that he need not repay the amount , the contract is discharged by	breach	waiver	novation	performance
79	If a new contract is substituted in place of an existing contract , it is called	alteration	rescission	novation	waiver
80	Which of the following are contingent contracts ?	contracts of insurance	Contracts of guarantee	wagering agreements	(a) and (b)
81	An agreement to do impossible act is	void	voidable	illegal	enforceable under certain circumstances
82	A wagering agreement is	forbidden by law	immoral	opposed to public policy	None of these
83	The collateral transactions to an illegal agreement are	void	illegal	voidable	not affected at all
84	A person enters into an agreement whereby he is bound to do something which is against his public or professional duty . The agreement is	void on the ground of public policy	valid	voidable	Illegal
85	The Negotiable Instruments Act, 1881 is an Act to define and amend the law relating to:	cheques	bills of exchange	promissory notes,	All of the above
86	“banker” includes:	Any person acting as an employee of any bank and any post office saving bank.	Any person acting as a banker and any post office saving bank	Any person acting as an agent of any bank and any post office saving bank.	Any person acting as a Managing Director of any bank and any post office saving bank



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87	Which is NOT an example of "Promissory Note":	I acknowledge myself to be indebted to B in ` 1,000, to be paid on demand, for value received."	Mr B, I.O.U ` 1,000."	"I promise to pay B or order ` 500"	None of the above
88	In a Promissory Note, how many parties are involved:	1	2	3	4
89	Which is NOT correct about the "Promissory Note"	It contains a conditional undertaking.	It contains the amount mentioned on it	It is an instrument in writing.	It is signed by the maker
90	The Negotiable Instruments Act, 1881 extends to:	Only to Capital cities of the States.	The whole of India.	The whole of India except the State of Jammu and Kashmir.	The whole of India except the Union Territories.
91	The Negotiable Instruments Act makes specific mention of three instruments namely cheque, bill of exchange and	Promissory note	hundi	bank draft	customary note
92	Which one of the following is not the characteristic of a negotiable instruments ?	it must be in writing	it must be freely transfereable	it must be registered	It must contain definite amount of money
93	A bill of exchange is treated as dishonoured due to non-acceptance ,where the drawee	does not accept within 48 hours of presentment	is incompetent to contract	gives a conditional acceptance	in all the above cases
94	A person becomes a ' holder in due course' of a negotiable instrument if he receives it	in good faith	for value	before maturity	by satisfying all these
95	A negotiable instrument payable to order can be transferred by	simple delivery	indorsement	indorsement and delivery	registered post
96	In case , back of a negotiable instrument is full of indorsements a slip of paper may be attached to the instrument for signing indorsements. Such a slip is legally known as	Allonge	Escrow	Zikri chit	peth
97	Material alteration of a negotiable instrument, without the consent of the parties discharges the parties who have become liable	after such alteration	prior to such alteration	because of alteration	without such alteration
98	After receiving an uncrossed cheque ,its holder can make on it	General crossing	special crossing	either (a) or (b)	neither (a) nor (b)
99	The payment of a cheque , containing special crossing can be obtained	at the counter	by depositing in account	by the payee only	both (a) and ©
100	A negotiable instrument made without any consideration at all ,is	void between all parties	voidable between all parties	void between immediate parties	voidable between immediate parties
101	Inchoate instrument is	An instrument incomplete in some respect	An ambiguous instrument	A clean bill	Drawn conditionally as collateral security
102	A failure to present a negotiation instrument should be presented for payment to the party who is	primarily liable	secondarily liable	willing to make payment	capable of making payment
103	A negotiation instrument is said to be discharged when the liability of which of the following parties comes to an end?	primarily liable party	secondarily liable party	subsequently liable party	none of the parties
104	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.
105	Which of the following negotiable instrument is not entitled to days of grace ?	a bill of exchange payable on specified date	a promisory note payable on specified date	a promisory note payable 'after sight'	a cheque , is always payable on demand



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106	After the dishonour of a negotiable instrument, the holder may get the fact of dishonour authenticated by a Notary Public. The 'noting' may be done in case of	Promissory note	bills of exchange	cheque	both (a) and (b)
107	A cheque is said to contain a special crossing when two parallel lines are drawn across the face of the cheque and writing between the lines the	name of some bank	name of some bank and '& Co'	a/c payee only	in (a) and (b) cases
108	A Promissory Note must be	in writing	unconditional	signed by the maker	all of the above
109	A bill is discharged when its acceptor by negotiation back, becomes its holder	at maturity	after maturity	before maturity	either (a) or (b)
110	The presentment for sight is required only in case of a promissory note. Which of the following note must be presented for sight?	a note payable at sight	a note payable after sight	a note payable on demand	all of the above
111	A bill of exchange payable to bearer on demand is	valid	voidable	invalid	none of these
112	The term 'customer' in relation to a banker, means a person who keeps with a banker	current account for six months	deposit account for six months	both accounts for six months	either account irrespective of duration
113	The payment of a negotiable instrument becomes due	at maturity	before maturity	after maturity	on 3rd day of maturity
114	In case, the rate of interest is not specified in the instrument, the interest payable is calculated at per annum rate of	six percent	nine percent	twelve percent	eighteen percent
115	An act of a firm means:	Any partner or agent of the firm which gives rise to a right enforceable by or against the firm	Any act by all the partners	Any omission by all the partners	All of the above
116	Partnership is the relation between persons who have agreed to share the profits of a business carried on by all or any of them acting for all. Does it mean that losses are not shared?	A minor may be admitted in partnership, only for the profits, but he cannot share in losses.	It also depends on the partnership agreement. A person may share the profits but may not share in losses.	Sharing of profits also include losses (negative profits)	All of the above.
117	Where no provision is made by contract between the partners for the duration of their partnership, or for the determination of their partnership, the partnership is called as:	Particular partnership	Partnership for a fixed term	partnership at will	None of the above
118	What information shall be given to the Registrar of Firms by a registered partnership firm:	New opening/closing of the existing branch, if any.	Change in the name of and address of the partner (s)/change in the constitution of the firm	What there is change in the name of the firm or in location of the principal place of business	All of the above.
119	Who can inspect the Register and filed documents at the office of the Registrar:	Any Government servant	The Partners of the firm	The partners of the other firms	Any person
120	What are the rights of partners after dissolution:	To have the surplus distributed among the partners or their representatives according to their rights	To have business wound up after dissolution	To have the property of the firm applied in payment of the debts and liabilities of the firm	All of the above



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121	Where any member of a firm has died or otherwise ceased to be a partner, and the surviving or continuing partners carry on the business of the firm with the property of the firm without any final settlement of accounts as between them and the outgoing partner or his estate, then, in the absence of a contract to the contrary, the outgoing partner or his estate is entitled at the option of himself or his representatives to such share of the profits made since he ceased to be a partner as may be attributable to the use of his share of the property of the firm or to interest at the rate of on the amount of his share in the property of the firm:	9% p.a.	18% p.a	6% p.a.	12% p.a.
122	The dissolution of partnership means:	It means the dissolution of partnership between all the partners of a firm	It means the change in the relations of the partners	It means the reconstitution of the firm.	None of the above.
123	In what circumstances a partner may retire:	In accordance with an express agreement by the partners	Where the partnership is at will, by giving notice in writing to all the other partners of his intention to retire.	With the consent of all the other partners	All of the above.
124	What would be the position, where a minor elect not to become a partner:	He shall be entitled to sue the partners for his share of the property and profits	His rights and liabilities shall continue to be those of a minor under this section up to the date on which he gives public notice.	His share shall not be liable for any acts of the firm done after the date of the notice.	All of the above
125	The maximum number of partners in a firm carrying on banking business cannot exceeds	5	10	15	20
126	There is no provision in the partnership deed regarding the duration of partnership .This is	partnership at will	partnership for an indefinite period	partnership by ostoppel	partnership not recognised by law
127	registration of a firm under the partnership act , 1932	compulsory	not optional	not necessary	inevitable
128	A nominal partner is	liable for the debts of the firm	not liable for the debts of the firm	liable for a nominal sum	one whose liability is primary
129	If a minor chooses to become a partner on attaining the age of majority, he will be liable for the debts of the firm	from the date of his attaining majority	from the date of his admission to the benefits of the partnership	from the date of his election to become a partner of the firm	from the date of his attaining majority or election which is earlier
130	Public notice is not given on the death of a partner but the firm continues the business .for the acts of the firm done after his death	the estate of the deceased partner is liable	the estate of the deceased partner is not liable	his legal representatives are personally liable	None of these
131	The position of a minor partner is dealt with in the Indian Partnership Act ,1932 in	Sec. 25	Sec. 29.	Sec. 30	Sec. 35
132	Where a partner is entitled to interest on capital subscribed by him such interest will be payable	only out of profit	only out of capital	out of profits or out of capital	None of these



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133	A change in the nature of the business of a firm can be made if	the majority of the partners agree	the senior partners agree	all the partners agree	the working partners agree
134	In the absence of any agreement, interest on advances by a partner is	allowed at 15%	allowed at 6%	allowed at market rate of interest	not allowed at all
135	An act of a firm means:	Any partner or agent of the firm which gives rise to a right enforceable by or against the firm	Any act by all the partners	Any omission by all the partners	All of the above
136	Partnership is the relation between persons who have agreed to share the profits of a business carried on by all or any of them acting for all. Does it mean that losses are not shared:	A minor may be admitted in partnership, only for the profits, but he cannot share in losses.	It also depends on the partnership agreement. A person may share the profits but may not share in losses.	Sharing of profits also include losses (negative profits)	All of the above.
137	Who can inspect the Register and filed documents at the office of the Registrar:	Any Government servant	The Partners of the firm	The partners of the other firms	Any person
138	What are the rights of partners after dissolution:	To have the surplus distributed among the partners or their representatives according to their rights.	To have business wound up after dissolution	To have the property of the firm applied in payment of the debts and liabilities of the firm.	All of the above
139	Where any member of a firm has died or otherwise ceased to be a partner, and the surviving or continuing partners carry on the business of the firm with the property of the firm without any final settlement of accounts as between them and the outgoing partner or his estate, then, in the absence of a contract to the contrary, the outgoing partner or his estate is entitled at the option of himself or his representatives to such share of the profits made since he ceased to be a partner as may be attributable to the use of his share of the property of the firm or to interest at the rate of on the amount of his share in the property of the firm:	nine per cent, per annum	eighteen per cent, per annum	six per cent per annum	twelve per cent, per annum
140	The dissolution of partnership means:	It means the dissolution of partnership between all the partners of a firm	It means the change in the relations of the partners	It means the reconstitution of the firm.	None of the above.
141	In what circumstances a partner may retire:	In accordance with an express agreement by the partners	Where the partnership is at will, by giving notice in writing to all the other partners of his intention to retire.	With the consent of all the other partners	All of the above.



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142	What would be the position, where a minor elects not to become a partner:	He shall be entitled to sue the partners for his share of the property and profits.	His rights and liabilities shall continue to be those of a minor under this section up to the date on which he gives public notice.	His share shall not be liable for any acts of the firm done after the date of the notice.	All of the above
143	After a partner's death the business is continued in the old firm name. Whether the legal heirs of the deceased partner are liable for any acts of the firm:	The continued use of the name or of the deceased partner's name as a part thereof shall not of itself make his legal representative or his estate liable for any act of the firm done after his death.	If the estate of the deceased person's property is insufficient to make good, the personal assets of the legal heirs will be liable for any of the acts done by the firm.	The estate of the deceased person is liable for any of the act done by the firm.	The legal heirs of the deceased partners shall be liable for any of the act done by the firm after the demise of the partner
144	The partners in a firm may, by contract between the partners:	restrict the implied authority of any partner	extend the implied authority of any partner	None of the above	Both A and B are correct
145	Whether a notice given to a partner, who habitually acts in the business of the firm of any matter relating to the affairs of the firm, will be deemed as notice to the firm:	It will deemed as personal information to that partner	Yes, it operates as notice to the firm, except in the case of a fraud on the firm committed by or with the consent of that partner	It depends on the nature of the concerned partner whether he inform so to other partners	No, it will not deemed as notice to the firm.
146	What would be the position where a minor elects to become a partner.	His share in the property and profits of the firm shall be the share to which he was entitled as a minor	His rights and liabilities as a minor continue up to the date on which he becomes a partner	He also becomes personally liable to third parties for all acts of the firm done since he was admitted to the benefits of partnership	All of the above
147	Where a partner has paid a premium on entering into partnership of a fixed term, and the firm is dissolved before the expiration of that term otherwise than by the death of a partner, whether any repayment of the premium is permissible:	He will not be entitled for repayment of the premium if the dissolution is mainly due to his own misconduct	He will not be entitled for repayment of the premium if the dissolution is in pursuance of an agreement containing no provision for the return of the premium or any part of it	He shall be entitled to repayment of the premium or of such part thereof as may be reasonable, regard being had to the terms upon which he became a partner and to the length of time during which he was a partner	All of the above



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148	Whether a partner after dissolution of the partnership firm, carry on the business in the erstwhile business name of the firm	He can use the business name of the dissolved firm name, if he has brought the goodwill of the firm.	He can't use the business name of the dissolved firm.	He can use the business name of the dissolved firm, provided there was a contract between the partners of the dissolved firm	Both the points mentioned at A and C are correct
149	The State Government may appoint Registrars of Firms for the purposes of this Act, every Registrar shall be deemed	To be a Central Government Servant.	To be a public servant within the meaning of section 21 of the Indian Penal Code	To be State Government Servant	To be a private servant
150	Non-registration of a firm will not affect:	The right of the partner to sue for the dissolution of the firm, or for the accounts of the dissolved firm, or for share of the property of the dissolved firm.	The right to any suit or claim of set-off not exceeding Rs. 100 in value	The right of a firm or partners of a firm having no place of business in India.	All of the above
151	How a firm may be dissolved	A firm may be dissolved by the Court order.	A firm may be dissolved by the certain contingencies	A firm may be dissolved in accordance with a contract between the partners	All of the above
152	Where a partner has become of unsound mind the court may dissolved	on the petition of any partner	not dissolve the firm	order the other partners to continue	none of these
153	If the assets of a firm are insufficient to discharge to debts and liabilities of the firm, the partners shall bear the deficiency	in the profit -sharing ratio	in the capital - ratio	equally	as determined by the court
154	On attaining the majority, the minor partner has to decide and give a public notice within the prescribed period, whether he will continue as partner in the firm or will quit. What is that prescribed period:	Within twelve months of his attaining majority or of his obtaining knowledge that he had been admitted to the benefits of partnership, whichever date is later	Within three months of his attaining majority or of his obtaining knowledge that he had been admitted to the benefits of partnership, whichever date is later	Within six months of his attaining majority or of his obtaining knowledge that he had been admitted to the benefits of partnership, whichever date is later	Within nine month of his attaining majority or of his obtaining knowledge that he had been admitted to the benefits of partnership, whichever date is later
155	In which conditions a person may be deemed as partner by estoppels or holding out:	When he by his conduct represents himself to be a partner in a firm	When knowingly permits himself to be represented, to be a partner in a firm.	When he expressly by words spoken or written let the others that he is a partner in a firm.	All of the above



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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
156	M/s XYZ is partnership firm and X, Y and Z are the partners. During the course of business travel, partner X recovered a sum of Rs. 15000 in cash from the debtor of the firm and credit in his personal bank account. The act of X will amounts to:	After utilising the amount for few days, he returned back the money to the firm, so it will not come under the mis-appropriation of the funds.	Nothing wrong in it, since he has personally made efforts in realising the dues from the debtor.	Mis-appropriating the funds of the firm and utilisation of the same for the personal gain.	None of the above.
157	What is the liability of a retiring partner, after the date of his retirement'.	He shall not be liable for the act done by other partners during his tenure in the partnership firm.	He and the partners continue to be liable as partners to third parties for any act done by any of them which would have been an act of the firm if done before the retirement, until public notice is given of the retirement	He shall be liable for the acts done by him only on behalf of the firm during his tenure, towards the third party.	Only A and B are correct.
158	A limited liability partnership is:	Not a separate entity from that of its partners	A legal entity separate from that of its partners	A body corporate	Only B and C are correct
159	A LLP shall be governed by the provisions of:	The Companies Act, 2013	The Limited Liability Partnership Act, 2008	The Co-operative Societies Act, 1912	The Indian Partnership Act, 1932
160	Whether a HUF can become partner in LLP:	HUF may become partner of LLP provided the Registrar may grant permission in this behalf.	No, HUF can't become partner in the LLP .	Yes, HUF may become partner of LLP.	None of the above.
161	How many designated partners are required in LLP:	At least two designated partners	Seven designated partners	Two designated partners	At least seven designated partners
162	The LLP shall file the Statement of Account and Solvency in the prescribed form. Which is this Form:	Form 8	Form 7	Form 6	Form 5
163	Who is the authority to grant compounding of offence under the LLP Act:	The Registrar of Firms	The Central Government	The Registrar	The Registrar of Co-operatives
164	What is the time limit within which LLP shall file Annual Return with the Registrar:	Within 30 days of closure of its financial year.	Within 45 days of closure of its financial year.	Within 60 days of closure of its financial year.	Within 15 days of closure of its financial year.
165	Which of the following is true about a Limited Liability Partnership?	A Limited Liability Partnership is not a distinct entity from its partners	A Limited Liability Partnership is a legal entity separate from its partners	A Limited Liability Partnership is a body corporate	Both b and c are correct
166	Which of the following is true about the number of designated partners required in a Limited Liability Partnership?	A Limited Liability Partnership can have at least two designated partners	A Limited Liability Partnership can have at least three designated partners	A Limited Liability Partnership can have at least seven designated partners	A Limited Liability Partnership can have at least four designated partners



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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
167	Every Limited Liability Partnership must maintain its books of accounts diligently. Those books of accounts should maintain .	Particulars of the receipts and expenditures at the Limited Liability Partnership with the details of those transactions	An inventory of the cost of goods purchased, work in progress, inventories, finished goods as well as the cost of goods sold	A complete record of the assets and liabilities of the Limited Liability Partnership	All of the above
168	As per Sale of Goods Act, this is not included:	A Limited Liability Partnership should maintain its accounts at the branch office	A Limited Liability Partnership should maintain its accounts at the corporate office	A Limited Liability Partnership should maintain its accounts at the head office	A Limited Liability Partnership should maintain its accounts at the registered office
169	As per Sale of Goods Act, this is not included:	A Limited Liability Partnership should maintain its books of accounts on the accrual basis	A Limited Liability Partnership should maintain its books of accounts on the cash basis	A Limited Liability Partnership should maintain its books of accounts based on the double-entry system of accounting	All of the above
170	LLP shall file its Annual Return in which form:	Form 12	Form 11	Form 10	Form 9
171	The audit of accounts of every LLP is not compulsory if its:	Turnover does not exceed in any financial year, Rs 40 lakh or whose contribution does not exceed Rs 25 lakh	Turnover does not exceed, in any financial year, Rs 30 lakh, or whose contribution does not exceed Rs 25 lakh	Turnover does not exceed, in any financial year, Rs 20 lakh, or whose contribution does not exceed Rs 25 lakh	Turnover does not exceed, in any financial year, Rs 10 lakh, or whose contribution does not exceed Rs 25 lakh
172	The Limited Liability Partnership Act, 2008 came into force on ____	21st March 2009	23rd March 2009	31st March 2009	30th March 2009
173	Which of the following cannot be converted into LLP?	Partnership firm	Private company	Listed company	unlisted company
174	The approved name of LLP shall be valid for a period of ___ from the date of approval:	1 Month	2 Months	3 months	6 months
175	For the purpose of LLP, Resident in India means:	Person who has stayed in India for a period of not less than 182 days during the current year.	Person who has stayed in India for a period of not less than 180 days during the immediately preceding one year.	Person who has stayed in India for a period of not less than 181 days during the immediately preceding one year.	Person who has stayed in India for a period of not less than 182 days during the immediately preceding one year.
176	In which kind of partnership one partner has unlimited liability and other partner have limited liability?	Partnership-at-will	Limited liability partnership	General partnership	Particular partnership
177	Any change in the partners of a limited liability partnership:	May be made only with the permission of the Registrar.	Shall not affect the existence, rights or liabilities of the limited liability partnership.	Shall affect its existence.	Shall affect the rights or liabilities of the limited liability partnership.
178	What is the filing fee for LLP in case where the contribution of LLP exceed Rs Five lakh but does not exceeds Rs Ten lakh:	Rs.150.	Rs. 200	Rs.100.	Rs. 50.



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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
179	A limited liability partnership shall, where a person becomes or ceases to be a partner and where there is any change in the name and address of the partner, file a notice with the Registrar:	Within thirty days from the date he becomes or ceases to be a partner.	Within sixty days from the date he becomes or ceases to be a partner	Within fifteen days from the date he becomes or ceases to be a partner.	Within forty five days from the date he becomes or ceases to be a partner.
180	Every limited liability partnership shall have atleast two designated partners who are individuals and at least one of them shall be:	An Indian resident	A person of foreign national	A resident in India	A person having Indian Passport
181	In terms of section 23 (2) of the LLP Act, 2008, every LLP shall file information with regard to the LLP agreement in the prescribed form, with the Registrar within thirty days of the date of information. What is the prescribed Form No.:	Form No.2	Form No.3	Form No. 4	Form No. 1
182	maximum no. of persons in a LLP is	50	100	20	No limit
183	duration of LLP	is limited	depends on the partnership agreement	extends upto proper dissolution (perpetual succession)	None of the above.
184	The Is responsible for doing all acts, matters and things as are required to be done by LLP as per the Act.	designated partner	active partner	designated director	All the partners
185	Which of the following enjoys separate legal entity status ?	Partnership firm	LLP	Company	Both b and c are correct
186	What is the primary advantage of a limited liability partnership (LLP) ?	Limited liability for all partners	Unlimited liability for all partners	tax advantages for partners	Ease of formulation
187	In an LLP , which of the following is true regarding the personal assets of partners ?	Personal assets are fully protected from business liabilities	Personal assets are liable for business debts	Personal assets are partially liable for business debts	Personal assets are only liable if there is fraud
188	Which document is required to establish an LLP	Articles of Association	LLP Agreement	Memorandum of Association	Certificate of Incorporation
189	Who is responsible for the day-to-day management of an LLP	All partners equally	The managing partner(s)	An appointment board of directors	A hired management team
190	In an LLP, which partner is typically responsible for signing contract and legal documents on behalf of the partnership?	silent partner	active partner	Managing partner	Limited partner
191	What type of professions are often required to form a Limited Liability Partnership (LLP) in certain jurisdictions?	Medical professionals	Lawyers	Chartered Accountants	All of the above
192	In an LLP , which partners are typically not involved in the day-to-day operations and decision making	Limited partners	General partners	Managing partner	silent partners
193	What is the primary disadvantage of an LLP compared to a corporation?	Limited Liability for partners	ease of formation	taxation	lack of perpetual existence
194	How many schedules are available in LLP act ?	2 schedules	4 schedules	1 schedule	schedule not prescribed
195	Age of adolescent worker is-	10	14	18	21
196	Certificate of fitness to be young worker is to be granted by-	Occupier of the factory	Inspector of the factory	Certifying surgeon	None of the above
197	White wash or color wash should be carried out atleast once in every period of-	14 months	a) 24 months;	48 months;	60 months
198	Where more than_____ workers are employed provision shall be made for cool drinking water during hot weather.	100	250	500	1000
199	Shelter rooms with suitable lunch rooms are to be provided, if more than____ workers are employed.	100	250	500	None of the above



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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
200	No female child shall be allowed to work in any factory except between-	8 a.m., and 7 p.m.;	6 p.m., and 6 a.m.,	6 a.m., and 7 p.m.,	10 p.m. and 5 a.m.,
201	Compensatory holidays are to be availed within month.	1-month	2 months	6 months	9 months
202	Which one of the following amounts to safety measure?	Artificial humidification;	Ventilation;	Fencing of factory;	First aid appliances
203	Identify from the following which is the power of Inspector of Factory.	Enter into any place of a factory	Make inquiry into any accident;	Seize or take copies of any document;	All the above.
204	Which does not amount to retirement?	Retrenchment;	Resignation;	Dismissal;	Superannuation.
205	Gratuity is payable to an employee-	On his superannuation;	Retirement;	Retrenchment;	In all the above cases.
206	The gratuity is payable to an employee shall not exceed-	12 months pay;	16 months pay;	20 months pay	24 months pay.
207	The employer shall display an abstract of the Act and the Rules in Form No-	U	H	O	N
208	If sufficient cause is shown the appropriate Government may condone the delay in filing appeal against the order of the Controlling Authority, for-	30 days;	60 days;	90 days;	No time limit.
209	Nomination is to be made by an employee-	Immediately on his appointment	After completion of one year service;	After he is made permanent;	None of the above
210	Which one of the following is to be included in the definition of 'wage'?	Dearness allowance	Overtime allowance	Commission;	House rent allowance.
211	If an employer intends to close the business he is to send notice to the Controlling Authority within _____ before the intended closure.	10 days;	30 days;	60 days;	90 days.
212	Nomination is to be filed in _____	Single form	Duplicate	Triplicate	Quadruplicate.
213	Which will not amount to service of notice under the rule?	Personal service;	By registered post;	By courier;	Both a and b.
214	Which one of the following will not include in the definition of basic wages as per the Employee Provident Fund and Miscellaneous Provisions Act, 1952?	Dearness allowance;	Overtime;	Cash value for consideration	All the above.
215	The contribution of employer to insurance fund is-	1%	10%	12%	None of the above.
216	Contribution of 10% to PF is applicable to-	Any establishment in which less than 20 employees are employed;	Any establishment declared as sick industrial company	Jute company;	All of the above.
217	The minimum administrative charge payable by the employer to the fund is-	Rs.75	Rs.500	Rs.1,000	None of the above
218	The maximum penalty recoverable from the employer who makes the default in payment of any contribution to the fund is-	5%	10%	15%	25%
219	Withdrawal from PF may not be allowed for-	Marriage of the employer;	Post matriculation education of children;	For the purchase of a dwelling place;	For illness in certain cases.
220	The Employees' Pension Scheme provides for-	Superannuation pension;	Orphanage pension;	Both (a) and (b);	None of (a) or (b).
221	Contribution of the employer to employees' pension scheme is-	8.33%	10%	12%	None of the above
222	The following cannot be nominated for the purposes of EPF Act-	Wife;	Sons of a deceased sons who have attained majority;	Father in law;	Unmarried daughter.



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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
223	While filing appeal to EPF Appellate Tribunal the employer has to deposit _____ of the amount due from him.	25%	50%	75%	None of the above
224	The contribution shall be paid in a bank within _____ days of the last day of the calendar month in which the contribution fall due for any wage period.	7	14	21	15
225	An appeal shall lie to High Court from the orders of ESI within _____ days from the date of order of the ESI Court.	30	60	90	None of the above.
226	A member of the Corporation shall cease to be a member if he fails to attend consecutive meeting	3	5	7	None of the above.
227	ESI Fund consists of-	Contribution;	Grants from governments;	Donations;	All the above
228	The Corporation may with the approval of _____ establish and maintain in a State, hospitals, dispensaries etc.,	Central Government;	State Government;	Local Authority;	None of the above.
229	Who among the following will not be considered as an employee?	Canteen workers	Casual workers;	Partners;	Part time employee
230	Who, among the following, is not the Principal Employer?	Occupier of the factory;	Owner of the factory;	Legal representative of the owner;	Legal representative of the contractor.
231	Seasonal factory is the one which is engaged for a period not exceeding _____ in a year.	7 months	6 months;	3 months	None of the above.
232	Which, among the following, will not be included in the definition of 'wages'?	Payment made on authorized leave;	Travelling allowance;	Payment made on lock out;	Payment made for lay off.
233	ESI Corporation is a-	Partnership firm;	Limited Liability Partnership;	Body Corporate;	Hindu Undivided Family.
234	The minimum rate of wages on time work basis may be fixed in accordance with	by the hour; or	by the day; or	by the month	all of the above
235	Section _____ deal with Eligibility for Bonus.	6	8	18	20
236	Every Inspector-cum-Facilitator appointed under sub-section (1) shall be deemed to be public servant within the meaning of section _____ of the Indian Penal Code.	15	18	21	26
237	Section 56 talks about the _____ .	composition of offences	offences by companies.	penalties for offences	power of officers
238	Which one of the following is not correct in regard to share certificate?	The Company Secretary shall issue the share certificate.	The share certificate shall be issued in pursuance of a resolution of the Board;	Every share certificate shall be distinguished to its distinctive number.	The shares may be in the dematerialized form
239	If a company does not have a common seal, the share certificate shall be signed by-	Two directors	One director and Company Secretary;	Either (a) or (b);	None of the above.
240	In case of unlisted company the duplicate share certificate shall be issued within a period of-	45 days	3 months	6 months	None of the above.
241	The Bonus shares may be issued out of the-	Free reserves;	Securities premium account;	Capital redemption reserve account;	Any of the above.



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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
242	For which purposes securities premium account can be utilized?	In writing off the preliminary expenses;	Buy back of shares;	Issue of bonus shares	Any of the above.
243	The quorum for a public company having the number of members more than 5000 is-	2	5	15	30
244	7. An instrument of the proxy shall be deposited with the registered office of the company _____ before the conduct of the meeting.	7 hours	21 hours	48 hours	60 hours.
245	In case of e-voting notice shall be sent as attachment in –	PDF	word file	excel	access
246	9. In the case of an adjourned meeting the company shall give not less than _____ notice to the members	1 days	3 days	7 days	None of the above.
247	Which one of the following is not correct?	The articles of the company shall provide for the appointment of Chairman in a meeting;	The members personally present at the meetings shall elect one of themselves to be Chairman on a show of hands, if the article does not provide for the same;	Managing Director is the Chairman of the meeting.	The member selected as Chairman as a result of poll, continue the Chairman, who is elected by show of hands.
248	Which of the following is the method of voting?	Voting by show of hands;	Voting through electronic means;	Voting by poll	All of the above;
249	A poll demanded on any question shall be taken within _____ from the time when the demand was made.	Immediately	12 hours;	24 hours;	48 hours.
250	Which one cannot be transacted through postal ballot?	Appointment of auditor;	Election of a Director;	Buy back of shares by a company;	Change in place of registered office outside the local limits of any city, town or village.
251	The assent or dissent received after _____ days in postal ballot, from the date of issue of notice, shall be treated as if no reply has been received from the member.	3	7	30	45
252	If any inspection is refused or if any copy required is not furnished within the specified time, the company shall be liable to a penalty of _____	Rs.10000	Rs.25000	Rs.50000	Rs.100000
253	The minimum number of directors for a public company is-	1	2	3	7
254	What is the paid up share capital fixed for the appointment of a woman director?	Rs.100 crores	Rs.300 crores;	Rs.500 crores	None of the above.
255	The appointment of an independent director shall be approved by the	Board meeting;	General meeting;	Registrar of Companies	Central Government.
256	The tenure of director appointed by small share holders shall be-	Up to the date of next AGM;	1 year;	3 years	5 years.



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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
257	No independent director shall hold office for more than consecutive terms.	2;	3	4	5
258	Which public company is required to appoint independent director?"	The public company having turnover of ₹ 100 crores or more;	The public company having paid up share capital of ₹ 10 crores or more;	The public companies which have, in aggregate, outstanding loans, debentures and deposits exceeding ₹ 50 crores;	Any of the above.
259	Which one of the following is not the criterion for the appointment of independent director?	He shall not be a promoter of the company	He shall relate to the promoters of the company;	He shall not have any pecuniary relationship with the company or their promoters or directors during two immediately preceding financial year.	His relatives have not held any pecuniary relationship with the company amounting to 2% or more of its gross turnover
260	A director may be elected by small share holders upon a notice by-	Not less than 1000 small shareholders;	One tenth of the total number of shareholders;	Not less than 1000 small shareholders or one tenth of such shareholders, whichever is lower;	None of the above.
261	At every AGM, not less than of the total number of directors shall retire by rotation.	One third;	Two third;	Three fourths;	Half.
262	The minimum age prescribed for the appointment of Managing Director is-	18 years;	21 years;	30 years;	70 years
263	The relationship between laws and ethics is:	Complex	Simple	Inexplicable	None of the above
264	Many laws are _____ to ethics of time:	Complimentary	Supplementary	Representative	None of the above
265	Law gives us a certain right because all humans are born :	Equal	Unequal	Subordinate	None of the above
266	The role of accounting in problem solving is to provide information useful in _____ alternatives:	finding	Evaluating	dismissing	None of the above
267	Ethics are the set of moral principles that guide a person's	Behaviour	Philosophy	Religion	Profession
268	The following is the disadvantage of business ethics:	Through increasing morale and trust business can increase their market share	Publicity due to well and ethical performance	Acceptance of products of the company by the public	Diversity in achievements
269	A sale is complete when the following is transferred from one.	Money	Ownership	Usage	None of the above
270	The Consideration in contract of sale must be:	Immovable	Movable	Price	None of the above
271	The subject matter of the contract must be:	Sale	Product	Service	None of the above
272	On which date was the Sale of Goods enforced?	1948	1930	1932	1951
273	As per Sale of Goods Act, this is not included:	Growing crop	Money	Table	Goodwill



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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
274	The term property as used in the sale of goods act ,1930 means	possession	Ownership	ownership and possession both	the subject matter of contract of sale
275	The doctrine of caveat emptor applies-----	in case of implied conditions and warranties	when the buyer does not intimate the purpose to the seller and depends upon his own skill and judgement	when goods are sold by sample	when goods are sold by description
276	Under Sale of Goods Act, which of the delivery of goods is called as delivery by attornment?	Actual	Symbolic	Constructive	Physical
277	Where the price of the goods under a contract of sale is to be fixed by the valuation of a third party who fails to fix the valuation, but goods are supplied to the buyer, under section 10 of the Sale of Goods Act, 1930, the buyer is	liable to pay the reasonable price of the goods.	liable to pay the minimum price of the goods.	not liable to pay any price until fixed by the value	liable to pay the maximum retail price.
278	In case of breach of warranty the buyer can	repudiate the contract	Claim damages only	return the goods	refuse to pay the price
279	The main objective of a contract of sale is	transfer of possession of goods	transfer of property in goods	delivery of goods	payment of price
280	Risks follows ownership	only when goods have been delivered	only when price has been paid	whether delivery has been made or not	even when price has not been paid
281	In an agreement to sell , the seller can sue for price if	the goods have been delivered to the buyer	the goods have not been delivered to the buyer	there is a specific agreement	None of the above
282	Where there is an unconditional contract for the sale of specific goods in a deliverable state, the property in the goods passes to the buyer when	the goods are delivered to the buyer	the price is paid by the buyer	the contract is made	the buyer accepts the goods
283	If the contract is silent as to the party who is to appropriate the goods	the buyer is to appropriate	goods seller is to appropriate	the party who under the contract is first to act is to appropriate	any party may appropriate
284	Where there is no specific agreement as to place , the goods sold are to be delivered at the place	at which they are at the time of sale	of the buyer	desired by the buyer	to be determined by the seller
285	A seller delivers goods in excess of the quantity ordered for. The buyer may	accept the whole	reject the whole	accept the goods ordered for and return the excess	Any of the above
286	Where the neglect or refusal of the buyer to take delivery of goods amounts to a repudiation of the contract ,the seller may sue for the	price or damages	price only	damages only	both for price and damages
287	The lien of an unpaid seller depends on	possession	title	ownership	Whether the buyer has paid the price or not
288	An unpaid seller has not given notice of resale to the buyer there is a profit. The unpaid seller	is bound to hand it over to the buyer	is not bound to hand it over to the buyer	The buyer can recover it from the unpaid seller	The buyer must compensate the unpaid seller
289	An unpaid seller can exercise the right of stoppage in transit when the carrier holds the goods	as seller's agent	as buyer's agent	as agent of both of them	in his own name
290	An auction sale is complete on the.	fall of hammer	delivery of goods	payment of price.	both (b) and (c) ..
291	Auction sale is also known as	public sale	private sale	cash sale	none of the above
292	Consideration and object of an agreement is unlawful if it	is fraudulent	is possible	is impossible	all of the above



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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
293	Where the seller appoints his person to bid at the auction sale without informing to bidder, it is called as	prepared bidding	pretend bidding	power bidding	both (a) & ©
294	An unlawful act by which an intending purchaser is prevented from bidding or raising the price at an auction sale is known as	decoy ducking	puffering	damping	none of these
295	In a sale , there is an implied condition on the part of the seller that he	has a right to sell the goods	is in possession of the goods	will have the right to sell	will acquire the goods
296	In a contract of sale , unless goods are ascertained , there is	a sale	an agreement to sale	a void agreement	an unenforceable agreement
297	There is a constructive delivery of goods -	when the seller hands over to the buyer the key of the warehouse where the goods are lying	where a third person in possession of the goods acknowledges to the buyer that he holds them on his behalf	when the seller physically delivers the goods to the buyer	when the seller asks the buyers to take delivery of the goods
298	Unless otherwise agreed , where goods are delivered to the buyer and he rejects them	he is not bound to return them to the seller	it is sufficient if he intimates to the seller that he has rejected the goods	he is bound to deliver them to the seller	he may keep them with him
299	if a seller makes use of pretended bidding at an auction to raise the price ,the sale is	voidable at the option of the buyer	void	valid	illegal
300	What does the principle of Double Jeopardy protect against?	Being tried for multiple crimes at once	Being punished too harshly for a crime	Being prosecuted and punished for the same offence more than once	Being arrested without a warrant
301	What is the time limit for the Council of States to return a Money Bill with its recommendations?	7 days	14 days	10 days	21 days
302	Settlement of disputes outside the court is aimed at:	Delaying the legal process	Enforcing strict penalties	Eliminating the need for laws	Avoiding court procedures and finding mutually agreeable solutions
303	The phrase “party-centric approach” in mediation means:	The mediator leads the process with party consultation	The outcome is predetermined by the parties’ legal advisors	The control of the process lies with the disputing parties	All parties must be from the same legal jurisdiction
304	Which law governs the functioning of Lok Adalats when a case is referred to them by a civil court?	Legal Services Authorities Act, 1987	Arbitration Act, 1940	Consumer Protection Act, 1986	Indian Evidence Act, 1872
305	What is a defining characteristic of supreme legislation?	It can be repealed by executive orders	It is subject to judicial review by subordinate courts	It cannot be controlled or checked by any authority other than the sovereign itself	It must receive prior approval from the head of state
306	What does ratio decidendi refer to in a judicial decision?	The judge’s personal opinion	The final verdict or punishment	The principle or reason underlying the decision	The summary of the case facts



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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
307	What is the legal assumption when parties enter into an agreement related to a trade?	They are unaware of legal obligations	They reject all customary practices	They need explicit permission from the court	They contract according to the established conventions or usages of that trade
308	What has led to the rise of e-contracts?	Changes in technology and legal requirements	Reduction in legal procedures	The growth of population	Increase in court cases
309	How are e-contracts generally created and deployed?	By a notary public using scanned documents	Through postal correspondence between parties	By a software system that models, specifies, and executes the contract	Only by government-authorized websites
310	If an Indian citizen has a legal dispute with a foreign sovereign, what is the typical outcome under Indian law?	The Indian citizen can sue directly in civil court	The foreign sovereign must be deported	The Indian citizen cannot sue the foreign sovereign	The matter is automatically taken up by the UN
311	Rohan, a 17-year-old boy, approached a car dealership and expressed interest in buying a second-hand car. He falsely claimed that he was 21 years old and showed a fake ID to support his claim. The dealership, relying on his representation, sold him the car on credit. After a few months, Rohan refused to pay the remaining amount, claiming he was a minor when the contract was made. The dealership sued Rohan, arguing that he should be estopped from denying his age due to his earlier misrepresentation. Can Rohan be held liable for the payment based on the law of estoppel?	Yes, because he misrepresented his age and acted fraudulently.	No, because the law of estoppel does not apply against a minor.	Yes, because he benefited from the contract.	No, because the dealership failed to verify his identity.
312	Which of the following best defines 'ratification' in contract law?	Terminating a contract due to breach	Approval or confirmation of a previous act or agreement	Entering into a contract under coercion	Cancelling a contract made by mutual consent
313	Who is considered an 'alien enemy' under Indian contract law?	A foreigner visiting India during peacetime	A citizen of a friendly country residing in India	A citizen of a country at war with India	A person who breaks Indian laws
314	Which of the following statements is TRUE regarding an agreement with an alien enemy?	It is void unless permitted by the Indian Government.	It is valid and enforceable in Indian courts.	It is voidable at the option of the alien enemy.	It is valid only during peacetime and automatically resumes during wartime.
315	Under Indian law, a contract must be performed within:	Any time the parties feel is reasonable	A period fixed by the Supreme Court	A fixed or reasonable time as per the terms or nature of the contract	At the discretion of the promisor
316	What does 'merger' in contract law refer to?	Two contracts being combined to form a joint venture	Cancellation of both contracts between the same parties	Absorption of inferior contractual rights into superior rights under a new contract	Addition of new clauses to an existing contract
317	What does the legal maxim "ex nudo pacto non oritur actio" mean in contract law?	No action arises from a bare (nude) promise	A contract made without intention is void	Every promise creates a legal obligation	Only written contracts are enforceable



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BUSINESS LAWS AND ETHICS (PAPER - 5)

MCQ BANK

SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
318	Which statement best describes a tripartite agreement?	An agreement between two parties with a third-party witness	An agreement involving three parties, each with specific roles	An agreement that must be in writing	An agreement involving the government and two individuals
319	In bailment, the goods must be returned or otherwise disposed of according to whose directions?	Bailee	Bailor	Creditor	Principal debtor
320	A borrower received goods gratuitously for use for 6 months. The lender demands early return after 3 months. The borrower has made investments relying on the 6 months' use causing loss if returned early. What is the lender's liability?	No liability	Must pay damages equal to the borrower's total loss	Must indemnify the borrower for loss exceeding the benefit derived	Must cancel the contract
321	The finder of goods can sue the owner for compensation only if:	The goods are perishable	A specific reward was publicly offered for returning the goods	The owner cannot be found	The finder informs the police
322	What is the term for a tacit or implied agreement among prospective bidders to limit competition by refraining from bidding against each other in an auction?	Damping	Knock-out Agreement	Puffers	By-Bidders
323	What does "deliverable state" mean in the context of a contract of sale?	Goods must be delivered to the buyer's home	Goods are ready for delivery, and the buyer is bound to take delivery under the contract	Goods are packed and stored for inspection	Goods are under transportation
324	In the case of an agreement to sell, the seller is expected to have the right to sell the goods:	Immediately upon signing the contract	At the time the agreement is signed	At the time when property is to pass	After receiving full payment
325	Under Section 29, a person in possession of goods under a voidable contract can transfer good title to the buyer if:	The contract has already been rescinded	The buyer purchases the goods in good faith and without notice of the defect in title	The buyer is a relative of the seller	The buyer pays double the price
326	What is the effect if a voidable contract is rescinded before the sale of goods?	The seller can still transfer good title	The seller becomes the rightful owner	The buyer cannot get a good title	The contract becomes valid automatically
327	Under Section 24, when does the property not pass to the buyer, even though the buyer is in possession of the goods?	Buyer rejects the goods within the stipulated time	Buyer resells the goods	Buyer pledges the goods	Buyer uses the goods as per their intended purpose
328	If an unpaid seller resells the goods after exercising the right of lien or stoppage in transit, what kind of title does the new buyer acquire?	No title, as the resale is not authorized	A limited title, revocable by the original buyer	Title passes only if the original buyer consents	A good title, even if the resale is not justified
329	In a non-severable contract, the buyer has accepted part of the goods. What is the legal effect of a breach of condition by the seller?	Buyer may reject the goods entirely	Buyer can only treat it as a breach of warranty	Buyer must pay full price regardless of defects	Seller becomes liable for criminal charges
330	Under what condition can a seller or someone on their behalf bid at an auction?	Always	Only when expressly reserved	Only if the auctioneer agrees	Never
331	When goods are put up for sale in lots at an auction, what is the legal status of each lot?	All lots are part of one single contract	It depends on the value of each lot	Each lot is deemed a separate contract of sale	The auctioneer decides whether it's one or multiple contracts



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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
332	The acquisition of which is contingent upon happening or non-happening of certain events will be treated as	Future goods	Unascertained goods	Contingent goods	Forward commodities
333	Mr. X has obtained a laptop from Mr. Y by fraud. Mr. X has a voidable title at the option of Mr. Y. Before Mr. Y could rescind the contract, Mr. X sold the same laptop to Mr. Z who purchased it in good faith and without knowledge of the fraud by Mr. X and paid for it. In this case:	Mr. Z has a good title to the goods	Mr. Y has a good title	Mr. Z has no right	None of the above
334	The rule as to passing of property as laid down in Sec 20 of Sale of the Sale of Goods Act, shall happen when,	The time of payment of price is postponed	The time of delivery of the goods is postponed	The contract is made	Neither the time of payment of price nor the time of delivery of the goods is postponed
335	Which of the following is true regarding instalment delivery under Section 38?	Buyer must always accept instalments	Every breach of instalment is a breach of the whole contract	Seller can make defective deliveries in instalments	Whether a breach repudiates the contract depends on its severity and context
336	In the absence of a lien over the goods, what is the seller required to do?	Return the goods to the Official Receiver or Assignee	Keep the goods until full payment is made	Sell the goods to recover full payment	Destroy the goods to avoid loss
337	Fixing of a definite price in a contract of sale is considered a:	Non-essential element	Voidable condition	Sine qua non (essential requirement)	General trade custom
338	A cheque in electronic form is drawn using:	A mobile app only	A computer resource and digital/electronic signature	A handwritten signature scanned digitally	A printed cheque scanned into the system
339	Who is always the drawee in a cheque transaction?	The person receiving the cheque	The bank on which the cheque is drawn	The person issuing the cheque	The RBI
340	The promissory note is defined under which section of the Negotiable Instruments Act, 1881?	Section 3	Section 4	Section 5	Section 6
341	What type of liability does the maker of a promissory note have?	Conditional and secondary	Secondary and limited	Joint and several	Primary and absolute
342	An inland instrument is one that is:	Made in India but payable outside India	Made and payable in India, or drawn upon a person resident in India	Made outside India but payable in India	Made anywhere but drawn upon a foreign bank
343	Which of the following are considered inland instruments?	Only promissory notes	Only cheques	Promissory notes, bills of exchange, or cheques drawn or made in India payable in India	Only bills of exchange drawn internationally
344	What is an 'allonge' in the context of negotiable instruments?	A type of signature	A bank's approval stamp	A clause restricting transfer	A slip of paper attached to the instrument for endorsement
345	A bill of exchange is drawn by Ram in Germany (interest rate 20%) and accepted by Rahul, payable in France (interest rate 5%). After being endorsed in India, the bill is dishonoured. If the holder files a case against Rahul in India, what rate of interest should the court apply?	5%	20%	RBI's notified rate	Rate as per Indian Contract Act



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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
346	When is a bill of exchange considered to be accepted?	When the drawer signs it	When the payee acknowledges it	When the drawee signs it and delivers it or notifies the holder	When it is endorsed by the bank
347	How can a partnership at will be dissolved?	Automatically after 5 years	By mutual agreement only	By court order only	By notice from any partner
348	A secret partner is:	Not known to the firm	Not known to the public	Not known to the partners	Known to the government only
349	The liability of a secret partner is:	Limited to the amount of capital contributed	Limited and private	Unlimited, like other partners	Not applicable, as he is not publicly known
350	Which of the following is true regarding remuneration to a partner?	Every partner is entitled to fixed monthly remuneration	A partner is not entitled to remuneration for participating in business conduct	Only senior partners get remuneration	Remuneration is paid out of capital
351	When must a firm indemnify a partner?	For payments or liabilities incurred in ordinary business or in emergencies	For any personal expense	For business-related losses only when profits are high	Only when partner is managing partner
352	According to Section 34, when a partner is adjudicated insolvent, he:	Continues as a partner until the firm is dissolved	Ceases to be a partner from the date of the adjudication order	Ceases to be a partner from the date the partnership was formed	Can continue in the firm with limited liability
353	After attaining majority, the minor must:	File a case in court to stay in the firm	Give notice to the Registrar regarding his decision	Notify only the other partners	Do nothing; the law decides for him
354	According to Section 48, losses, including capital deficiencies, are to be paid:	Only by the managing partner	Out of profits, then capital, then by partners individually	Equally by all partners regardless of profit-sharing	Only out of capital
355	The residue, if any remains after all payments, is:	Transferred to government revenue	Paid to senior partner only	Distributed equally among partners	Divided in profit-sharing ratios
356	Which of the following best describes the legal nature of an LLP?	Not a legal entity, only a contractual arrangement	Separate legal entity from its partners	Extension of a partner's personal business	Same as a proprietorship
357	Which of the following is not considered a body corporate under the LLP Act?	Company incorporated outside India	Co-operative society	LLP registered under the Act	Company under Companies Act, 1956
358	Which of the following disqualifies a person from becoming a partner in an LLP?	Being a retired government employee	Being an undischarged insolvent	Being a partner in another LLP	Being a non-resident Indian
359	According to Rule 9, a person cannot be appointed as a designated partner if:	He is already a partner in another LLP	He is under 25 years of age	He has been adjudged insolvent within the last five years	He has more than one source of income
360	Who must sign the Statement of Account and Solvency of an LLP?	Any one of the partners	Auditor of the LLP	All shareholders	Designated partners



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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
361	Which of the following is NOT a valid ground recognized for lifting the corporate veil according to the passage?	Simplifying financial reporting requirements	Preventing fraud and improper conduct	Determining the true character of a company in wartime	Preventing tax evasion
362	If a person is already a nominee in one OPC and becomes a member in another OPC due to the death of its member, how long does the person have to restore eligibility?	90 days	120 days	180 days	365 days
363	As per Section 32, when must the Red Herring Prospectus be filed with the Registrar?	At least 7 days before the offer opens	After the offer is closed	At least 3 days before the opening of the subscription list and the offer	Simultaneously with the final prospectus
364	Which of the following must be highlighted in the final prospectus when compared to the Red Herring Prospectus?	All financial ratios	Variations between the RHP and the final prospectus	Director resignations	Auditor's observations
365	What must be printed or stamped prominently on a duplicate share certificate?	"Original Share Certificate"	"Certified Copy"	"Duplicate Issued in Lieu of Share Certificate No. ____"	"Valid Copy"
366	Under Section 41 of the Companies Act, 2013, a company can issue Global Depository Receipts (GDRs) in:	Indian Rupees only	Foreign currency only	Either Indian or foreign currency	Cryptocurrency
367	As per Section 92 of the Companies Act, 2013, every company is required to prepare its Annual Return in which form?	AOC-4	MGT-9	MGT-7	PAS-3
368	In a public company with 4999 members, what is the minimum quorum required?	5 members personally present	15 members personally present	30 members personally present	50 members personally present
369	As per Section 153 of the Companies Act, 2013, no individual shall be appointed as a director of a company unless:	He holds at least 1% shares in the company	He is a resident of India	He has completed a course from the Indian Institute of Corporate Affairs	He has been allotted a Director Identification Number (DIN) or such other number as may be prescribed
370	Both Financial Controllers and Operational Controllers are involved in:	Legal compliance and contract negotiation	Budgeting, forecasting, and financial reporting	Customer relationship management	Product development
371	Which of the following attributes of Emotional Intelligence involves the ability to control impulsive feelings and behaviors?	Social awareness	Self-awareness	Relationship management	Self-management
372	Corporate responsibility refers to a business's responsibilities towards:	Only government regulations	Its employees, customers/clients, and sometimes board of directors	Only its shareholders	Its marketing and branding strategy
373	Which of the following is not typically considered a Key Success Factor (KSF)?	Cost	Innovation	Time	Tax depreciation
374	Which of the following best reflects integrity in decision-making?	Making decisions based on popularity	Acting to gain material benefit from every opportunity	Taking decisions fairly, free from personal gain motives	Avoiding responsibilities to maintain neutrality



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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
375	Which of the following activities does not fall under the definition of a "manufacturing process" under Section 2(k)?	Conducting a market survey	Printing by lithography	Constructing a ship	Oiling or packing an article for sale
376	If the employer finds the gratuity claim admissible, which form must be issued to the applicant?	Form J	Form L	Form M	Form G
377	Gratuity is calculated for every completed year of service or part thereof in excess of how many months, at the rate of wages last drawn?	Three months	Four months	Six months	Nine months
378	Under Section 6, who has the authority to fix the minimum rate of wages?	Trade Union	Central Advisory Board	Appropriate Government	Labour Commissioner
379	According to Section 58, no suit or prosecution shall lie against the appropriate government or its officers if the act was:	Done without any official permission	Done negligently	Done with malafide intention	Done in good faith under the Code
380	The minimum bonus must be paid to an employee who has worked for at least how many days in an accounting year?	15 days	30 days	45 days	60 days
381	Which of the following is not included in the definition of Key Managerial Personnel under Section 2(51) of the Companies Act, 2013?	Chief Executive Officer	Chief Financial Officer	Independent Director	Company Secretary
382	Which section of the Companies Act, 2013 provides a member the right to requisition an extraordinary general meeting?	Section 111	Section 105	Section 100	Section 94
383	According to Section 2(55) of the Companies Act, 2013, who are deemed to be the first members of a company?	The directors appointed on incorporation	Subscribers to the Memorandum of the company	The auditors of the company	The first employees of the company
384	Which of the following is essential for a person to be considered a member of a company under Section 2(55)?	Being a shareholder without entry in the register of members	Agreeing orally to become a member	Agreeing in writing and having the name entered in the register of members	Having a verbal agreement with the company
385	A premises where a manufacturing process is carried on without the aid of power and where how many or more workers are employed is considered a factory?	5 or more workers	10 or more workers	15 or more workers	20 or more workers
386	Which of the following is excluded from the definition of factory as per Section 2(m)?	Mobile unit belonging to the armed forces of the Union	Premises where 15 workers carry out manufacturing with power	Premises where 25 workers carry out manufacturing without power	Factory with continuous production process
387	Under Section 11 of the Factories Act, every factory must be kept clean and free from:	Noise pollution	Excessive lighting	Effluvia from drains, privies, or other nuisances	Fire hazards
388	How often must the floors of every workroom be cleaned as per Section 11?	Daily	Once a month	Once in every week	Once in every six months
389	As per Section 11, effective _____ must be provided to remove water from the premises.	Drainage	Air conditioning	Lighting	Plumbing
390	Latrines and urinals should be located so that they are:	Hidden from supervisors	In the basement only	Conveniently situated and accessible to workers at all times	Placed near the canteen only
391	As per Section 19 of the Factories Act, every factory must provide:	Separate lunch rooms for workers	Sufficient latrine and urinal accommodation of prescribed types	Medical beds in restrooms	Personal hygiene kits for all workers



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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
392	Under Section 105 of the Companies Act, 2013, a proxy can be appointed by a:	Director	Member	Creditor	Auditor
393	Which section of the Companies Act, 2013 deals specifically with proxies?	Section 101	Section 107	Section 106	Section 105
394	Which of the following businesses is generally considered an "ordinary business" at an AGM?	Appointment of statutory auditor	Change in Articles of Association	Issue of bonus shares	Approval of mergers
395	Which of the following companies is not required to hold an AGM?	Private Company	Public Company	One Person Company (OPC)	Listed Company



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BUSINESS LAWS AND ETHICS (PAPER - 5) ANSWERS TO MCQ BANK

SL NO	QUESTIONS	CORRECT ANSWER	ANSWER CODE
1	Right to Property is a:	Constitutional Right	3
2	The Constitution of India describes India as:	A Union of states	3
3	Constitution is the:	Law of the land	1
4	What is the chief source of legal authority in India?	Constitution of India	2
5	Which of the following is described as the 'Soul of the Constitution'?	Preamble	4
6	The Preamble to the Indian Constitution is based on	'Objectives Resolution' drafted & moved by Pandit Nehru	2
7	The term 'We' in Preamble means	The People of India	4
8	Indian Constitution ensures 'Justice' in which of the following form	All of the above	4
9	Preamble has been amended by which Amendment Act?	42nd Constitutional Amendment	2
10	In which case, the Supreme Court specifically opined that Preamble is 'not' a part of the Constitution?	Berubari Union case	1
11	In which case, the Supreme Court rejected the earlier opinion and held that Preamble is an integral part of the Constitution?	Kesavanada Bharati case	2
12	The Preamble states that the Constitution derives its authority from	The People of India	3
13	As per Preamble, date of adoption of the Constitution is	26th November 1949	2
14	42nd Constitutional Amendment (1976) added which of the terms to the Preamble	Both (a) & (b)	4
15	Which part of the Indian Constitution expressly declares that India is a Sovereign Socialist Secular Democratic Republic?	Preamble	3
16	'Economic Justice' as one of the objectives of the Indian Constitution has been provided in	the Preamble and the Directive Principles of State Policy	2
17	The correct sequence of the following words in the Preamble is	Sovereign, Socialist, Secular, Democratic, Republic	2
18	The Constitution of which country was the first to begin with a Preamble?	USA	1
19	The ideal of Justice (Social, Economic and Political) in the Preamble draws its inspiration from	Russian Revolution	1
20	The ideals of liberty, equality and fraternity in the Preamble have been taken from	French Revolution	1
21	Which of the following is true about Preamble?	None of the above	4
22	The 42nd Constitutional Amendment added which of the following 4 words in the Preamble?	All of the above	4
23	Which of the following words is not mentioned in the Preamble to the Indian Constitution?	Indians	4
24	The word 'Sovereign' mentioned in the Preamble implies _____	All of the above.	4
25	Which of the following statements is/are true?	All of the above.	4
26	In which of the following, are the basic aims and objectives of the Indian Constitution discussed?	Preamble	2
27	What is the meaning of 'equality' in the Indian Constitution?	Absence of special privileges to any section of the society, and provision of adequate opportunities for all individuals without any discrimination.	3
28	Which of the following terms was not included in a "union of trinity" by Dr. B. R. Ambedkar in his concluding speech in the Constituent Assembly?	Flexibility	2
29	Acceptance to be a valid must :	Both be absolute & unqualified	3
30	A proposal can be accepted :	All of the above	4
31	Competency to contract relates to :	Both age and soundness of mind	3
32	If only a part of the consideration or object is unlawful, the contract under Section 24 shall be:	Void	3
33	When the consent is caused by undue influence, the contract under Section 19A is:	Voidable	3



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BUSINESS LAWS AND ETHICS (PAPER - 5) ANSWERS TO MCQ BANK

SL NO	QUESTIONS	CORRECT ANSWER	ANSWER CODE
34	State who is competent to contracts :	A person of sound mind	2
35	When are the essential elements of a valid contract :	All of the above	4
36	When one person signifies to another his willingness to do or to abstain from doing anything it is known as :	Proposal	1
37	What is the effect of wagering agreements :	All of the above	4
38	A contract is :	An agreement plus a legal obligation	2
39	Which of the following result/results in an offer ?	An advertisement offering reward to anyone who finds the lost dog of the advertiser	3
40	A special offer can be accepted by	the person to whom it is made	3
41	An acceptance is not according to the mode prescribed but the offerer decides to keep quiet .In such case there is	a contract	1
42	There is a counter offer when	a the offeree gives conditions for acceptance or introduces a fresh term in acceptance	1
43	Acceptance may be revoked by the acceptor :	before the letter of acceptance reaches the offerer	2
44	An advertisement to sell a thing by auction is :	An invitation to offer	2
45	A makes an offer to B on 10th by a letter which reaches B on 12th. B posts letter of acceptance on 14th which reaches A on 16th. The communication of acceptance is complete as against A on :	14th	2
46	An agreement made without consideration is :	void	4
47	A promises to subscribe to a charity.The promise is a :	void agreement	4
48	consideration in a contract :	may be past ,present or future	1
49	A promise to compensate , wholly or in part ,a person who has already voluntarily done something for he promisor is	enforceable	1
50	Where consent is caused by fraud or misrepresentation the contract is	voidable at the option of the aggrieved party	1
51	Where both the parties to an agreement are under a mistake as a matter of fact essential to the agreement , the agreement is	void	1
52	What are the requisites of fraud :	any of the above	4
53	A valuable consideration in the eyes of law may consist of :	Both (a) or (b)	4
54	An agreement with or by a minor is -	void	1
55	On attaining the age maturity a minor's agreement	cannot be ratified by him	2
56	A minor enters into a contract for the purchase of certain necessaries .In such a case -	He is liable to return the money	3
57	contracts made before war with an alien enemy which are against public policy are -	dissolved	2
58	When a person positively asserts that a fact is true when his information does not warrant it to be so, though he believes it to be true,there is	misrepresentation	1
59	A promise made without the intention of performing it amounts to	fraud	2
60	A bailee has	a right of particular lien over the goods bailed	1
61	The position of a finder of lost goods is that of a	bailee	2
62	A bailee fails to return the goods according to the bailor's direction.He takes reasonable care of the goods but still the goods are lost.The loss will fall on	the bailee	1
63	A who purchases certain goods from B by a misrepresentation pledges them with C. The pledge is	valid	1
64	A contract of indemnity is a	a contingent contract	1
65	The definition of a contract of indemnity as given in the Indian Contract Act, 1872 includes	express promises to indemnity	1
66	Where there are co - sureties , a release by the creditor of one of them	does not discharge the other co-sureties	2
67	A guarantee obtained by a creditor by keeping silence as to material circumstances is	invalid	1
68	A quasi contract	creates only a legal obligation	3
69	When an agreement is discovered to be void , any person who has received any advantage under such agreement	is bound to restore it	1
70	A minor has been supplied necessaries on credit --	his estate is liable	3



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BUSINESS LAWS AND ETHICS (PAPER - 5) ANSWERS TO MCQ BANK

SL NO	QUESTIONS	CORRECT ANSWER	ANSWER CODE
71	A finder of lost goods is a	bailee	2
72	Quantum meruit means	as much as is earned	3
73	A agreed to sell 100 shares to B at rs 75 per share , delivery to be given on 1st march, B refused to accept delivery on 1st march as price had gone down to rs 60 per share . Subsequently A sold these shares at rs 92 per share	A can recover damages to be determined by the President of the stock exchange	3
74	Anticipatory breach of a contract takes place	before the performance is due	3
75	Specific performance may be ordered by the court when	damages are not an adequate remedy	3
76	A undertakes to paint a picture of B.He dies before he paints the picture. The contract	is discharged by death	1
77	A creditor agrees with his debtor and a third to accept that third party as his debtor	waiver	3
78	A lends rs 500 to B .He later tells B that he need not repay the amount , the contract is discharged by	waiver	2
79	If a new contract is substituted in place of an existing contract , it is called	novation	3
80	Which of the following are contingent contracts ?	(a) and (b)	4
81	An agreement to do impossible act is	voidable	2
82	A wagering agreement is	forbidden by law	1
83	The collateral transactions to an illegal agreement are	void	1
84	A person enters into an agreement whereby he is bound to do something which is against his public or professional duty . The agreement is	voidable	3
85	The Negotiable Instruments Act, 1881 is an Act to define and amend the law relating to:	All of the above	4
86	“banker” includes:	Any person acting as a banker and any post office saving bank	1
87	Which is NOT an example of “Promissory Note”:	Mr B, I.O.U ` 1,000.”	2
88	In a Promissory Note, how many parties are involved:	2	2
89	Which is NOT correct about the “Promissory Note”	It contains a conditional undertaking.	1
90	The Negotiable Instruments Act, 1881 extends to:	The whole of India.	2
91	The Negotiable Instruments Act makes specific mention of three instruments namely cheque, bill of exchange and	Promissory note	1
92	Which one of the following is not the characteristic of a negotiable instruments ?	it must be registered	1
93	A bill of exchange is treated as dishonoured due to non-acceptance ,where the drawee	in all the above cases	4
94	A person becomes a ' holder in due course' of a negotiable instrument if he receives it	by satisfying all these	4
95	A negotiable instrument payable to order can be transferred by	indorsement and delivery	3
96	In case , back of a negotiable instrument is full of indorsements a slip of paper may be attached to the instrument for signing indorsements. Such a slip is legally known as	Allonge	1
97	Material alteration of a negotiable instrument, without the consent of the parties discharges the parties who have become liable	prior to such alteration	2
98	After receiving an uncrossed cheque ,its holder can make on it	either (a) or (b)	3
99	The payment of a cheque , containing special crossing can be obtained	by depositing in account	2
100	A negotiable instrument made without any consideration at all ,is	void between immediate parties	1
101	Inchoate instrument is	An instrument incomplete in some respect	1
102	A failure to present a negotiation instrument should be presented for payment to the party who is	primarily liable	1
103	A negotiation instrument is said to be discharged when the liability of which of the following parties comes to an end?	primarily liable party	1
104	The undertaking contained in a promissory note, to pay a certain sum of money is--	Unconditional	2
105	Which of the following negotiable instrument is not entitled to days of grace ?	a cheque , is always payable on demand	1



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BUSINESS LAWS AND ETHICS (PAPER - 5) ANSWERS TO MCQ BANK

SL NO	QUESTIONS	CORRECT ANSWER	ANSWER CODE
106	After the dishonour of a negotiable instrument, the holder may get the fact of dishonour authenticated by a Notary Public. The 'noting' may be done in case of	both (a) and (b)	4
107	A cheque is said to contain a special crossing when two parallel lines are drawn across the face of the cheque and writing between the lines the	in (a) and (b) cases	4
108	A Promissory Note must be	in writing	4
109	A bill is discharged when its acceptor by negotiation back, becomes its holder	either (a) or (b)	4
110	The presentment for sight is required only in case of a promissory note. Which of the following note must be presented for sight?	a note payable after sight	2
111	A bill of exchange payable to bearer on demand is	none of these	4
112	The term 'customer' in relation to a banker, means a person who keeps with a banker	either account irrespective of duration	4
113	The payment of a negotiable instrument becomes due	on 3rd day of maturity	4
114	In case, the rate of interest is not specified in the instrument, the interest payable is calculated at per annum rate of	eighteen percent	4
115	An act of a firm means:	All of the above	4
116	Partnership is the relation between persons who have agreed to share the profits of a business carried on by all or any of them acting for all. Does it mean that losses are not shared?	All of the above.	4
117	Where no provision is made by contract between the partners for the duration of their partnership, or for the determination of their partnership, the partnership is called as:	partnership at will	3
118	What information shall be given to the Registrar of Firms by a registered partnership firm:	All of the above.	4
119	Who can inspect the Register and filed documents at the office of the Registrar:	Any person	4
120	What are the rights of partners after dissolution:	All of the above	4
121	Where any member of a firm has died or otherwise ceased to be a partner, and the surviving or continuing partners carry on the business of the firm with the property of the firm without any final settlement of accounts as between them and the outgoing partner or his estate, then, in the absence of a contract to the contrary, the outgoing partner or his estate is entitled at the option of himself or his representatives to such share of the profits made since he ceased to be a partner as may be attributable to the use of his share of the property of the firm or to interest at the rate of on the amount of his share in the property of the firm:	6% p.a.	3
122	The dissolution of partnership means:	It means the change in the relations of the partners	2
123	In what circumstances a partner may retire:	All of the above.	4
124	What would be the position, where a minor elects not to become a partner:	All of the above	4
125	The maximum number of partners in a firm carrying on banking business cannot exceed	10	2
126	There is no provision in the partnership deed regarding the duration of partnership. This is	partnership at will	1
127	registration of a firm under the Partnership Act, 1932	not necessary	3
128	A nominal partner is	liable for the debts of the firm	1
129	If a minor chooses to become a partner on attaining the age of majority, he will be liable for the debts of the firm	from the date of his admission to the benefits of the partnership	2
130	Public notice is not given on the death of a partner but the firm continues the business. For the acts of the firm done after his death	the estate of the deceased partner is not liable	2
131	The position of a minor partner is dealt with in the Indian Partnership Act, 1932 in	Sec. 30	3
132	Where a partner is entitled to interest on capital subscribed by him such interest will be payable	only out of profit	2
133	A change in the nature of the business of a firm can be made if	all the partners agree	3
134	in the absence of any agreement, interest on advances by a partner is	allowed at 6%	2
135	An act of a firm means:	All of the above	4



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140	The dissolution of partnership means:	It means the change in the relations of the partners	2
141	In what circumstances a partner may retire:	All of the above.	4
142	What would be the position, where a minor elects not to become a partner:	All of the above	4
143	After a partner's death the business is continued in the old firm name. Whether the legal heirs of the deceased partner are liable for any acts of the firm:	The continued use of the name or of the deceased partner's name as a part thereof shall not of itself make his legal representative or his estate liable for any act of the firm done after his death.	1
144	The partners in a firm may, by contract between the partners:	Both A and B are correct	4
145	Whether a notice given to a partner, who habitually acts in the business of the firm of any matter relating to the affairs of the firm, will be deemed as notice to the firm:	Yes, it operates as notice to the firm, except in the case of a fraud on the firm committed by or with the consent of that partner	2
146	What would be the position where a minor elects to become a partner.	All of the above	4
147	Where a partner has paid a premium on entering into partnership of a fixed term, and the firm is dissolved before the expiration of that term otherwise than by the death of a partner, whether any repayment of the premium is permissible:	All of the above	4
148	Whether a partner after dissolution of the partnership firm, carry on the business in the erstwhile business name of the firm	Both the points mentioned at A and C are correct	4
149	The State Government may appoint Registrars of Firms for the purposes of this Act, every Registrar shall be deemed	To be a public servant within the meaning of section 21 of the Indian Penal Code	2
150	Non-registration of a firm will not affect:	All of the above	4
151	How a firm may be dissolved	All of the above	4
152	Where a partner has become of unsound mind the court may dissolved	on the petition of any partner	1
153	If the assets of a firm are insufficient to discharge to debts and liabilities of the firm, the partners shall bear the deficiency	in the profit -sharing ratio	1
154	On attaining the majority, the minor partner has to decide and give a public notice within the prescribed period, whether he will continue as partner in the firm or will quit. What is that prescribed period:	Within six months of his attaining majority or of his obtaining knowledge that he had been admitted to the benefits of partnership, whichever date is later	3
155	In which conditions a person may be deemed as partner by estoppels or holding out:	All of the above	4
156	M/s XYZ is partnership firm and X, Y and Z are the partners. During the course of business travel, partner X recovered a sum of Rs. 15000 in cash from the debtor of the firm and credit in his personal bank account. The act of X will amounts to:	Mis-appropriating the funds of the firm and utilisation of the same for the personal gain.	3



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157	What is the liability of a retiring partner, after the date of his retirement'.	He and the partners continue to be liable as partners to third parties for any act done by any of them which would have been an act of the firm if done before the retirement, until public notice is given of the retirement	2
158	A limited liability partnership is:	Only B and C are correct	4
159	A LLP shall be governed by the provisions of:	The Limited Liability Partnership Act, 2008	2
160	Whether a HUF can become partner in LLP:	No, HUF can't become partner in the LLP .	2
161	How many designated partners are required in LLP:	At least two designated partners	1
162	The LLP shall file the Statement of Account and Solvency in the prescribed form. Which is this Form:	Form 8	1
163	Who is the authority to grant compounding of offence under the LLP Act:	The Central Government	2
164	What is the time limit within which LLP shall file Annual Return with the Registrar:	Within 30 days of closure of its financial year.	1
165	Which of the following is true about a Limited Liability Partnership?	Both b and c are correct	4
166	Which of the following is true about the number of designated partners required in a Limited Liability Partnership?	A Limited Liability Partnership can have at least two designated partners	4
167	Every Limited Liability Partnership must maintain its books of accounts diligently. Those books of accounts should maintain .	All of the above	4
168	As per Sale of Goods Act, this is not included:	A Limited Liability Partnership should maintain its accounts at the corporate office	2
169	As per Sale of Goods Act, this is not included:	All of the above	4
170	LLP shall file its Annual Return in which form:	Form 11	2
171	The audit of accounts of every LLP is not compulsory if its:	Turnover does not exceed in any financial year, Rs 40 lakh or whose contribution does not exceed Rs 25 lakh	1
172	The Limited Liability Partnership Act, 2008 came into force on ____	31st March 2009	3
173	Which of the following cannot be converted into LLP?	Listed company	3
174	The approved name of LLP shall be valid for a period of ____ from the date of approval:	3 months	3
175	For the purpose of LLP, Resident in India means:	Person who has stayed in India for a period of not less than 182 days during the immediately preceding one year.	4
176	In which kind of partnership one partner has unlimited liability and other partner have limited liability?	Limited liability partnership	2
177	Any change in the partners of a limited liability partnership:	Shall not affect the existence, rights or liabilities of the limited liability partnership.	2
178	What is the filing fee for LLP in case where the contribution of LLP exceed Rs Five lakh but does not exceeds Rs Ten lakh:	Rs.150.	1
179	A limited liability partnership shall, where a person becomes or ceases to be a partner and where there is any change in the name and address of the partner, file a notice with the Registrar:	Within thirty days from the date he becomes or ceases to be a partner.	1
180	Every limited liability partnership shall have atleast two designated partners who are individuals and at least one of them shall be:	A resident inIndia	3
181	n terms of section 23 (2) of the LLP Act, 2008, every LLP shall file information with regard to the LLP agreement in the prescribed form, with the Registrar within thirty days of the date of information. What is the prescribed Form No.:	Form No.3	2
182	maximum no. of persons in a LLP is	50	1



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183	duration of LLP	extends upto proper dissolution (perpetual succession)	3
184	The Is responsible for doing all acts, matters and things as are required to be done by LLP as per the Act.	designated partner	1
185	Which of the following enjoys separate legal entity status ?	Both b and c are correct	4
186	What is the primary advantage of a limited liability partnership (LLP) ?	tax advantages for partners	3
187	In an LLP , which of the following is true regarding the personal assets of partners ?	Personal assets are only liable if there is fraud	4
188	Which document is required to establish an LLP	LLP Agreement	2
189	Who is responsible for the day-to-day management of an LLP	All partners equally	1
190	In an LLP, which partner is typically responsible for signing contract and legal documents on behalf of the partnership?	Managing partner	3
191	What type of professions are often required to form a Limited Liability Partnership (LLP) in certain jurisdictions?	All of the above	4
192	In an LLP , which partners are typically not involved in the day-to-day operations and decision making	Limited partners	1
193	What is the primary disadvantage of an LLP compared to a corporation?	ease of formation	2
194	How many schedules are available in LLP act ?	4 schedules	2
195	Age of adolescent worker is-	14	2
196	Certificate of fitness to be young worker is to be granted by-	Certifying surgeon	3
197	White wash or color wash should be carried out atleast once in every period of-	14 months	1
198	Where more than_____ workers are employed provision shall be made for cool drinking water during hot weather.	250	2
199	Shelter rooms with suitable lunch rooms are to be provided, if more than____ workers are employed.	None of the above	4
200	No female child shall be allowed to work in any factory except between-	8 a.m., and 7 p.m.;	1
201	Compensatory holidays are to be availed within month.	2 months	2
202	Which one of the following amounts to safety measure?	Fencing of factory;	3
203	Identify from the following which is the power of Inspector of Factory.	All the above.	4
204	Which does not amount to retirement?	Superannuation.	4
205	Gratuity is payable to an employee-	In all the above cases.	4
206	The gratuity is payable to an employee shall not exceed-	20 months pay	3
207	The employer shall display an abstract of the Act and the Rules in Form No-	U	1
208	If sufficient cause is shown the appropriate Government may condone the delay in filing appeal against the order of the Controlling Authority, for-	60 days;	2
209	Nomination is to be made by an employee-	After completion of one year service;	2
210	Which one of the following is to be included in the definition of 'wage'?	Dearness allowance	1
211	If an employer intends to close the business he is to send notice to the Controlling Authority within_____ before the intended closure.	60 days;	3
212	Nomination is to be filed in _____	Duplicate	2
213	Which will not amount to service of notice under the rule?	By courier;	3
214	Which one of the following will not include in the definition of basic wages as per the Employee Provident Fund and Miscellaneous Provisions Act,1952?	All the above.	4
215	The contribution of employer to insurance fund is-	1%	1
216	Contribution of 10% to PF is applicable to-	All of the above.	4
217	The minimum administrative charge payable by the employer to the fund is-	Rs.500	2
218	The maximum penalty recoverable from the employer who makes the default in payment of any contribution to the fund is-	25%	4
219	Withdrawal from PF may be allowed for-	Marriage of the employer;	1
220	The Employees' Pension Scheme provides for-	Both (a) and (b);	3
221	Contribution of the employer to employees' pension scheme is-	8.33%	1
222	The following cannot be nominated for the purposes of EPF Act-	Sons of a deceased sons who have attained majority;	2



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223	While filing appeal to EPF Appellate Tribunal the employer has to deposit _____ of the amount due from him.	75%	3
224	The contribution shall be paid in a bank within _____ days of the last day of the calendar month in which the contribution fall due for any wage period.	21	4
225	An appeal shall lie to High Court from the orders of ESI within _____ days from the date of order of the ESI Court.	60	2
226	A member of the Corporation shall cease to be a member if he fails to attend consecutive meeting	3	1
227	ESI Fund consists of-	All the above	4
228	The Corporation may with the approval of _____ establish and maintain in a State, hospitals, dispensaries etc.,	State Government;	2
229	Who will not the following be considered as an employee?	Partners;	3
230	Who, among the following, is not the Principal Employer?	Legal representative of the contractor.	4
231	Seasonal factory is the one which is engaged for a period not exceeding _____ in a year.	7 months	1
232	Which, among the following, will not be included in the definition of 'wages'?	Travelling allowance;	2
233	ESI Corporation is a-	Body Corporate;	3
234	The minimum rate of wages on time work basis may be fixed in accordance with	all of the above	4
235	Section _____ deal with Eligibility for Bonus.	20	4
236	Every Inspector-cum-Facilitator appointed under sub-section (1) shall be deemed to be public servant within the meaning of section _____ of the Indian Penal Code.	21	3
237	Section 56 talks about the _____ .	composition of offences	1
238	Which one of the following is not correct in regard to share certificate?	The Company Secretary shall issue the share certificate.	1
239	If a company does not have a common seal, the share certificate shall be signed by-	Either (a) or (b);	3
240	In case of unlisted company the duplicate share certificate shall be issued within a period of-	3 months	2
241	The Bonus shares may be issued out of the-	Any of the above.	4
242	For which purposes securities premium account can be utilized?	Any of the above.	4
243	The quorum for a public company having the number of members more than 5000 is-	30	4
244	An instrument of the proxy shall be deposited with the registered office of the company _____ before the conduct of the meeting.	48 hours	3
245	In case of e-voting notice shall be sent as attachment in –	PDF	1
246	9. In the case of an adjourned meeting the company shall give not less than _____ notice to the members	3 days	2
247	Which one of the following is not correct?	Managing Director is the Chairman of the meeting.	3
248	Which of the following is the method of voting?	All of the above;	4
249	A poll demanded on any question shall be taken within _____ from the time when the demand was made.	48 hours.	4
250	Which one cannot be transacted through postal ballot?	Appointment of auditor;	1
251	The assent or dissent received after _____ days in postal ballot, from the date of issue of notice, shall be treated as if no reply has been received from the member.	30	3
252	If any inspection is refused or if any copy required is not furnished within the specified time, the company shall be liable to a penalty of _____	Rs.25000	2
253	The minimum number of directors for a public company is-	3	3
254	What is the paid up share capital fixed for the appointment of a woman director?	Rs.100 crores	1
255	The appointment of an independent director shall be approved by the	General meeting;	2



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SL NO	QUESTIONS	CORRECT ANSWER	ANSWER CODE
256	The tenure of director appointed by small share holders shall be-	3 years	3
257	No independent director shall hold office for more than consecutive terms.	2;	2
258	Which public company is required to appoint independent director”	Any of the above.	4
259	Which one of the following is not the criterion for the appointment of independent director?	He shall relate to the promoters of the company;	2
260	A director may be elected by small share holders upon a notice by-	Not less than 1000 small shareholders or one tenth of such shareholders, whichever is lower;	3
261	At every AGM, not less than of the total number of directors shall retire by rotation.	Two third;	2
262	The minimum age prescribed for the appointment of Managing Director is-	21 years;	2
263	The relationship between laws and ethics is:	Complex	1
264	Many laws are to ethics of time:	Representative	3
265	Law gives us a certain right because all humans are born :	Equal	1
266	The role of accounting in problem solving is to provide information useful in_____ alternatives:	Evaluating	2
267	Ethics are the set of moral principles that guide a person’s	Behaviour	1
268	The following is the disadvantage of business ethics:	Diversity in achievements	4
269	A sale is complete when the following is transferred from one.	Ownership	2
270	The Consideration in contract of sale must be:	Price	3
271	The subject matter of the contract must be:	Sale	1
272	On which date was the Sale of Goods enforced?	1930	2
273	As per Sale of Goods Act, this is not included:	Money	2
274	The term property as used in the sale of goods act ,1930 means	Ownership	2
275	The doctrine of caveat emptor applies-----	when the buyer does not intimate the purpose to the seller and depends upon his own skill and judgement	2
276	Under Sale of Goods Act, which of the delivery of goods is called as delivery by attornment?	Constructive	3
277	Where the price of the goods under a contract of sale is to be fixed by the valuation of a third party who fails to fix the valuation, but goods are supplied to the buyer, under section 10 of the Sale of Goods Act, 1930, the buyer is	liable to pay the reasonable price of the goods.	1
278	In case of breach of warranty the buyer can	Claim damages only	2
279	The main objective of a contract of sale is	transfer of property in goods	2
280	Risks follows ownership	whether delivery has been made or not	3
281	In an agreement to sell , the seller can sue for price if	there is a specific agreement	3
282	Where there is an unconditional contract for the sale of specific goods in a deliverable state, the property in the goods passes to the buyer when	the contract is made	3
283	If the contract is silent as to the party who is to appropriate the goods	the party who under the contract is first to act is to appropriate	3
284	Where there is no specific agreement as to place , the goods sold are to be delivered at the place	at which they are at the time of sale	1
285	A seller delivers goods in excess of the quantity ordered for. The buyer may	Any of the above	4
286	Where the neglect or refusal of the buyer to take delivery of goods amounts to a repudiation of the contract ,the seller may sue for the	price or damages	1
287	The lien of an unpaid seller depends on	possession	1
288	An unpaid seller has not given notice of resale to the buyer there is a profit. The unpaid seller	is bound to hand it over to the buyer	1
289	An unpaid seller can exercise the right of stoppage in transit when the carrier holds the goods	in his own name	4
290	An auction sale is complete on the.	fall of hammer	1
291	Auction sale is also known as	public sale	1
292	Consideration and object of an agreement is unlawful if it	is fraudulent	1
293	Where the seller appoints his person to bid at the auction sale without informing to bidder, it is called as	pretend bidding	2



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294	An unlawful act by which an intending purchaser is prevented from bidding or raising the price at an auction sale is known as	damping	3
295	In a sale , there is an implied condition on the part of the seller that he	has a right to sell the goods	1
296	In a contract of sale , unless goods are ascertained , there is	an agreement to sale	2
297	There is a constructive delivery of goods -	where a third person in possession of the goods acknowledges to the buyer that he holds them on his behalf	2
298	Unless otherwise agreed , where goods are delivered to the buyer and he rejects them	it is sufficient if he intimates to the seller that he has rejected the goods	2
299	if a seller makes use of pretended bidding at an auction to raise the price ,the sale is	voidable at the option of the buyer	1
300	What does the principle of Double Jeopardy protect against?	Being prosecuted and punished for the same offence more than once	3
301	What is the time limit for the Council of States to return a Money Bill with its recommendations?	14 days	2
302	Settlement of disputes outside the court is aimed at:	Avoiding court procedures and finding mutually agreeable solutions	4
303	The phrase “party-centric approach” in mediation means:	The control of the process lies with the disputing parties	3
304	Which law governs the functioning of Lok Adalats when a case is referred to them by a civil court?	Legal Services Authorities Act, 1987	1
305	What is a defining characteristic of supreme legislation?	It cannot be controlled or checked by any authority other than the sovereign itself	3
306	What does ratio decidendi refer to in a judicial decision?	The principle or reason underlying the decision	3
307	What is the legal assumption when parties enter into an agreement related to a trade?	They contract according to the established conventions or usages of that trade	4
308	What has led to the rise of e-contracts?	Changes in technology and legal requirements	1
309	How are e-contracts generally created and deployed?	By a software system that models, specifies, and executes the contract	3
310	If an Indian citizen has a legal dispute with a foreign sovereign, what is the typical outcome under Indian law?	The Indian citizen cannot sue the foreign sovereign	3
311	Rohan, a 17-year-old boy, approached a car dealership and expressed interest in buying a second-hand car. He falsely claimed that he was 21 years old and showed a fake ID to support his claim. The dealership, relying on his representation, sold him the car on credit. After a few months, Rohan refused to pay the remaining amount, claiming he was a minor when the contract was made. The dealership sued Rohan, arguing that he should be estopped from denying his age due to his earlier misrepresentation. Can Rohan be held liable for the payment based on the law of estoppel?	No, because the law of estoppel does not apply against a minor.	2
312	Which of the following best defines 'ratification' in contract law?	Approval or confirmation of a previous act or agreement	2
313	Who is considered an 'alien enemy' under Indian contract law?	A citizen of a country at war with India	3
314	Which of the following statements is TRUE regarding an agreement with an alien enemy?	It is void unless permitted by the Indian Government.	1
315	Under Indian law, a contract must be performed within:	A fixed or reasonable time as per the terms or nature of the contract	3
316	What does 'merger' in contract law refer to?	Absorption of inferior contractual rights into superior rights under a new contract	3



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317	What does the legal maxim “ex nudo pacto non oritur actio” mean in contract law?	No action arises from a bare (nude) promise	1
318	Which statement best describes a tripartite agreement?	An agreement involving three parties, each with specific roles	2
319	In bailment, the goods must be returned or otherwise disposed of according to whose directions?	Bailor	2
320	A borrower received goods gratuitously for use for 6 months. The lender demands early return after 3 months. The borrower has made investments relying on the 6 months' use causing loss if returned early. What is the lender's liability?	Must indemnify the borrower for loss exceeding the benefit derived	3
321	The finder of goods can sue the owner for compensation only if:	A specific reward was publicly offered for returning the goods	2
322	What is the term for a tacit or implied agreement among prospective bidders to limit competition by refraining from bidding against each other in an auction?	Knock-out Agreement	2
323	What does “deliverable state” mean in the context of a contract of sale?	Goods are ready for delivery, and the buyer is bound to take delivery under the contract	2
324	In the case of an agreement to sell, the seller is expected to have the right to sell the goods:	At the time when property is to pass	3
325	Under Section 29, a person in possession of goods under a voidable contract can transfer good title to the buyer if:	The buyer purchases the goods in good faith and without notice of the defect in title	2
326	What is the effect if a voidable contract is rescinded before the sale of goods?	The buyer cannot get a good title	3
327	Under Section 24, when does the property not pass to the buyer, even though the buyer is in possession of the goods?	Buyer rejects the goods within the stipulated time	1
328	If an unpaid seller resells the goods after exercising the right of lien or stoppage in transit, what kind of title does the new buyer acquire?	A good title, even if the resale is not justified	4
329	In a non-severable contract, the buyer has accepted part of the goods. What is the legal effect of a breach of condition by the seller?	Buyer can only treat it as a breach of warranty	2
330	Under what condition can a seller or someone on their behalf bid at an auction?	Only when expressly reserved	2
331	When goods are put up for sale in lots at an auction, what is the legal status of each lot?	Each lot is deemed a separate contract of sale	3
332	The acquisition of which is contingent upon happening or non-happening of certain events will be treated as	Contingent goods	3
333	Mr. X has obtained a laptop from Mr. Y by fraud. Mr. X has a voidable title at the option of Mr. Y. Before Mr. Y could rescind the contract, Mr. X sold the same laptop to Mr. Z who purchased it in good faith and without knowledge of the fraud by Mr. X and paid for it. In this case:	Mr. Z has a good title to the goods	1
334	The rule as to passing of property as laid down in Sec 20 of Sale of the Sale of Goods Act, shall happen when,	The contract is made	3
335	Which of the following is true regarding instalment delivery under Section 38?	Whether a breach repudiates the contract depends on its severity and context	4
336	In the absence of a lien over the goods, what is the seller required to do?	Return the goods to the Official Receiver or Assignee	1
337	Fixing of a definite price in a contract of sale is considered a:	Sine qua non (essential requirement)	3
338	A cheque in electronic form is drawn using:	A computer resource and digital/electronic signature	2
339	Who is always the drawee in a cheque transaction?	The bank on which the cheque is drawn	2
340	The promissory note is defined under which section of the Negotiable Instruments Act, 1881?	Section 4	2
341	What type of liability does the maker of a promissory note have?	Primary and absolute	4
342	An inland instrument is one that is:	Made and payable in India, or drawn upon a person resident in India	2



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343	Which of the following are considered inland instruments?	Promissory notes, bills of exchange, or cheques drawn or made in India payable in India	3
344	What is an 'allonge' in the context of negotiable instruments?	A slip of paper attached to the instrument for endorsement	4
345	A bill of exchange is drawn by Ram in Germany (interest rate 20%) and accepted by Rahul, payable in France (interest rate 5%). After being endorsed in India, the bill is dishonoured. If the holder files a case against Rahul in India, what rate of interest should the court apply?	5%	1
346	When is a bill of exchange considered to be accepted?	When the drawee signs it and delivers it or notifies the holder	3
347	How can a partnership at will be dissolved?	By notice from any partner	4
348	A secret partner is:	Not known to the public	2
349	The liability of a secret partner is:	Unlimited, like other partners	3
350	Which of the following is true regarding remuneration to a partner?	A partner is not entitled to remuneration for participating in business conduct	2
351	When must a firm indemnify a partner?	For payments or liabilities incurred in ordinary business or in emergencies	1
352	According to Section 34, when a partner is adjudicated insolvent, he:	Ceases to be a partner from the date of the adjudication order	2
353	After attaining majority, the minor must:	Give notice to the Registrar regarding his decision	2
354	According to Section 48, losses, including capital deficiencies, are to be paid:	Out of profits, then capital, then by partners individually	2
355	The residue, if any remains after all payments, is:	Divided in profit-sharing ratios	4
356	Which of the following best describes the legal nature of an LLP?	Separate legal entity from its partners	2
357	Which of the following is not considered a body corporate under the LLP Act?	Co-operative society	2
358	Which of the following disqualifies a person from becoming a partner in an LLP?	Being an undischarged insolvent	2
359	According to Rule 9, a person cannot be appointed as a designated partner if:	He has been adjudged insolvent within the last five years	3
360	Who must sign the Statement of Account and Solvency of an LLP?	Designated partners	4
361	Which of the following is NOT a valid ground recognized for lifting the corporate veil according to the passage?	Simplifying financial reporting requirements	1
362	If a person is already a nominee in one OPC and becomes a member in another OPC due to the death of its member, how long does the person have to restore eligibility?	180 Days	3
363	As per Section 32, when must the Red Herring Prospectus be filed with the Registrar?	At least 3 days before the opening of the subscription list and the offer	3
364	Which of the following must be highlighted in the final prospectus when compared to the Red Herring Prospectus?	Variations between the RHP and the final prospectus	2
365	What must be printed or stamped prominently on a duplicate share certificate?	"Duplicate Issued in Lieu of Share Certificate No. "	3
366	Under Section 41 of the Companies Act, 2013, a company can issue Global Depository Receipts (GDRs) in:	Foreign currency only	2
367	As per Section 92 of the Companies Act, 2013, every company is required to prepare its Annual Return in which form?	MGT-7	3
368	In a public company with 4999 members, what is the minimum quorum required?	15 members personally present	2
369	As per Section 153 of the Companies Act, 2013, no individual shall be appointed as a director of a company unless:	He has been allotted a Director Identification Number (DIN) or such other number as may be prescribed	4
370	Both Financial Controllers and Operational Controllers are involved in:	Budgeting, forecasting, and financial reporting	2



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

BUSINESS LAWS AND ETHICS (PAPER - 5) ANSWERS TO MCQ BANK

SL NO	QUESTIONS	CORRECT ANSWER	ANSWER CODE
371	Which of the following attributes of Emotional Intelligence involves the ability to control impulsive feelings and behaviors?	Self-management	4
372	Corporate responsibility refers to a business's responsibilities towards:	Its employees, customers/clients, and sometimes board of directors	2
373	Which of the following is not typically considered a Key Success Factor (KSF)?	Tax depreciation	4
374	Which of the following best reflects integrity in decision-making?	Taking decisions fairly, free from personal gain motives	3
375	Which of the following activities does not fall under the definition of a "manufacturing process" under Section 2(k)?	Conducting a market survey	1
376	If the employer finds the gratuity claim admissible, which form must be issued to the applicant?	Form L	2
377	Gratuity is calculated for every completed year of service or part thereof in excess of how many months, at the rate of wages last drawn?	Six months	3
378	Under Section 6, who has the authority to fix the minimum rate of wages?	Appropriate Government	3
379	According to Section 58, no suit or prosecution shall lie against the appropriate government or its officers if the act was:	Done in good faith under the Code	4
380	The minimum bonus must be paid to an employee who has worked for at least how many days in an accounting year?	30 days	2
381	Which of the following is not included in the definition of Key Managerial Personnel under Section 2(51) of the Companies Act, 2013?	Independent Director	3
382	Which section of the Companies Act, 2013 provides a member the right to requisition an extraordinary general meeting?	Section 100	3
383	According to Section 2(55) of the Companies Act, 2013, who are deemed to be the first members of a company?	Subscribers to the Memorandum of the company	2
384	Which of the following is essential for a person to be considered a member of a company under Section 2(55)?	Agreeing in writing and having the name entered in the register of members	3
385	A premises where a manufacturing process is carried on without the aid of power and where how many or more workers are employed is considered a factory?	20 or more workers	4
386	Which of the following is excluded from the definition of factory as per Section 2(m)?	Mobile unit belonging to the armed forces of the Union	1
387	Under Section 11 of the Factories Act, every factory must be kept clean and free from:	Effluvia from drains, privies, or other nuisances	3
388	How often must the floors of every workroom be cleaned as per Section 11?	Once in every week	3
389	As per Section 11, effective _____ must be provided to remove water from the premises.	Drainage	1
390	Latrines and urinals should be located so that they are:	Conveniently situated and accessible to workers at all times	3
391	As per Section 19 of the Factories Act, every factory must provide:	Sufficient latrine and urinal accommodation of prescribed types	2
392	Under Section 105 of the Companies Act, 2013, a proxy can be appointed by a:	Member	2
393	Which section of the Companies Act, 2013 deals specifically with proxies?	Section 105	4
394	Which of the following businesses is generally considered an "ordinary business" at an AGM?	Appointment of statutory auditor	1
395	Which of the following companies is not required to hold an AGM?	One Person Company (OPC)	3