



Unit 1. - Law of Contract - General Principles.(Indian Contract Act, 1872)

- 1. The Indian Contract Act, 1872 is divided into..... Chapters.**
 - a) 3
 - b) 8
 - c) 10
 - d) 12

- 2. When is the communication of proposals, the acceptance of proposals and the revocation of proposals deemed to be made:**
 - a) Only on clear verbal communication of such proposal, acceptance or revocation
 - b) By any act or omission of the party by which he intends to communicate such proposal, acceptance or revocation or has the effect of communicating it
 - c) Only when the proposal, acceptance or revocation of the proposal is recorded in writing
 - d) Only when the proposal, acceptance or revocation of the proposal is received and understood by the other party receiving the information

- 3. Which of the following feature is not essential for a contract:**
 - a) It should be in writing only
 - b) free consent of parties competent to contract
 - c) lawful consideration and with a lawful object
 - d) It should not be declared void expressly

- 4. Who among the following is not competent to contract:**
 - a) Person who has acquired the age of 18
 - b) Person who has acquired the age of 16
 - c) Person is of sound mind
 - d) Person who is disqualified from contracting by any law

- 5. What is consent under the Indian Contract Act, 1872:**
 - a) When acceptance of proposal is made by the party to whom the proposal is made
 - b) When the acceptance is made by another person other than the person to whom the proposal is made
 - c) When they agree upon the same thing in the same sense
 - d) When both the parties agree upon a thing in the way it is understood by them

- 6. Every promise and every set of promise forming the consideration for each other is a/an**
 - a) Contract



- b) Agreement
- c) Offer
- d) Acceptance

7. A promises to deliver his watch to B and, in return, B promises to pay a sum of Rs. 2,000. This is a/an

- a) Agreement
- b) Proposal
- c) Acceptance
- d) Offer

8. A contract or an obligation to perform a promise could arise by

- a) Agreement and Contract
- b) Promissory Estoppel
- c) Standard form of contracts by promise
- d) All of the above

9. Valid Contracts

- a) Are made by free consent
- b) Are made by competent party
- c) Have lawful consideration and lawful object
- d) All of the above

10. A contract creates

- a) Rights and obligations of the parties to it
- b) Obligations of the parties to it
- c) Mutual understanding between the parties to it
- d) Mutual lawful rights and obligations of the parties to it.

11. An offer and its acceptance is the basic requirement of an agreement and as per this requirement, an offer by one party

- a) Should be made to the other who is related to him
- b) May also be made to himself
- c) Should be made to another who may or may not be related to him
- d) Should be made to another before the Registrar

12. Contracts with an alien friend, subject to certain restrictions are

- a) Void
- b) Unenforceable



- c) Valid
- d) Invalid

13. Undue influence is a kind of

- a) Mental
- b) Physical
- c) Both (a) and (b)
- d) None of the above

14. Is an erroneous belief about something?

- a) Representation
- b) Mistake
- c) Fraud
- d) Misrepresentation

15. The damages awarded by way of punishment are called

- a) Special Damages
- b) Ordinary Damages
- c) Exemplary Damages
- d) Nominal Damages

AnswerKey														
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
C	B	A	B	C	B	A	D	D	D	C	C	A	B	C



Unit 2. - Law of Partnerships

16. A partnership firm comes into existence by agreement between all the partners, and such agreement should be

- a) Express agreement only.
- b) Implied agreement only.
- c) Either express or implied.
- d) Registered

17. A partnership deed usually contain the particulars relating to

- a) Name of firm and partners.
- b) Nature of business and duration of firm.
- c) Capital contribution, profit/loss sharing ration and other agreed terms.
- d) All of these.

18. Can a company become a partner in a firm?

- a) Yes, as the company is regarded as person in legal sense of the term.
- b) No, as the partnership is an association of natural persons only

19. A partner is the agent of the firm for the business of the firm

- a) True, as the mutual agency relationship is the foundation of the law of partnership.
- b) False, as in that case a firm is reduced to the status of a mere agency.

20. Which of the following statement about a minor partner is incorrect?

- a) A minor can be admitted only to the benefits of an existing firm.
- b) A minor cannot be admitted to the benefits of a new firm taking minor as partner.
- c) A minor cannot be a full-fledged partner in a firm.
- d) A minor can be a full-fledged partner in a firm

21. A partnership where its duration is fixed and cannot be dissolved by any partner at his will, is known as

- a) Particular partnership
- b) General partnership
- c) Partnership for fixed period
- d) Partnership at will

22. Which one of the following is an unincorporated organisation?

- a) General partnership.
- b) Public limited company.



- c) Limited liability partnership.
- d) Private limited company.

23. The maximum number of persons who are legally allowed to operate in a partnership is:

- a) 2
- b) 20
- c) There is no legal limit
- d) 100

24. A partner who is entitled to a share of the profits from a partnership is known as:

- a) A salaried partner.
- b) A managing partner.
- c) An equity partner.
- d) A limited liability partner.

25. Which one of the following statements about limited liability partnerships (LLPs) is incorrect?

- a) An LLP has a legal personality separate from that of its members.
- b) The liability of each partner in an LLP is limited.
- c) Members of an LLP are taxed as partners.
- d) A limited company can convert to an LLP.

26. An organisation running a business has the following attributes: the assets belong to the organisation, it can create a floating charge over its assets, change in membership does not alter its existence, and members cannot transfer their interests to others. What type of organisation is it?

- a) A private limited company
- b) A limited liability partnership
- c) A general partnerships
- d) A private limited company

27. What is the partnership written agreement known as?:

- a) Partnership contract
- b) Agreement
- c) Partnership deed
- d) Partnership Act

28. Which is not a feature of a partnership business?

- a) Ease of formation



- b) Limited liability
- c) Limited life
- d) Mutual agency

29. Which kind of partnership one partner has unlimited liability and other partner have limited liability?

- a) Partnership-at-will
- b) Limited partnership
- c) General partnership
- d) Particular partnership

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

- a) Partnership-at-will
- b) Limited partnership
- c) General partnership
- d) Particular partnership

Answer Key														
16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
C	D	A	A	D	C	A	C	C	D	B	C	B	B	A



Unit 3. Sale of Goods.(Sale of Goods Act,1930)

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

- a) To define the laws relating to the sale of goods
- b) To consolidate and amend the laws relating to the sale of goods
- c) To consolidate, amend and define the laws relating to the sale of goods
- d) To define and amend the laws relating to the sale of goods

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

- a) Person who buys goods and services
- b) Person who agrees to buy goods
- c) Person who buys or agrees to buy goods
- d) Person who buys or agrees to buy goods and services

33. Before the enactment of Sale of Goods Act, the provisions regarding Sale of Goods were contained in:

- a) Indian Contract Act, 1872
- b) Indian Registration Act, 1908
- c) Transfer of Property Act, 1882
- d) Indian Partnership Act, 1932

34. Which of the following cannot be said to be included in the term "goods" defined under section 2(7) of the Sale of Goods Act, 1930:

- a) Stock
- b) Shares
- c) Growing crops
- d) Actionable claims

35. When does an agreement to sell become a sale as per the provisions of Sale Of Goods Act, 1930:

- a) When the seller transfers the property in goods
- b) When the seller agrees to transfer the property in goods
- c) When the time elapses or the conditions subject to which the property in the goods is to be transferred are fulfilled
- d) Agreement to sell is deemed to be sale

36. What can be the subject matter of the contract of sale as per section 6 of Sale of Goods Act:

- a) Only existing goods owned or possessed by the owner
- b) Only Future goods



- c) Existing goods which are neither owned nor possessed by the owner
- d) Existing goods, owned or possessed by the owner or future goods

37. In a contract for sale of specific goods, the goods, without the knowledge of seller perished at the time when the contract was made, the contract is:

- a) A voidable contract at the instance of seller
- b) A voidable contract at the instance of buyer
- c) A voidable contract subject to approval of the civil court
- d) A void contract

38. A contract of sale may be made:

- a) A in writing or by word of mouth
- b) partly in writing of partly by word of mouth
- c) by the implied conduct of parties
- d) All of the above

39. As per section 2, sub section 7 every kind of moveable property other than actionable claim and money is called

- a) Goods
- b) Future goods
- c) Both (a) and (b)
- d) None of above

40. In the Contract of Sale, there is an implied warranty that:

- a) Seller has a right to sell the goods
- b) The buyer has the right to have and enjoy the quiet possession of goods only.
- c) The goods shall be free from any charge or encumbrance
- d) The buyer has the right to have and enjoy the quiet possession of goods and that the goods shall be free from any charge or encumbrance

41. Choose the most appropriate answer. Unless otherwise agreed, the goods remain at seller's risk until:

- a) The goods have been delivered to the buyer
- b) The goods have been utilised by the buyer
- c) The price to the goods has been received by seller
- d) The property therein has been transferred to the buyer

42. A contract of sale can be:

- a) Absolute only



- b) Conditional only
- c) Absolute or conditional
- d) Conditional only with the consent of the buyer

43. Where the transfer of the property in the goods is to take place at a future time or subject to some condition, then such contract is called:

- a) An agreement to sell
- b) A contract to Sale
- c) Future Contract
- d) Conditional contract

44. What are the requisites of contract of sale:

- a) An Offer and delivery of goods
- b) An Offer to buy or sell goods, for a price and its acceptance
- c) An Offer, delivery, possession and acceptance
- d) An Offer, price, delivery and acceptance

45. According to Sale of Goods Act, 1930, 'seller' means a person:

- a) who only agrees to sell the goods
- b) who only sells the goods
- c) who sells or agrees to sell
- d) who transfers the possession of the goods to the other part

AnswerKey														
31	32	33	34	35	36	37	38	39	40	41	42	43	44	45
D	C	A	D	C	D	D	D	A	D	D	C	A	C	C



Unit 4. E-Contracts (E-Transactions/E-Commerce.)

46. .Which of the following describes e-commerce?

- a) Doing business electronically
- b) Doing business
- c) Sale of goods
- d) All of the above

47. Which of the following is part of the four main types for e-commerce?

- a) B2B
- b) B2C
- c) C2B
- d) All of the above

48. Which segment do eBay, Amazon.com belong?

- a) B2Bs
- b) B2Cs
- c) C2Bs
- d) C2Cs

49. The best products to sell in B2C e-commerce are:

- a) Small products
- b) Digital products
- c) Specialty products
- d) Fresh products

50. The solution for all business needs is

- a) EDI
- b) ERP
- c) SCM
- d) None of the above

51. All of the following are techniques B2C e-commerce companies use to attract customers, except:

- a) Registering with search engines
- b) Viral marketing
- c) Online ads



d) Virtual marketing

52. Which is a function of E-commerce

- a) marketing
- b) advertising
- c) warehousing
- d) all of the above

53. Which term represents a count of the number of people who visit one site, click on an ad, and are taken to the site of the advertiser?

- a) Affiliate programs
- b) Click-through
- c) Spam
- d) All of the above

54. What is the percentage of customers who visit a Web site and actually buy something called?

- a) Affiliate programs
- b) Click-through
- c) Spam
- d) Conversion rate

55. What are materials used in production in a manufacturing company or are placed on the shelf for sale in a retail environment?

- a) Direct materials
- b) Indirect materials
- c) EDI
- d) None of the above

56. What are materials that are necessary for running a modern corporation, but do not relate to the company's primary business activities?

- a) Direct materials
- b) Indirect materials
- c) EDI
- d) None of the above

57. During E-commerce transaction we should ensure-----

- a) Integrity
- b) Security
- c) Confidentiality



d) All the above

58. Which one is not a threat for E-commerce

- a) Trojan horse
- b) Viruses
- c) Worm
- d) None

59. Which of the following is a method of transferring money from one person's account to another?

- a) electronic check
- b) credit card
- c) e-transfer
- d) none of the above

60. Which form of e-marketplace brings together buyers and sellers from the same industry?

- a) horizontal
- b) Vertical
- c) Integrated
- d) Inclined

Answer Key														
46	47	48	49	50	51	52	53	54	55	56	57	58	59	60
A	D	B	B	B	D	D	B	D	A	B	D	D	A	B



Unit 5. - The Consumer Protection Act, 1986

61. Consumer Protection Act is significant to

- a) Immovable Goods
- b) Movable Goods
- c) Particular Goods and Services
- d) All Goods and Services

62. How many rights does a consumer have under the Consumer Protection Act

- a) 8
- b) 6
- c) 4
- d) 5

63. When the seller manipulates the price, it is known as

- a) Caveat Emptor
- b) Unfair trade practices
- c) Restricted trade practices
- d) None of the above

64. Under this act, the minimum age of forum member of a district forum should be

- a) 30
- b) 40
- c) 35
- d) 65

65. The maximum age state commission member should be

- a) 60
- b) 35
- c) 70
- d) 65

66. The maximum age national commission member should be

- a) 60
- b) 35
- c) 70
- d) 65



67. Within how many days the opposite party has to answer after they are informed about the complaint?

- a) 1
- b) 5
- c) 20
- d) 15

68. Appeal against the district forum can be done in _____

- a) State forum
- b) high court
- c) national forum
- d) supreme court

69. Any appeal against a forum must be done in a higher forum within ____ days

- a) 45
- b) 30
- c) 60
- d) 90

70. As per section 2(1)(b) of Consumer Protection Act 1986, "complainant" means

- a) a consumer
- b) any consumer association registered under the Companies Act, 1956
- c) the Central Government or any State Government,
- d) All the above

71. As per section 2(1)(nnn) of Consumer Protection Act 1986, 'restrictive trade practice' include (i) delay beyond the period agreed to by a trader in supply of goods or in providing the services which has led to rise in the price (ii) any trade practice which requires a consumer to buy, hire or avail of any goods or services as condition precedent to buying, hiring or availing of other goods or services Codes:

- a) (i) Only
- b) (ii) Only
- c) Both (i) & (ii)
- d) None of the above

72. As per Consumer Protection Act 1986, 'unfair trade practice' includes (i) falsely represents that the goods/services are of a particular standard, quality or grade (ii) falsely represents any re-built, second-hand, renovated, reconditioned or old goods as new goods (iii) represents that



the goods or services have sponsorship, approval, performance, characteristics, accessories, uses or benefits which such goods or services do not have Codes:

- a) (i) & (ii)
- b) (i) & (iii)
- c) (ii) & (iii)
- d) (i), (ii) & (iii)

73. Who shall be the Chairman of the Central Consumer Protection Council

- a) The Minister in charge of consumer affairs in the Central Government
- b) The Minister in charge of consumer affairs in the State Government
- c) The Prime Minister
- d) The Speaker of Lok Sabha

74. The rights of consumers as per consumer protection Act does not include right to be

- a) informed
- b) heard
- c) safety
- d) presented

75. In which of the forum there is compulsion that a female should be a member of the forum

- a) District forum
- b) state commission
- c) national commission
- d) all of the above

Answer Key														
61	62	63	64	65	66	67	68	69	70	71	72	73	74	75
D	B	C	C	D	C	A	A	B	D	C	D	A	D	D



-Unit 6. - Intellectual Property Rights : (IPRs)

76. What protects the intellectual property created by designers?

- a) copyright
- b) geographical indications
- c) patents
- d) registered designs

77. What protects the intellectual property created by inventors?

- a) copyright
- b) geographical indications
- c) patents
- d) registered designs

78. What does a trademark protect?

- a) an invention
- b) a work of art
- c) logos, names and brands
- d) the look, shape and feel of a product

79. In most countries, how long does copyright last for?

- a) 10 years after the creation of the work
- b) 50 years after the creation of the work
- c) 10 years after the death of the person who created that work
- d) 50 years after the death of the person who created that work

80. How long do patents usually last for?

- a) 10 years
- b) 20 years
- c) 40 years
- d) 60 years

81. If you write an original story, what type of intellectual property gives you the right to decide who can make and sell copies of your work?

- a) copyright
- b) geographical indications
- c) patents



d) registered designs

82. Imagine a footballer sets up his own company to sell his own range of clothes. What type of intellectual property can he use to show that the clothes are made by his company?

- a) copyright
- b) geographical indications
- c) patents
- d) trademarks

83. If a company develops a new technology that improves its main product, what type of intellectual property can they use to stop others from copying their invention?

- a) copyright
- b) geographical indications
- c) patents
- d) registered designs

84. The work of copyright which subsist in literary work is

- a) Tables
- b) computer programme
- c) Novel
- d) all the above

85. The work of copyright which subsist in musical work is _____.

- a) Music and its graphical notation
- b) Lyrics
- c) Songs
- d) Performance by Actors

86. The work of copyright which subsist in artistic work is.....

- a) A work of architecture
- b) Sculpture
- c) Map
- d) all the above

87. The people who are entitled to apply for the registration of the copyright are _____.

- a) Author & artist
- b) assignee and licensee.
- c) Composer & producer
- d) all the above.



88. A copyright is a kind of _____ property.

- a) Movable property
- b) personal property.
- c) Immovable property
- d) personal and movable property

89. Intellectual Property Rights (IPR) protect the use of information and ideas that are of

- a) Ethical value
- b) Moral value
- c) Social value
- d) Commercial value

90. The following can not be exploited by assigning or by licensing the rights to others.

- a) Patents
- b) Designs
- c) Trademark
- d) All of the above

91. Design does not include

- a) features of shape
- b) composition of lines or colours
- c) mode or principle of construction
- d) None of the above

Answer Key															
76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91
D	C	C	D	B	A	D	C	D	A	D	D	D	D	C	C



Unit 7. - Negotiable Instruments Act, 1881

92. Sec 85 of NI Act,1881 extends protection to the

- a) paying banker
- b) collecting banker
- c) advising banker
- d) issuing banker

93. Which of the followings are not the Negotiable Instruments as defined by the Statute...

- a) Banker's Note
- b) Promissory Note
- c) Bill of Exchange
- d) All of the Instruments are Negotiable Instruments-

94. Which of the following is/are true about Negotiable Instruments Act, the Promissory Note is ...

- I. Definition of Promissory Note is given in section 8 of Negotiable Instrument Act
 - II. Containing an unconditional undertaking
 - III. To pay a certain sum of money only to a specific person or the bearer
 - IV. The seller is bound to accept the promissory note
 - V. A document written and Signed by the payer/maker
- a) (I), (II) and (III)
 - b) (II), (III) and (V)
 - c) (II), (III), and (IV)
 - d) (I), (III) and (IV)
 - e) All of the above

95. Which of the following is/are true about Bill of Exchange ?

- I. A bill of exchange requires in its inception two parties.
 - II. A bill of exchange or "draft" is a written order by the drawer to the drawee to pay money to the payee.
 - III. Bills of exchange are used primarily in international trade, and are written orders by one person to his bank to pay the bearer a specific sum on a specific date.
 - IV. Definition of ' Bill of Exchange' is mentioned in the Section 6 of Negotiable Instrument Act.
- a) (I) and (IV)
 - b) (I), (II) and (IV)
 - c) (II) and (III)
 - d) (III) and (IV)



e) All of the Above

96. Parties to a bill of exchange are:

- a) Drawer
- b) Drawee
- c) Payee
- d) Only 1 and 2
- e) All of these

97. A Promissory Note is:

- a) A conditional order to pay
- b) An unconditional order to pay
- c) A conditional promise to pay
- d) An unconditional promise to pay
- e) Both 1 and 3

98. Which of the following statements qualifies a Promissory Note?

- I. I Promise to pay Shyam Rs. 50,000 on demand.
 - II. I Promise to pay Shyam Rs. 5,00,000 along with my car on demand.
 - III. I Promise to pay Shyam Rs. 50,000 and rest of the fines on demand.
- a) Only I
 - b) Only II
 - c) Only III
 - d) Both I and II
 - e) None of these.

99. A Cheque:

- a) Is a type of bill of exchange
- b) Includes electronic image of a truncated cheque
- c) Payable on demand
- d) All of these
- e) Only 1

100. A Bill of Exchange is:

- a) A conditional promise to pay
- b) An unconditional order to pay
- c) An unconditional promise to pay
- d) A conditional order to pay
- e) Both 2 and 3



101. In the case of a negotiable instrument, The following person generally gets a good title.....

- a) Finder of the lost instrument
- b) Holder of a stolen instrument
- c) Holder in due course
- d) Holder of a forged instrument.

102. The reasonable period allowed in India for the presentation of a cheque is.....

- a) 1 Year
- b) 3 Months
- c) 9 months
- d) Depending upon banking custom

103. The following one is absolutely essential for a special crossing.

- a) Two parallel transverse lines
- b) Words 'And Company'
- c) Words 'Not Negotiable'
- d) Name of a banker

104. The safest form of crossing is

- a) General crossing
- b) Special crossing
- c) Double crossing
- d) A/c Payee crossing

105. Endorsement signifies that the.....

- a) Endorser has got a good title
- b) endorser's signature is genuine
- c) Previous endorsements are genuine
- d) All of the above

Answer Key

92	93	94	95	96	97	98	99	100	101	102	103	104	105
A	A	C	C	E	D	A	D	B	C	B	D	D	D



Unit 8. Arbitration & Conciliation

106. _____ is a process in which a dispute is submitted to an impartial outsider who makes a decision which is usually binding on both the parties.
- a) Arbitration
 - b) Adjudication
 - c) Court of enquiry
 - d) None of the above
107. Arbitration is a _____ process
- a. Legal
 - b. Lawful
 - c. Legitimate
 - d. Judicial
108. Which are the two traits on which the award of an arbitrator rests on?
- a. Compromise and liberty
 - b. Fair play and impartiality
 - c. Equity and Justice
 - d. All of the above
109. In which of these countries has arbitration been a popular way to resolve conflicts?
- A. USA**
 - B. New Zealand**
 - C. India**
 - D. UK**
- a. A & B
 - b. C & D
 - c. None of the above
 - d. All of the above
110. Arbitration is formal in character and is an expensive form of settlement.
- a. True
 - b. False



111. **When the two contending parties are unable to compose their differences by themselves or with the help of the mediator or conciliator, agree to submit the dispute to impartial authority whose decision they are ready to accept is called _____**
- Voluntary arbitration
 - Voluntary Mediation
 - Compulsory arbitration
 - Compulsory Mediation
112. **The decision of the arbitrator should be based on which approach?**
- Quasi - judicial
 - Split the difference
 - Judicial
 - Non Quasi judicial
113. **Which of the following is an essential element in voluntary arbitration?**
- Subsequent attendance of witnesses and investigations
 - Industries of strategic importance are involved
 - Country is passing through grave economic crisis
 - All of the above
114. **What is the main drawback of compulsory arbitration?**
- Compulsory implication of award
 - Non - compromising
 - It deprives both the parties of their very important and fundamental rights
 - None of the above
115. **Which of these is a condition for which compulsory arbitration is imposed on the disputing parties?**
- When an industrial dispute is apprehended
 - Disputing parties fail to arrive at a settlement by a voluntary method
 - The issue of the dispute should be mentioned in the arbitration agreement
 - All of the above
116. **Which of the following is a quality which should be present in a successful arbitrator?**
- High integrity
 - Knowledge of collective bargaining



- c. Understanding of complexities of labour and management relationship
- d. All of the above

117. Which are the departments from where a qualified arbitrator be hired?

- a. Legal profession
- b. Government servants
- c. Psychologists
- d. All of the above

118. Match the following procedure of investigation with the correct step no. in the sequence of events.

- A. 1 ----- 1. Collecting facts and supporting materials
- B. 2 ----- 2. Hearing out to both the parties along with mastery of the facts of dispute
- C. 3 ----- 3. Investigation of the facts and circumstances
- a. A-1, B-2, C-3
- b. A-2, B-1, C-3
- c. A-2, B-3, C-1

119. Choose the correct option that states the principle followed by an arbitrator.

- A. High integrity**
- B. Fair hearing**
- C. Natural justice**
- D. Maintain harmonious labour - management relations**
- a. A & D
- b. B & D
- c. B & C
- d. A & C

120. Arbitration Agreement means an agreement which is enforceable in law. The Statement is -

- a. True
- b. False
- c. Party Correct
- d. None of the Above

Answer Key														
106	107	108	109	110	111	112	113	114	115	116	117	118	119	120
A	C	C	A	B	A	B	A	C	B	D	D	A	C	A