

BUSINESS REGULATORY FRAMEWORK (B.LAW)

SALE OF GOODS ACT

1. The Sale of Goods Act, 1930 applies to the whole of India except

- (a) **Jammu & Kashmir** (c) Goa, Daman & Diu
(b) Dadra and Nagar Haveli (d) all the above.

2. The Sale of Goods Act, 1930 came into force on

- (a) 1st April, 1930 (c) 1st December, 1930
(b) **1st July, 1930** (d) 31st January, 1931.

3. The Sale of Goods Act, 1930 is based on

- (a) the English Bills of Exchange Act, 1882
(b) the Transfer of Property Act, 1882
(c) the English Sale of Goods Act, 1893
(d) **the Indian Contract Act, 1872.**

4. The term "goods" in the sale of goods means

- (a) specific goods only (c) ownership
(b) ascertained goods only (d) **subject matter.**

5. Under section 2(2) of the Sale of Goods Act, 1930, 'delivery' means

- (a) gratuitous transfer of possession from one person to another
(b) involuntary transfer of possession from one person to another
(c) **voluntary transfer of possession from one person to another**
(d) transfer of possession irrespective of whether it is gratuitous, involuntary or voluntary, from one person to another.

6. 'Delivery' within the meaning of section 2(1) of the Sale of Goods Act, 1930, can be

- (a) actual (c) symbolic
(b) constructive (d) **either (a) or (b) or (c).**

7. Which of the following is an instance of constructive delivery of goods

- (a) the transfer of bill of lading
(b) **attornment by a person in possession of the goods**
(c) both (a) and (b)
(d) None

8. The definition of 'the documents of title to goods' given in section 2(4) of the Sale of Goods Act, 1930, is exhaustive

- (a) true (b) **false**

9. Which of the following documents is a document of title to goods

- (a) bill of exchange (c) **dock warrant**
(b) promissory note (d) all the above.

10. Which of the following documents is a document of title to 'goods' within the meaning of section 2(4) of the Sale of Goods Act, 1930

- (a) Warehouse keeper's certificate (b) **Warfingler's certificate**

(c) both (a) and (b)

(d) neither (a) nor (b).

11. The minimum number of persons required for a sale is

(a) two

(c) ten

(b) five

(d) twenty.

12. Under section 2(6) of the Sale of Goods Act, 1930 'future goods' means

(a) goods which are not yet in existence

(c) ascertained goods

(b) unascertained goods

(d) specific goods

13. 'Goods' within the meaning of section 2(7) of the Sale of Goods Act, 1930 includes

(a) actionable claim(s)

(c) both (a) and (b)

(b) money

(d) neither (a) nor (b).

14. Section 2(7) of the Sale of Goods Act, 1930, the term 'goods' does not include

(a) stock and share

(c) grass

(b) growing crops

(d) neither (a) nor (b) nor (c).

15. Transfer of actionable claim(s) is governed by

(a) The Transfer of Property Act, 1882

(c) The Indian Contract Act, 1872

(b) The Sale of Goods Act, 1930

(d) all the above.

16. 'A person is said to be 'insolvent' who has ceased to pay his debts in the ordinary course of business, or cannot pay his debts as they become due whether he has committed an act of insolvency or not', is the definition of insolvency given in

(a) The Indian Partnership Act, 1932

(c) The Indian Contract Act, 1872

(b) The Sale of Goods Act, 1930

(d) all the above.

17. The question of the insolvency of a buyer, under the Sale of Goods Act, 1930, is of importance in connection with

(a) the seller's lien on the goods

(c) both (a) and (b)

(b) the right of stoppage in transit

(d) only (a) and not (b).

18. "Mercantile agent" means the person

(a) who sell goods, or consigns for the purpose of sell, or buy goods or raise money on security of goods

(b) who only sell or purchase

(c) who only consign goods

(d) who only transfer goods.

19. 'Price' under section 2(10) of the Sale of Goods Act, 1930, means

(a) the money consideration

(b) the consideration given in the form of goods

(c) partly money consideration and partly consideration in goods

(d) either (a) or (b) or (c).

20. The word "Property" in the Sale of Goods Act, 1930 means

(a) seller or transferer

(c) goods or subject matter

(b) buyer or purchaser

(d) ownership or title.

21. Section 10 of the Sale of Goods Act, 1930 provides for fixation of price of goods

(a) by the valuation of a third party

(c) by the Central Government

(b) by the arbitrator

(d) by the Judge.

22. Where the price of the goods under a contract of sale has to be determined by the valuation of a third party, and the valuer fails or refuses to make the valuation, the contract under section 10 of the Sale of Goods Act, 1930, shall

(a) become void

(b) be voidable

(c) remain valid

(d) become impossible.

23. 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

(a) liable to pay the reasonable price of the goods

(b) liable to pay the minimum price of the goods

(c) not liable to pay any price until fixed by the valuer

(d) liable to pay the maximum retail price.

24. Where a third party is prevented from making the valuation of goods, as price to be paid by the buyer to the seller, by a party to the agreement, under section 10 of the Sale of Goods Act, 1930, the other party has a right to

(a) sue for specific performance

(c) both (a) and (b)

(b) sue for damages

(d) either (a) or (b).

25. 'Quality of goods' under section 2(12) of the Sale of Goods Act, 1930 has a reference

(a) fitness for a particular purpose

(c) description

(b) state or condition

(d) either (a) or (b) or (c).

THE CONSUMER PROTECTION ACT, 1986

UNIT – 4

1. A consumer is a person who:-

(a) Buys any goods (c) avails any service (c) uses the goods with approval (d) **All of above**

2. A person is not a consumer if he has obtained the goods for:

(a) **Resale** (b) sale (c) production (d) None

3. Which of the following is true; Restrictive trade practice means:

(a) Practice for the purpose of promoting sales

(b) Practice of making any oral statement

(c) Practice of false representation

(d) Practice which tends to bring about manipulation of prices/conditions of delivery

4. Define "Consumer"

5. What are unfair trade practice and Restrictive trade practice?

6. Explain consumer Disputes

7. A person will be disqualified as member of District forum if ;

(a) Convicted or sentenced to imprisonment

(b) Undischarged insolvent

(c) Unsound mind

(d) All of above

8. The president of the District forum is appointed as the _____ of the forum.

(a) Member (b) **Chairman** (c) State – member (d) Secretary

9. Every member of the District forum shall hold office for a term of :-

(a) 5 years or 65 years of age; which ever is earlier

(b) 10 years or 60 years of age; which ever is earlier

(c) 15 years or 70 years of age; which ever is earlier

(d) Life term

10. Jurisdiction of the District forum is framed under section ___ of the Consumer protection Act

(a) 12 (b) 10 (c) **11** (d) 09

11. Explain two powers of the District Forum
12. National Commission shall consist of _____, who shall be the President.
 - (a) Judge of the High court
 - (b) **Judge of the Supreme court**
 - (c) Magistrate
 - (d) MLA
13. Mention any two disqualifications of member of National commission
14. Person aggrieved by the order made by National Commission may appeal within;
 - (a) 45 days (b) 35 days (c) 60 days (d) **30 days**
15. Trader or person who fails to comply with the order made by District forum or State or National commission shall pay the penalty u/s ;
 - (a) 28 (b) 26 (c) **27** (d) 25
16. Who can file a complaint under the Act?
17. State two powers of State commission
18. What is frivolous or Vexations Complaints?
19. Explain in short procedure of filing a complain
20. State the constitution of District consumer protection council
21. What is the three tier system of redressal of consumer disputes under the Act
22. There shall be ____ council established by the State Government in each state known as State Consumer Protection council
 - (a) **One** (b) Two (c) Three (d) Four
23. Section 28-A deals with ;
 - (a) Redressal agencies (b) Complaints (c) **Service of Notice** (d) Appeals
24. Section 24-B deals with ;
 - (a) Finality of orders (b) Limitation period (c) Penalties (d) **Administrative control**
25. Write the points of composition of the National Commission

INDEMNITY AND GUARANTEE

26. A Contract by which one party promises to save the other from loss caused to him by the promisor or by other person is called Contract of ;
 - (a) **Indemnity** (b) Guarantee (c) Principal and agent (d) None
27. The definition of Contract of Indemnity is stated in section _____
 - (a) 125 (b) 127 (c) **124** (d) 120
28. A contract to perform the promise or discharge a liability of a third person in case of default
 - (a) Indemnity (b) **Guarantee** (c) Principal and agent (d) None
29. Give two points for revocation of continuing guarantee
30. Mention two rights against the principal debtor and creditor.
31. “A surety is sometimes called a favoured debtor” – Explain in two lines
32. Explain in two lines the rights of Indemnity holder
33. What is continuing guarantee
34. Distinguish between contract of indemnity and guarantee in two points
35. Explain right of surety.

THE INDIAN CONTRACT ACT, 1872

MULTIPLE CHOICE QUESTIONS

1. The law of contract in India is contained in
(a) Indian Contract Act, 1862
(b) Indian Contract Act, 1962
(c) **Indian Contract Act, 1872**
(d) Indian Contract Act, 1972
2. An agreement enforceable by law is a
(a) Promise.
(b) **Contract.**
(c) Obligation.
(d) Lawful Promise.
3. An agreement which is enforceable by law at the option of one or more of the parties thereon but not at the option of the other or others is a
(a) Valid Contract.
(b) Void Contract.
(c) **Voidable Contract.**
(d) Illegal Contract.
4. When the consent of a party is not free, the contract is
(a) Void.
(b) **Voidable.**
(c) Valid.
(d) Illegal.
5. An offer may lapse by:
(a) Revocation.
(b) Counter Offer.
(c) Rejection of Offer by Offeree.
(d) **All of these.**
6. A proposal when accepted becomes a
(a) **Promise.**
(b) Contract.
(c) Offer.
(d) Acceptance.
7. Which of the following statement is true?
(a) Consideration must result in a benefit to both parties.
(b) Past consideration is no consideration in India.
(c) Consideration must be adequate.
(d) **Consideration must be something, which a promisor is not already bound to do.**
8. Which of the following statement is false? Consideration:
(a) Must move at the desire of the promisor.
(b) May move from any person.
(c) **Must be illusory.**
(d) Must be of some value.
9. Which of the following statement is false?
(a) Generally a stranger to a contract cannot sue.
(b) **A verbal promise to pay a time barred debt is valid.**
(c) Completed gifts need no consideration.
(d) No consideration is necessary to create an agency.
10. Consideration must move at the desire of
(a) **Promisor.**
(b) Promisee.
(c) Any other person.
(d) Any of these.
11. Consideration may be
(a) Past
(b) Present
(c) Future
(d) **All of the above.**

12. Consideration in simple term means:

- (a) Anything in return.
- (b) **Something in return.**
- (c) Everything in return.
- (d) Nothing in return.

13. Ordinarily, a minor's agreement is

- (a) **Void ab initio.**
- (b) Voidable.
- (c) Valid.
- (d) Unlawful.

14. A minor's liability for 'necessaries' supplied to him;

- (a) Arises after he attains majority age.
- (b) **Is against only minor's property.**
- (c) Does not arise at all.
- (d) Arises if minor gives a promise for it.

15. Which of the following statements is not true about minor's position in a firm?

- (a) He cannot become a partner in an existing firm.
- (b) **He can become a partner in an existing firm.**
- (c) He can be admitted only to the benefits of any existing firm.
- (d) He can become partner on becoming a major.

16. Consent is not said to be free when it is caused by

- (a) Coercion.
- (b) Undue Influence.
- (c) Fraud.
- (d) **All of these.**

17. When the consent of a party is obtained by fraud, the contract is;

- (a) Void.
- (b) **Voidable.**
- (c) Valid.
- (d) Illegal.

18. The threat to commit suicide amounts to

- (a) **Coercion.**
- (b) Undue Influence.
- (c) Misrepresentation.
- (d) Fraud.

19. Moral pressure is involved in the case of

- (a) Coercion.
- (b) **Undue Influence.**
- (c) Misrepresentation.
- (d) Fraud.

20. An agreement the object or consideration of which is unlawful, is

- (a) **Void.**
- (b) Valid.
- (c) Voidable.
- (d) Contingent.

21. A contingent contract dependent on the happening of future uncertain event can be enforced when the event

- (a) **happens**
- (b) becomes impossible
- (c) does not happen
- (d) either of these.

22. A agrees to pay One lakh to B if he brings on earth a star from sky. This is a contingent contract and

- (a) Illegal
- (b) Valid
- (c) Voidable
- (d) **Void.**

23. A agrees to sell his car worth 100,000 to B for 20,000 only, and A's consent was obtained

by coercion. Here, the agreement is

- (a)void
- (c)voidable**

- (b)valid
- (d)unlawful

24. A contract with the minor, which is beneficial for him, is

- (a)void ab initio
- (c)valid**

- (b)voidable
- (d)illegal

25. A threatens to kill B if he does not agree to sell his scooter to him for 1,000 only. Here B's consent is obtained by

- (a)undue influence
- (c)coercion**

- (b)fraud
- (d)none of these

True or False :

1. Implied contract, even if not in writing or express words, is perfectly valid if other conditions are satisfied

True, as an implied contract has the same effect as an express contract

2. If the consideration to an agreement is furnished by a stranger and not by the promisee himself, the agreement will be void.

False, as the law requires that there must be some consideration, who furnished it is immaterial.

3. All agreements made without consideration is void and there is no exception.

False, as there are certain exceptions also.

4. An offer must be made to definite person.

False, Offer may be general or specific.

5. When there is no consent, there is no contract.

True, Free consent is required for the valid contract.

BAILMENT

MCQ:

1.) Duties of the Bailor are

- a.) To disclose the fault in the goods bailed
- b.) To bear extra-ordinary exps. of bailment
- c.) To indemnity the bailee
- d.) All of above**

2.) Duties of bailee are

- a.) Duty of taking care of goods
 - b.) Compensation for unauthorized use of bailed goods.
 - c.) To return the goods
 - d.) All of above**
- 3.) Which is not characteristics of bailment.
- a.) Delivery of possession of goods.
 - b.) Transfer of ownership.**
 - c.) Return of specific goods.
 - d.) Movable goods.

TRUE OR FALSE:

- 1.) No consideration is necessary in gratuitous bailment. - **True**
- 2.) In the bailment, bailor retain the ownership of goods. - **True**
- 3.) Finder of goods has not a lien upon the goods for payment of expenses. - **False**
- 4.) The person delivering the goods is called “bailor”. - **True**