



ST. ALOYSIUS' COLLEGE

(AUTONOMOUS), JABALPUR(M.P.)

Reaccredited 'A+' Grade by NAAC (CGPA 3.68/4.00)

College with Potential for Excellence (CPE) by UGC

DST-FIST Supported & Star College Scheme by DBT.

St. Aloysius College (Autonomous) Jabalpur, M.P.

Question Bank

Business Law

Unit I

Question 1:- Ignorance of Indian Law is:

- a) a good excuse
- b) cannot be excused
- c) no excuse
- d) always an excuse

Ans. c) no excuse

Question 2:- An offer made to a specific person is called:

- a) express offer
- b) implied offer
- c) specific offer
- d) general offer

Ans. c) specific offer

Question 3:- An agreement of a purely social nature is:

- a) a valid contract
- b) a void contract
- c) a voidable contract
- d) not a contract

Ans. d) not a contract

Question 4:- The parties to a contract must be competent to contract. The flaw in capacity to contract may be due to-

- a) minority
- b) lunacy
- c) idiocy
- d) All of these

Ans. d) All of these

Question 5:- At the time of entering into a contract, parties must be thinking of the same thing in the same sense. This is also known as:

- a) intention to create a legal relationship
- b) lawful consideration
- c) consensus-ad-idem
- d) free and genuine consent

Ans. c) consensus-ad-idem

Question 6:- Which option is a true statement?



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a) All contracts must be reduced to

writing

b) No contract need to be in writing

c) If a particular type of contract is required by law to be in writing it must comply with the necessary formalities

d) None of these

Ans. c) If a particular type of contract is required by law to be in writing it must comply with the necessary formalities

Question 7:- In the context of consideration for a contract, the Rule is that:

a) Consideration need not be adequate

b) Consideration must be real

c) Both A and B are correct

d) None of these

Ans. c) both A and B are correct

Question 8:- A dealer enters into an agreement to sell a smuggled item to X. import of such type of goods is illegal. A refuses to deliver the item as promised. What are the rights of X?

a) sue the dealer for breach of a contract.

b) wait till such imports become legal and then sue the dealer.

c) it is a voidable contract.

d) it is a void contract

Ans. d) it is a void contract

Question 9:- With respect to causing any person to enter into an agreement, "Coercion" is-

a) the committing any act forbidden by Indian Penal Code

b) threatening to commit any act forbidden by Indian Penal Code

c) unlawful detaining any property to the prejudice of any person

d) all of these

Ans. d) all of these

Question 10:- The party to contract aggrieved or wronged by 'misrepresentation' can:

a) avoid the performance of the contract

b) avoid the contract and sue for damages

c) neither avoid the contract, nor can he sue for damages

d) none of the given option is correct

Ans. a) avoid the performance of the contract

Question 11:- A agrees to sell to B 100 tons of oil.

a) the agreement is void for uncertainty, as it does not show what kind of oil was intended

b) this agreement is valid

c) this agreement s voidable at the option of A

d) this agreement is voidable at the option of B

Ans. a) the agreement is void for uncertainty, as it does not show what kind of oil was intended



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Question 13:- Section 10 of the Contract Act enumerates some essentials of a valid contract. Which of the following is enumerated in Section 10?

- a) agreements made by free consent of parties, competent to contract
- b) agreements made for a lawful consideration and with lawful object
- c) agreements not expressed declared by law to be void
- d) All of the above

Ans. d) All of the above

Question 14:- A promisor offers performance of his obligation under the contract, at the proper time and place, but the promisee refuses to accept the performance. This is called:

- a) Tender
- b) Attempted performance
- c) both A, and B
- d) none of these

Ans. c) both A, and B

Question 15:- A contract is deemed to have become impossible of performance under the circumstances that the subject matter of a contract is destroyed for no fault of the promisor. Such circumstances are called:

- a) inherent impossibility
- b) supervening impossibility
- c) Expected impossibility
- d) all given options are correct

Ans. b) supervening impossibility

Question 16:- A minor can be an

- a) Agent
- b) Partner
- c) Surety
- d) None of the above

Ans. a) Agent

Question 17:- A consideration can simply be explained as

- a) Profit
- b) Income
- c) Benefit
- d) Acceptance

Ans. c) Benefit

Question 18:- Inadequacy of Consideration in a Contract

- a. Will make it void
- b. Will not make it Void



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- c. Will make it illegal
 - d. Will make it wager
- Ans. b) Will not make it Void

Question 19:- Three people are under a joint promise to pay Rs. 12,000/- to a person. While making the actual payment, one person is compelled to pay the whole amount of Rs. 12,000. He can recover contribution of Rs. 4000 from

- a) Each one of them
- b) Only one of them
- c) None of them
- d) Both of them together

Ans. a) Each one of them

Question 20:- Indian Contract act was passed in

- a) 1881
- b) 1930
- c) 1872
- d) 2008

Ans. c) 1872

Question 21:- An implied agreement is created:

- a) Orally
- b) In writing
- c) By registration
- d) By conduct or circumstances

Ans. d) By conduct or circumstances

Question 22:- An agreement which is enforceable at the option of the aggrieved party is called

- a) Void agreement
- b) Illegal agreement
- c) Voidable agreement
- d) Valid agreement

Ans. c) Voidable agreement

Question 23:- Contract is defined under section

- a) 2(a)
- b) 2(h)
- c) 2 (e)
- d) None of the above

Ans. b) 2(h)



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Question 24:- A standing offer is also known as

- a) Cross offer
- b) Counter offer
- c) Tender
- d) Cancelled offer

Ans. c) Tender

Question 25:- An offer comes to an end by

- a) By counter offer
- b) by Notice
- c) by insanity of proposer
- d) All of the above

Ans. d) All of the above

Question 26:- Consideration must move at the desire of

- a) Promisor
- b) Promisee
- c) any other person
- d) Court

Ans. a) Promisor

Question 27:- Every promise and every set of promises forming consideration for each other is called

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

Ans. c) Agreement

Question 28:- Consideration can be

- a) Past
- b) Present
- c) Future
- d) All of the above

Ans. d) All of the above

Question 29:- A promise to pay a time barred debt must be



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- a) Written
- b) Oral
- c) Registered
- d) Written and Registered

Ans. a) Written

Question 30:- Quid Pro Quo means

- a) Promise to pay quickly
- b) Promise to pay certain quantity
- c) Consideration
- d) None of the above

Ans. c) Consideration

Question 31:- If consideration is not adequate, the contract would be

- a) Invalid
- b) Void
- c) Voidable
- d) Valid

Ans. d) Valid

Question 32:- Which one of the following is not an exception to consideration

- a) A promise made out of natural love and affection
- b) Completed gift
- c) Beneficiary of trust
- d) None of the above

Ans. c) Beneficiary of trust

Question 33:- Who is liable for supplies of necessaries to a minor

- a) The minor
- b) the guardian of minor
- c) the property of minor
- d) The government

Ans. c) the property of minor

Question 34:- A contract for the benefit of minor is

- a) Void
- b) Illegal
- c) Voidable



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d) Valid

Ans. d) Valid

Question 35:- If there is no free consent the agreement is

a) Void

b) Illegal

c) Voidable

d) Valid

Ans. c) Voidable

Question 36:- If there is no consent the agreement is

a) Void

b) Illegal

c) Voidable

d) Valid

Ans. a) Void

Question 37:- An agreement caused by unilateral mistake of fact is

a) Void

b) Illegal

c) Voidable

d) Valid

Ans. d) Valid

Question 38:- An Agreement is

a) Offer + Invitation to offer

b) Offer + Acceptance

c) Offer + enforceable by law

d) Contract + Acceptance

Ans. b) Offer + Acceptance

Question 39:- An auction is

a) Agreement

b) offer

c) Tender

d) Invitation to offer

Ans. d) Invitation to offer

Question 40:- An agreement will be unlawful if



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- a) there is no consent
- b) there is no free consent
- c) the object is forbidden by law
- d) there is no consideration

Ans. c) the object is forbidden by law

Question 41:- Acceptance takes place as against the proposer, when

- a) When the letter of acceptance is received by the proposer
- b) When the letter of acceptance is posted by the acceptor
- c) When it reaches the post office of proposer
- d) When the offeree, writes the letter of acceptance, but doesn't post it

Ans. b) When the letter of acceptance is posted by the acceptor

Question 42:- A mistake as to a foreign law has the same effect as:

- a) Mistake of Indian law
- b) Mistake of fact
- c) Misrepresentation
- d) Mistake by chance

Ans. b) Mistake of fact

Question 43:- The communication of a proposal is complete when it comes to

- a) The knowledge of that person
- b) The object of the offer
- c) The intention with which offer is made
- d) The facts underlying the offer

Ans. a) the knowledge of that person

Question 44:- A general offer is said to be accepted by any person

- a) who reads the advertisement
- b) who is resident of the country
- c) who is capable of making contract
- d) who comply with the conditions of the offer

Ans. d) who comply with the conditions of the offer

Question 45:- A representation made without knowing it to be false, honestly believing it to be true is

- a) Fraud
- b) Coercion
- c) Undue Influence



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d) Misrepresentation

Ans. d) Misrepresentation

Question 46:- Active concealment of fact in order to deceive the other party is

a) Fraud

b) Coercion

c) Undue Influence

d) Misrepresentation

Ans. a) Fraud

Question 47:- A person who is sound sometimes and unsound sometimes is called

a) Lunatic

b) Idiot

c) Drunkard

d) Minor

Ans. a) Lunatic

Question 48:- Who among the following is not disqualified by law

a) Alien enemy

b) Incorporated Bodies

c) insolvent

d) Pardansheen Women

Ans. d) Pardansheen Women

Question 49:- Contract Act of 1872 was enacted on

a) 25th April, 1872

b) 25th May, 1872

c) 25th June, 1872

d) None of these

Ans. a) 25th April, 1872

Question 50:- The Contract Act 1872 was enforced on

a) 1st July, 1872

b) 1st August, 1872

c) 1st September, 1872

d) None of these

Ans. c) 1st September, 1872



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Question 51:- Definitions are provided in section_____ of The Contract Act 1872.

- a) 2
- b) 3
- c) 4
- d) None of these

Ans. a) 2

Question 52:- When one person signifies to another his willingness to do or to abstain from doing anything with a view to obtaining the assent of that other person to such act or abstinence he is said to make a

- a) Proposal
- b) Promise
- c) Both (a) and (b)
- d) None of these

Ans. a) Proposal

Question 53:- When the person to whom the proposal is made signifies his assent thereto the proposal is said to be accepted than it is called

- a) Proposal
- b) Promise
- c) Agreement
- d) None of these

Ans. b) Promise

Question 54:- The person making the proposal is called

- a) Promisor
- b) Promisee
- c) Both (a) and (b)
- d) None of these

Ans. a) Promisor

Question 55:- The person to whom the proposal is made is called

- a) Promisor
- b) Promisee
- c) Both (a) and (b)
- d) None of these

Ans. b) Promisee



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Question 56:- The person to whom the proposal is made is called

- a) Promisor
- b) Promisee
- c) Both (a) and (b)
- d) None of these

Ans. b) Promisee

Question 57:- There are_____ essential ingredients of an Agreement.

- a) 2
- b) 3
- c) 4
- d) None of these

Ans. b) 3

Question 58:- Promise which forms the consideration or part of the consideration for each other is called-

- a) Simple promise
- b) Conditional promise
- c) Reciprocal promise
- d) None of these

Ans. c) Reciprocal promise

Question 59:- An agreement not enforceable by law is called

- a) Void agreement
- b) Valid agreement
- c) Voidable agreement
- d) None of these

Ans. a) Void agreement

Question 60:- An agreement which is enforceable by law at the option of one or more of the parties there to but not at the option of other or others is

- a) Void Contract
- b) Voidable Contract
- c) Valid Contract
- d) All of the above

Ans. b) Voidable Contract

Question 61:- Free consent is defined in section_____ of the Contract Act



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- a) 10
 - b) 14
 - c) 18
 - d) 21
- Ans. b) 14

Question 62:- A proposal may be revoked at any time

- a) Before the communication of its acceptance
- b) Before the rejection of its communication
- c) Both (a) and (b)
- d) None of these

Ans. a) Before the communication of its acceptance

Question 63:- In order to convert a proposal into a promise the acceptance must be

- a) Unconditional
- b) Absolute
- c) Both (a) and (b)
- d) None of these

Ans. c) Both (a) and (b)

Question 64:- Coercion, Fraud and misrepresentation makes contract

- a) Void at the option of the party whose consent was caused
- b) Voidable at the option of the party whose consent so caused
- c) Valid for both sides
- d) None of these

Ans. b) Voidable at the option of the party whose consent so caused

Question 65:- Every agreement, by which any party thereto is restricted absolutely from enforcing his rights under or in respect of any contract by the usual legal proceeding in the ordinary tribunal or which limits the time within which he may thus enforce his right

- a) Valid agreement
- b) Void agreement
- c) Both (a) and (b)
- d) None of these

Ans. b) Void agreement

Question 66:- Mistake of fact

- a) Makes a contract voidable
- b) Does not make a contract voidable



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c) both (a) and (b)

d) None of these

Ans. b) Does not make a contract voidable

Question 67:- The consideration or object of an agreement is lawful unless it is

a) Forbidden by law

b) Forbidden by contractors themselves

c) Forbidden by custom

d) None of these

Ans. a) Forbidden by law

Question 68:- Where both the parties are under mistake as to matter of fact the agreement is

a) Void

b) Voidable

c) Valid

d) illegal

Ans. a) Void

Question 69:- A agrees to buy from B a certain horse. It turns out that the horse was dead at the time of the bargain though neither party was aware of the fact the agreement is

a) Valid

b) Void

c) Voidable

d) Both (a) and (b)

Ans. b) Void

Question 70:- Agreement without consideration is

a) Void

b) Voidable

c) Valid

d) None of these

Ans. a) Void

Question 71:- A person to whom money has been paid or anything delivered by mistake or under coercion

a) He is bound to return it

b) It is his discretion if he return

c) Both (a) and (b)

d) None of these

Ans. a) He is bound to return it



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Question 72:- When there is breach of contract the party which aggrieved by breach is entitled for

- a) Compensation against the defaulting party
- b) Nothing
- c) Registration of criminal Case against the defaulting party
- d) None of these

Ans. a) Compensation against the defaulting party

Question 73:- "Reciprocal" Contracts means

- a) One sided contracts
- b) Bilateral contracts
- c) Trilateral contracts
- d) None of these

Ans. b) bilateral contracts

Question 74:- The age limit for making a contract is

- a) 13 Years
- b) 16 years
- c) 18 years
- d) 29 years

Ans. c) 18 years

Question 75:- A contract made by lunatic is_____ in the eye of Law

- a) Void
- b) Valid
- c) absolute
- d) None of these

Ans. a) void

Question 76:- Free consent is_____ element for contract

- a) Essential
- b) Discretionary
- c) Exceptional
- d) All of the above

Ans. a) Essential

Question 77:- The Term "Consent" means

- a) Voluntary accordance with or assent in what is done or proposed by another
- b) Free mind



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- c) Free will
- d) All of the above

Ans. d) All of the above

Question 78:- Section 18 of the Contract Act, deals with

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

Ans. c) Misrepresentation

Question 79:- A agrees to pay B Rs. 50 if two parallel straight lines intersect each other. The agreement is

- a) Void
- b) Voidable
- c) Valid
- d) Illegal

Ans. a) Void

Question 80:- Wagering Agreements

- a) is a valid contract
- b) is a Void Contract
- c) is a voidable contract
- d) is a quasi-contract

Ans. b) is a Void Contract

Question 81:- An agreement for lawful consideration but with an unlawful object, is

- a) Void
- b) Wager
- c) Voidable
- d) Partially Illegal

Ans. a) Void

Question 82:- An agreement with lawful object but for an unlawful consideration, is _____

- a) Void
- b) Voidable
- c) Wager
- d) Partially unlawful

Ans. a) Void



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Question 83:- A contract entered into during war with an alien enemy is

- a) Ineffective
- b) Valid
- c) Voidable
- d) Void-ab-initio

Ans. d) Void-ab-initio

Question 84:- A contract entered into during war with an alien friend is

- a) Ineffective
- b) Valid
- c) Voidable
- d) Void-ab-initio

Ans. b) Valid

Question 85:- . Agreement to do an impossible act is:

- a) Voidable at the option of the promisor
- b) Void
- c) Valid
- d) Voidable at the option of the promisee

Ans. b) Void

Question 86:- A promised to marry B. Later on B died. This contract of marriage

- a) Becomes void
- b) Is void from very beginning
- c) Is valid
- d) Is illegal now

Ans. a) Becomes void

Question 87:- An acceptance of offer may be made

- a) By words
- b) By conduct
- c) Either (a) or (b)
- d) None of these

Ans. c) Either (a) or (b)

Question 88:- Which one of the following is a void agreement?

- a) An agreement without consideration.
- b) An agreement in restraint of marriage
- c) An agreement in restraint of trade



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d) All of the above

Ans. d) All of the above

Question 89:- Which one of the following is not a void agreement?

a) Agreement without consideration

b) Agreement in restraint of marriage

c) Wagering agreement

d) Agreement with physically disabled person

Ans. d) Agreement with physically disabled person

Question 90:- An agreement not to marry by minor is

a) Valid

b) Void

c) Voidable

d) Enforceable

Ans. a) Valid

Question 91:- An agreement to remain unmarried is

a) Valid

b) Void

c) Voidable

d) Enforceable

Ans. b) Void

Question 92:-The liability of Joint Promisors is

a) Joint

b) Several

c) Joint or several

d) Joint and several

Ans. d) Joint and several

Question 93:- Where place of performance is not specified, the Promisor shall

a) ask Promisee as to where performance of promise to be made

b) perform the promise at any place

c) not perform the promise

d) either (a) or (b)

Ans. a) ask Promisee as to where performance of promise to be made



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Question 94:- A and B contract to marry each other. Before the time for the marriage, A goes and mad. The contract becomes-

- a) Void
- b) Illegal
- c) Valid
- d) Voidable

Ans. a) Void

Question 95:- Is forbidden by law. The Court will not enforce such a contract.

- a) Valid Contract
- b) Illegal agreement
- c) Voidable Contract
- d) Unenforceable Contract

Ans. b) Illegal agreement

Question 96:-Voidable contract is one

- a) Which is lawful
- b) Which is invalid
- c) Which is valid as long as it is not avoided by the party entitled to do so
- d) Which is unlawful

Ans. c) Which is valid as long as it is not avoided by the party entitled to do so

Question 97:- Is a one-sided contract in which only one party has to perform his promise or obligation.

- a) Void Contract
- b) Illegal agreement
- c) Unilateral Contract
- d) Bilateral Contract

Ans. c) Unilateral Contract

Question 98:- An agreement is

- a) Enforceable by law if it meets the requirements of the law of the land
- b) Enforceable by law if any one party want it
- c) Enforceable against the law
- d) Enforceable by law if it is made by competent parties

Ans. a) Enforceable by law if it meets the requirements of the law of the land

Question 99:- According to enforceability, the contracts may be classified as

- a) Valid Contracts



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- b) Void Contracts
- c) Voidable contracts
- d) All of the above

Ans. All of the above

Question 100:- A contract in which, under the terms of a contract, nothing remains to be done by either party is known as

- a) Executed contract
- b) Executory contract
- c) Unilateral contract
- d) None of the above

Ans. a) Executed contract

Unit II

Question 1:- The phrase "quantum meruit" means:

- a) as much as earned
- b) to each according to his need
- c) to each according to his condition
- d) none of the options is correct

Ans. a) as much as earned

Question 2:- A contract to perform the promise or discharge the liability of a third person in case of his default is called:

- a) a contract of insurance
- b) a contract of guarantee
- c) a contract of bailment
- d) none of the given options is correct

Ans. b) a contract of guarantee

Question 3:- In a contract of guarantee the person for whom the guarantee is given is called:

- a) surety
- b) principal debtor
- c) creditor
- d) none of the options is correct

Ans. b) principal debtor

Question 4:- Which of the options is correct, about a contract of guarantee?

- a) a contract of guarantee is not a contract 'uberrimae fidei'
- b) the creditor must inform the surety about all his previous dealings with the debtor



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c) both options A and B are correct

d) none of the options is correct

Ans. c) both options A and B are correct

Question 5:- Which of the options is correct, about a contract of guarantee?

a) a contract of guarantee may either be oral or in writing

b) a contract of guarantee must be in writing

c) Both A and B

d) None of these

Ans. a) a contract of guarantee may either be oral or in writing

Question 6:- which of the options is correct with regard to rights of a creditor in a contract of guarantee?

a) all remedies against the principal debtor should be exhausted by the creditor before proceeding against the surety

b) the creditor is entitled to demand payment from the surety as soon as the principal debtor refuses to pay or makes a default in payment

c) Both A and B

d) None of these

Ans. c) both A and B

Question 7:- S agrees to sing in M's theatre . S dies in the meanwhile the contract is

a) Void

b) Discharged

c) Voidable

d) Illegal

Ans. b) Discharged

Question 8:- A breach of contract can be of _____ breach

a) Actual

b) Anticipatory

c) Both A & B

d) None of the above

Ans. b) Anticipatory

Question 9:- The person who is represented by the agent is called the

a) Principal

b) Surety

c) Middle man

d) None of the above

Ans. a) Principal



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Question 10:- The _____ does not usually get any rights or responsibilities under the Contract

- a) Principal
- b) Agent
- c) Surety
- d) None of the above

Ans. b) Agent

Question 11:- _____ of the agent is to act on behalf of principal is must

- a) Consideration
- b) Rule
- c) Intention
- d) None of the above

Ans. c) Intention

Question 12:- What a person can do personally, he can do through an agent exemption to this is

- a) Marriage
- b) Doctor
- c) Advocate
- d) All of the above

Ans. d) All of the above

Question 13:- The agent is specifically appointed by the principal for a particular task or a general function. This type of appointment is called as

- a) Ratification
- b) Express
- c) Implied
- d) Necessity

Ans. b) Express

Question 14:- The ratification of an Agent can be done for a

- a) Part of the contract
- b) Whole Contract
- c) Both a & b
- d) None of the above

Ans. b) Whole Contract

Question 15:- The Agency when it is ratified it must be communicated to the

- a) Agent
- b) Principal



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- c) Third Party
 - d) All of the above
- Ans. c) Third Party

Question 16:- The ratification can be done for the act which is done on behalf of

- a) Agent
 - b) Third party
 - c) Principal
 - d) All of the above
- Ans. c) Principal

Question 17:- Where it is assumed that the principal has authorized the person to act as his agent this type of Agency is created by

- a) Ratification
- b) Estoppel
- c) Implied
- d) Express.

Ans. c) Implied

Question 18:- "Indemnity" means

- a) Security from damage or loss
- b) Security for more profit
- c) An act for protection
- d) Both (a) and (b)

Ans. d) Both (a) and (b)

Question 19:- Section 124, of the Contract Act, define

- a) Contracts of minor
- b) Contracts of conditions
- c) Contracts of indemnity
- d) None of these

Ans. c) Contracts of indemnity

Question 20:- A contract by which one party promises to save the other from loss caused to him by the conduct of the promisor himself or by the conduct of any other person is called

- a) Surety contract
- b) Simple contract
- c) Contract of indemnity
- d) None of these

Ans. c) Contract of indemnity

Question 21:- The contract of insurance is contract of



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- a) Urgency
 - b) Indemnity
 - c) Both (a) and (b)
 - d) None of these
- Ans. b) Indemnity

Question 22:- A guarantee which extend to a series of transactions is called

- a) Special guarantee
- b) Continuing guarantee
- c) Specific guarantee
- d) None of these

Ans. b) Continuing guarantee

Question 23:- Any guarantee obtained by means of misrepresentation made by the creditor or with his knowledge and assent concerning a material part of the transaction is

- a) Valid
- b) Invalid
- c) Both (a) and (b)
- d) None of these

Ans. b) Invalid

Question 24:- "Guarantor" means_____

- a) Surety
- b) Principal Debtor
- c) Both a) and b)
- d) None of these

Ans. a) Surety

Question 25:- Where one party to a contract declares his intention of not performing the contract before the performance is due, it is called

- a) Actual Breach
- b) Anticipatory Breach
- c) Both a) and b)
- d) None of these

Ans. b) Anticipatory Breach

Question 26:- Anticipatory Breach may take place

- a) Expressly
- b) Impliedly
- c) Both a) and b)
- d) None of these

Ans. c) Both a) and b)



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Question 27:- The contract of guarantee is a contract in which a person perform the promise or discharge the liability of

- a) The contractor
- b) Stranger
- c) Third person
- d) None of these

Ans. c) Third person

Question 28:- In contract of guarantee the person who gives guarantee is called

- a) Principal debtor
- b) Surety
- c) Both (a) and (b)
- d) None of these

Ans. b) Surety

Question 29:- In contract of guarantee the person at whose place guarantee given is called

- a) Surety
- b) Principal debtor
- c) Both (a) and (b)
- d) None of these

Ans. b) Principal debtor

Question 30:- A continuing guarantee may at any time be revoked by the surety as to future transaction by giving notice to

- a) Creditor
- b) Principal debtor
- c) Without giving any notice to any person
- d) None of these

Ans. a) Creditor

Question 31:- As per section 143, of the Contract Act guarantee obtain by the creditor by concealment is

- a) Invalid
- b) Valid
- c) Both (a) and (b)
- d) None of these

Ans. a) Invalid

Question 32:- Section 146 of the Contract Act, deals with liabilities of

- a) Surety
- b) Co-sureties
- c) Both (a) and (b)
- d) None of these

Ans. b) Co-sureties



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Question 33:- The term "Bailment" means

- a) A delivery of a thing entrusted for some special purpose or object upon a contract
- b) Delivery of goods free of cost
- c) Delivery of goods without cost for welfare of public
- d) None of these

Ans. a) A delivery of a thing entrusted for some special purpose or object upon a contract

Question 34:- The definition of 'Bailment' is provided in section_____, of the Contract Act.

- a) 146
- b) 147
- c) 148
- d) All of these

Ans. c) 148

Question 35:- The person who during the contract of bailment deliver goods is called

- a) Bailor
- b) Bailee
- c) Both (a) and (b)
- d) None of these

Ans. a) Bailor

Question 36:- The person to whom goods are delivered according Bailment is called

- a) Bailor
- b) Bailee
- c) Both (a) and (b)
- d) None of these

Ans. b) Bailee

Question 37:- In Bailment, bailor is duty bound to disclose fault in goods bailed as provided in section

- a) 148 of the Contract Act
- b) 149 of the Contract Act
- c) 150 of the Contract Act
- d) None of these

Ans. c) 150 of the Contract Act

Question 38:- The bailment of goods as security for payment of debt or performance of a promise is called

- a) Pledge
- b) Special bailment
- c) Both (a) and (b)
- d) None of these

Ans. a) Pledge

Question 39:- In pledge bailor is called



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- a) Pawnor
- b) Pawnee
- c) Both (a) and (b)
- d) None of these

Ans. a) Pawnor

Question 40:- The term "Pledge" means

- a) A thing which is given as security
- b) A thing which is sold out
- c) Both (a) and (b)
- d) None of these

Ans. a) A thing which is given as security

Question 41:- In pledge contract bailee is called

- a) Pawnor
- b) Pawnee
- c) Pledger
- d) None of these

Ans. b) Pawnee

Question 42:- A person employed to do any act for another or to represent another in dealings with third person is called

- a) Servant
- b) Labour
- c) Agent
- d) None of these

Ans. c) Agent

Question 43:- Definition of agent is provided in section_____ of the Contract Act, 1872

- a) 175
- b) 182
- c) 185
- d) None of these

Ans. b) 182

Question 44:- As Per Indian Contract Act, any person who is of the age of majority according to the law to which he is subject and who is of sound mind may employ

- a) Servant
- b) Labour
- c) An agent
- d) None of these

Ans. c) An agent

Question 45:- Section 184, of the Contract Act deals with qualification of



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- a) Principal
- b) Agent
- c) Both (a) and (b)
- d) None of these

Ans. b) Agent

Question 46:- An unsound person cannot become

- a) An agent
- b) Principal
- c) Both (a) and (b)
- d) None of these

Ans. c) Both (a) and (b)

Question 47:- As per section 185 of the Contract Act, 1872 consideration is

- a) Necessary to create agency
- b) Not necessary to create agency
- c) Depends upon type of agency
- d) None of these

Ans. b) Not necessary to create agency

Question 48:- The person acting employed by under the control of the original agent in the business of the agency is called

- a) Assistant agent
- b) Associate agent
- c) Sub-agent
- d) None of these

Ans. c) Sub-agent

Question 49:- As per section 201, of the Contract Act an agency can be terminated by

- a) The principal revoking his authority
- b) The agent renouncing the business of the agency
- c) The completion of agency business
- d) All of these

Ans. d) All of these

Question 50:- An agent is bound to render proper account to _____ on demand

- a) His principal
- b) Sub-agent
- c) Creditor
- d) None of these

Ans. a) His principal

Question 51:- The Contract Act, bound an agent to communicate with _____ in cases of difficulty



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- a) Sub-agent
 - b) Principal
 - c) Legal Advisor
 - d) None of these
- Ans. b) Principal

Question 52:- The remedies available to a person, suffering from breach of contract are

- a) Suit for Damages
- b) Suit for Injunction
- c) Quantum Meruit
- d) All of the above

Ans. d) All of the above

Question 53:- The contract may be rescind by

- a) Aggrieved party
- b) Court
- c) Both a) and b)
- d) None of these

Ans. c) Both a) and b)

Question 54:- The Court may grant rescission where the contract is

- a) Unlawful
- b) Void
- c) Unenforceable
- d) All of the above

Ans. a) Unlawful

Question 55:- Anticipatory breach of contract takes place before _____ of performance.

- a) acceptance
- b) due date
- c) offer
- d) None of these

Ans. b) due date

Question 56:-The breach of contract means the

- a) Performance of contract by both the parties
- b) Failure of a party to perform his obligations
- c) Payment of compensations due to non-performance
- d) Postponement of the performance of contract

Ans. b) Failure of a party to perform his obligations

Question 57:- Which remedy for breach of contract may be ordered by the court?

- a) Specific performance
- b) Injunction
- c) Both a) and b)



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d) None of these

Ans. c) Both a) and b)

Question 58:- Specific Performance may be ordered by the Court when

- a) The contract is voidable
- b) Damages are an adequate remedy
- c) Damages are not an adequate remedy
- d) Quantum meruit is not possible

Ans. c) Damages are not an adequate remedy

Question 59:- In case of breach of contract of sale of some antique goods, the Court may grant

- a) Quantum Meruit
- b) Rescission
- c) Specific Performance
- d) Injunction

Ans. c) Specific Performance

Question 60:- To claim remedy under Quantum Meruit, the original contract.

- a) Should remain intact
- b) Must be discharged
- c) Must be fully performed
- d) All of the above

Ans. b) Must be discharged

Question 61:- means an order of the Court restraining a person from doing what he promised not to do.

- a) Quantum Meruit
- b) Rescission
- c) Injunction
- d) Specific Performance

Ans. c) Injunction

Question 62:- In which of the following situations, specific Performance is not granted?

- a) Where monetary compensation is an adequate relief
- b) Where the contract is impersonal in nature
- c) Where monetary compensation is not an adequate relief
- d) Both (a) and (b)

Ans. d) Both (a) and (b)

Question 63:- Quantum Meruit means

- a) a non-gratuitous promise
- b) as gratuitous promise
- c) as much as is earned
- d) as much as is paid

Ans. c) as much as is earned



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Question 64:- In case of breach of contract, the Indian Law awards damages.

- a) For loss of profit which may have been earned
- b) Which arose naturally
- c) As matter of penalty
- d) To compensate party from physical loss

Ans. b) which arose naturally

Question 65:- Nominal Damages can be

- a) Claimed by the aggrieved party as a matter of right
- b) Awarded only at the discretion of the Court
- c) Claim by the aggrieved party for loss
- d) All of the above

Ans. b) Awarded only at the discretion of the Court

Question 66:- Ordering the relief by way of specific performance of contract, is a. b. c. d.

- a) At the discretion of the Court
- b) Right of a person and the court must give it
- c) Provided in the Indian Contract Act
- d) Both (a) and (b)

Ans. a) at the discretion of the Court

Question 67:- Which of the following statement is correct? a. b. c. d.

- a) Ordinarily, the damages for loss of reputation are not recoverable
- b) Nominal damages are very small in amount
- c) Nominal damages are not small in amount
- d) Both (a) or (b)

Ans. d) Both (a) or (b)

Question 68:- The right of subrogation in a contract of guarantee is available to the

- a) Creditor
- b) Principal debtor
- c) Surety
- d) Indemnifier

Ans. c) Surety

Question 69:- A gratuitous bailment is one which is

- a) Supported by consideration
- b) Not supported by consideration
- c) Not enforceable by law
- d) Void

Ans. b) not supported by consideration

Question 70:- State whether the statement is true or false. A bailee has a right of particular lien over the goods bailed.

Ans. True



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Question 71:- State whether the statement is true or false. Bailee can mix the goods of bailor with his own goods without bailor's consent.

Ans. False

Question 72:- The person who gives the indemnity is known as

- a) Indemnity-holder
- b) Surety
- c) Indemnifier
- d) Principal debtor

Ans. c) Indemnifier

Question 73:- Where the agent contracts for a principal who is not competent to contract, in such a case, the agent is

- a) Personally liable
- b) Not personally liable
- c) Exceeding authority
- d) None of these

Ans. a) personally liable

Question 74:- In a contract of guarantee the liability of surety is

- a) Co-extensive
- b) Primary
- c) Both a) and b)
- d) None of these

Ans. a) Co-extensive

Question 75:- In a contract of guarantee the liability of Principal debtor is

- a) Secondary
- b) Primary
- c) Both a) and b)
- d) None of these

Ans. b) Primary

Question 76:- The person to whom the indemnity is given is known as

- a) Indemnity-holder
- b) Surety
- c) Indemnifier
- d) Principal debtor

Ans. a) Indemnity-holder

Question 77:- A person appointed by an agent to act for the principal, is called

- a) Agent
- b) Sub-agent
- c) Substituted agent
- d) Pretended agent



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Ans. c) Substituted agent

Question 78:- The promisee in a contract of indemnity, acting within the scope of his authority, is entitled to recover from the promisor:

- a) All damages which he may be compelled to pay in any suit in respect to any matter to which he promise to indemnity applies
- b) All costs which he may be compelled to pay in any such suit
- c) All sums which he may have paid under the terms any compromise of any such suit
- d) All of the above

Ans. d) All of the above

Question 79:- A Continuing guarantee may be revoked for further transactions:

- a) Before five months
- b) Within three months
- c) At any time
- d) May not be revoked

Ans. c) At any time

Question 80:- Agent's authority may be:

- a) Express
 - b) Implied
 - c) Both A) and B)
 - d) None of these
- Ans. c) Both A) and B)

Question 81:- Which one is not true?

- a) Guarantors liability is co – extensive with that of Debtors.
- b) Guarantors are primarily responsible for repayment.
- c) Guarantors liability is secondary.
- d) After payment of loan by guarantor, he has all the rights of creditor.

Ans. b) Guarantors are primarily responsible for repayment.

Question 82:- Which is true about bailment?

- a) Bailment is delivery of goods.
- b) Specific purpose must be there.
- c) It can be for specific period.
- d) All of these

Ans. d) All of these

Question 83:- Which is not true about Pledge?

- a) Bailment and pledge are same
- b) In a pledge purpose of bailment is loan and article bailed is security.
- c) Possession only goes to Pawnee.
- d) Pawnor transfers ownership



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Ans. d) Pawnor transfers ownership

Question 84:- Contract of agency does not come to an end on... ..?

- a) On death of principal and Agent.
- b) On insolvency of principal.
- c) On insolvency of Agent.
- d) On resignation from agency by agent.

Ans. c) On insolvency of Agent.

Question 85:- A non- gratuitous bailment is one which is

- a) Supported by consideration
- b) Not supported by consideration
- c) Not enforceable by law
- d) Void

Ans. a) Supported by consideration

Question 86:- In case of a contract of bailment, there is only

- a) Change of ownership
- b) Change of possession
- c) Both a) and b)
- d) None of these

Ans. b) Change of possession

Question 87:- Which of these contracts has three parties consisting of creditor, principal debtor and surety:

- a) Contract of indemnity
- b) Contract of surety
- c) Contract of pledge
- d) Contract of guarantee

Ans. d) Contract of guarantee

Question 88:- If the bailee, without the consent of the bailor, mixes the bailor's goods with his own goods in such a manner that it is impossible to separate the goods bailed, the bailor is entitled to be

- a) Compensated by the bailee for the loss of the goods
- b) Compensated by the bailee for the 1/3 of loss
- c) Compensated by the bailee for the 1/2 of loss
- d) Compensated by the bailee for rupees 500

Ans. a) Compensated by the bailee for the loss of the goods

Question 89:- Which of the following is the essential ingredient of contract of indemnity:

- a) Contract to make good the loss
- b) Loss must be caused to the indemnity holder
- c) Loss may be caused by promiser or any other person
- d) All of the above



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Ans. d) All of the above

Question 90:- Which is not the case of discharge of surety

- a) By notice of revocation
- b) By death of surety
- c) If creditor releases the principal debtor
- d) None of the above

Ans. d) None of the above

Question 91:- Which one is not the duties of bailee

- a) The bailee must take care of goods as of his own goods.
- b) The bailee cannot use bailor's goods in an unauthorised manner
- c) The bailee should return the goods on the expiry of the time period.
- d) He can set up adverse title to the goods.

Ans. d) He can set up adverse title to the goods.

Question 92:- Which is not the case of termination of bailment—

- a) Where the bailee wrongfully uses the goods bailed.
- b) When the period of bailment expires
- c) When the object of bailment has been achieved
- d) None of these

Ans. d) None of these

Question 93:- A bailment cannot be made about —

- a) A Car
- b) Furniture
- c) Money
- d) Television

Ans. c) Money

Question 94:- Which of the following is not an essential element of agency

- a) Principal
- b) Agent
- c) Consideration
- d) An agreement

Ans. c) Consideration

Question 95:- Which of the following statement is true?

- a) There are three parties in a contract of a guarantee
- b) The liability of the surety is co- extensive with that of the principal debtor
- c) A creditor is not bound to proceed against the principle debtor
- d) All of the above

Ans. d) All of the above

Question 96:- An agent in NOT personally liable for —

- a) Contract entered with third parties on behalf of employer



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- b) Signs the agreement in his own name
 - c) Where the agent works for foreign principal
 - d) Where the contract expressly provides for the personal liability
- Ans. a) Contract entered with third parties on behalf of employer

Question 97:- Principal is NOT liable for the agents act if

- a) Agent acts within the scope of his authority
 - b) Agent exceeds his authority
 - c) Fraud or misrepresentation committed for benefit of the principal
 - d) Work done out of his authority but the principal accepts it
- Ans. b) Agent exceeds his authority

Question 98:- An agency is irrevocable:

- a) Where the authority of agency is one coupled with interest
 - b) Where the agent has incurred personal liability
 - c) Both (a) and (b)
 - d) None of these
- Ans. c) Both a) and b)

Question 99:- An agency comes to an end

- a) By performance of contract
 - b) By agreement between the principal and the agent
 - c) By renunciation of his authority by the agent
 - d) All of the above
- Ans. d) All of the above

Question 100:- How many parties are there in a contract of indemnity

- a) 2
 - b) 3
 - c) 4
 - d) 5
- Ans. a) 2

Unit III

Question 1:- In the case of a negotiable instrument Negotiation can take place from one person to another:

- a) by mere delivery or by endorsement and delivery.
 - b) only by endorsement and delivery.
 - c) all negotiable instruments cannot be negotiated
 - d) negotiation of a negotiable instrument cannot take place by mere delivery
- Ans. a) by mere delivery or by endorsement and delivery.

Question 2:- A promissory note, bill of exchange or cheque is payable to bearer which is:

- a) Expressed to be so payable



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- b) On which the only endorsement is an endorsement in blank.
- c) On which the last endorsement is an endorsement in blank.
- d) expressed to be so payable or on which the only or last endorsement is an endorsement in blank.

Ans. a) expressed to be so payable

Question 3:- Money orders; Postal orders; Fixed Deposit receipts; share certificates; Letters of Credit are examples of:

- a) Negotiable Instruments
- b) Non-negotiable instruments
- c) some of these are negotiable instruments while others are not
- d) None of these

Ans. b) Non-negotiable instruments

Question 4:- A Bill of Exchange, not payable on demand, is entitled to get:

- a) 3 days grace period.
- b) 7 days of grace period
- c) grace period only if the maturity falls due on a bank holiday
- d) none of these

Ans. a) 3 days grace period.

Question 5:- which of the options is correct in respect of a negotiable instrument bearing "NOT NEGOTIABLE" crossing?

- a) The cheque is not transferable
- b) It is still transferable, but the transferee cannot get title better than what transferor had.
- c) Cheque will be credited only after verification from the drawer
- d) Banker is required to keep a separate record of such instruments

Ans. a) The cheque is not transferable

Question 6:- In case of dishonour of a negotiable instrument, notice is required to be given to:

- a) Drawer only
- b) All earlier endorsees.
- c) Drawer and all earlier endorsees.
- d) All of these

Ans. c) drawer and all earlier endorsees.

Question 7:- Where a person receives a negotiable instrument without consideration, he may be called:

- a) 'Holder in due course'.
- b) A holder
- c) Beneficiary
- d) Assignee

Ans. b) a holder



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Question 8:- If a cheque is dishonoured for insufficiency of funds, the penalty can be up to:

- a) two years imprisonment or fine up to twice the amount of cheque or both.
- b) No imprisonment but fine up to twice the amount of cheque
- c) three years imprisonment or fine up to twice the amount of cheque or both.
- d) two years imprisonment or fine up to five times the amount of cheque or both.

Ans. a) two years imprisonment or fine up to twice the amount of cheque or both.

Question 9:- The Negotiable Instruments Act, came into force on the.....

- a) 1 January 1881
- b) 1 February 1881
- c) 1 April 1881
- d) 9 December 1881

Ans. d) 9 December 1881

Question 10:- A “negotiable instrument” means a promissory note, bill of exchange or cheque payable either.....

- a) To order
- b) To bearer
- c) Either a) or b)
- d) None of these

Ans. c) Either a) or b)

Question 11:- Bearer cheques are also known as _____ cheques.

- a) Crossed
- b) General
- c) Special
- d) Open

Ans. d) Open

Question 12:- The liability on the instrument may be discharged by

- a) Cancellation
- b) Release
- c) Payment
- d) All of the above

Ans. d) All of the above

Question 13:- A cheque shall be deemed to be crossed specially-

- a) On addition of the name of the banker
- b) Drawing two lines parallel
- c) Both a) and b)
- d) None of these

Ans. a) On addition of the name of the banker

Question 14:- Who can endorse the negotiable instrument?



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- a) Maker of the Instrument
- b) holder of the instrument
- c) Drawee
- d) Both a) and b)

Ans. d) Both a) and b)

Question 15:- Which of the following is not a negotiable instrument?

- a) Bill of exchange and cheque
- b) Postal Order & Currency note
- c) Promissory note and cheque
- d) Promissory note & Bill of exchange

Ans. b) Postal Order & Currency note

Question 16:- Features of Negotiable instruments are -

- a) Written and signed
- b) Recovery
- c) Freely transferable
- d) All of the above

Ans. d) All of the above

Question 17:- Cheque can be of ___ types

- a) 2
- b) 3
- c) 4
- d) 5

Ans. a) 2

Question 18:- Crossing of cheques can be of ____ types

- a) 3
- b) 2
- c) 6
- d) 4

Ans. b) 2

Question 19:- An instrument is discharged by _____ as per N.I Act, 1881

- a) Cancellation
- b) Release
- c) Payment
- d) All of the above

Ans. d) All of the above

Question 20:- An instrument is _____ by cancellation as per N.I Act, 1881

- a) Discharged
- b) Closed
- c) Both a) and b)



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d) None of these

Ans. a) Discharged

Question 21:- A Bill of Exchange contains —

a) Conditional undertaking

b) Unconditional undertaking

c) Unconditional order

d) Conditional order

Ans. c) Unconditional order

Question 22:-The money payable on any Negotiable instrument —

a) Must be certain

b) Must not be certain

c) Usually uncertain

d) Conditional

Ans. a) Must be certain

Question 23:- A negotiable instrument is dishonoured

a) On Payment

b) On acceptance

c) Endorsement

d) Both a) and b)

Ans. d) Both a) and b)

Question 24:- When does a bank dishonour its customer's cheque —

a) Bearer cheque

b) Crossed cheque

c) Signature mismatches

d) Not negotiable marked

Ans. c) Signature mismatches

Question 25:- A bill of exchange drawn on a specified banker, and not expressed to be payable otherwise than on demand is called ____.

a) Bill of exchange

b) Cheque

c) Promissory note

d) None of these

Ans. b) Cheque

Question 26:-. The promissory note should be signed by:

a) Drawer

b) Drawee

c) Payee

d) None of these

Ans. a) Drawer



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Question 27:- The person to whom the amount is payable is called as:

- a) The payee
- b) The holder
- c) The endorser
- d) The maker

Ans. a) The payee

Question 28:- Which of the following is/ are essential(s) of promissory note?

- a) It must be in writing
- b) An oral promise to pay will do
- c) It must contain oral promise to pay
- d) All of these

Ans. a) It must be in writing

Question 29:- The person on whom the bill is drawn is known as ____?

- a) Drawee
- b) Drawer
- c) Payee
- d) Endorser

Ans. a) Drawee

Question 30:- A bill of exchange must contain an unconditional order to pay.....only.

- a) Money
- b) Goods
- c) Property
- d) Assets

Ans. a) Money

Question 31:- Essentials of a bill of exchange:

- a) It must be signed by the drawer
- b) The parties must be certain.
- c) It must contain an unconditional order to pay money only
- d) All of these

Ans. d) All of these

Question 32:-A cheque is a bill of exchange drawn on a bank payable always:

- a) On request
- b) On demand
- c) On order
- d) All of these

Ans. b) on demand

Question 33:- A cheque is a bill of exchange_____.

- a) Which is always drawn on a banker
- b) Which is payable on demand



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c) Both a) and b)

d) None of these

Ans. c) both a) and b)

Question 34:- cannot be paid across the counter but must be collected through a banker.

a) A crossed cheque

b) An open cheque

c) Both a) and b)

d) None of these

Ans. a) A crossed cheque

Question 35:- Which of following can be crossed?

a) Bill of exchange

b) Promissory note

c) Cheque

d) All of these

Ans. c) Cheque

Question 36:- Noting is necessary in case of.....of bill.

a) Transfer

b) Assignment

c) Endorsement

d) Dishonour

Ans. d) Dishonour

Question 37:- The.....is the formal notarial certificate attesting the dishonour of the bill.

a) Protest

b) Noting

c) Writing

d) All of these

Ans. a) Protest

Question 38:- A material alteration renders the instrument.....

a) Void

b) Voidable

c) Legal

d) Enforceable

Ans. a) Void

Question 39:- The date on which payment of an instrument falls due is called its.....

a) Event

b) Maturity

c) Collection date



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d) Accounting date

Ans. b) Maturity

Question 40:- In general crossing a cheque bears across its face an addition of.....

- a) Two parallel transverse lines
- b) Three parallel transverse lines
- c) Four parallel transverse lines
- d) None of these

Ans. a) Two parallel transverse lines

Question 41:- State whether the statement is true or false. A cheque does not require acceptance from the drawee.

Ans. True

Question 42:- State whether the statement is true or false. A bill of exchange does not require acceptance from the drawee.

Ans. False

Question 43:- State whether the statement is true or false. In a bill of exchange, the drawer and payee may be the same person.

Ans. True

Question 44:- 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) Cheques

Ans. a) Banker's Note

Question 45:- A promissory note is an instrument in writing containing.....signed by the maker to pay a certain sum of money.

- a) Conditional undertaking
- b) Implied undertaking
- c) An unconditional undertaking
- d) Deemed undertaking

Ans. c) An unconditional undertaking

Question 46:- State whether the statement is true or false. A Negotiable instrument is transferable till maturity

Ans. True

Question 47:- A protest is made by

- a) Drawer
- b) Endorser



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- c) Notary
- d) None of these

Ans. c) Notary

Question 48:- State whether the statement is true or false. Banker must refuse to honour the cheque after receiving notice of customer's death.

Ans. True

Question 49:- In case of a Promissory Note, there are:

- a) 3 Parties
- b) 5 Parties
- c) 2 Parties
- d) 4 Parties

Ans. c) 2 Parties

Question 50:- Which section of the Negotiable Instruments Act deals with Cheque?

- a) Section 6
- b) Section 5
- c) Section 118
- d) Section 7

Ans. a) Section 6

51. _____ is the new and innovative business vehicle which is the combination of partnership and company?

- a) Limited Liability Partnership
- b) Companies Act, 2013
- c) Both a & b
- d) None

Answer- (a) Limited Liability Partnership

52. Limited liability Partnership Act _____.

- a) 2009
- b) 2013
- c) 2019
- d) 2008

Answer- (d) 2008

53. Limited liability Partnership Act bill got president assent on _____.

- a) 17th January, 2008
- b) 7th January, 2009
- c) 9th January, 2009
- d) 19th January, 2008

Answer- (b) 7th January, 2009

54. According to section _____, Limited liability Partnership means a partnership firm and registered under the LLP Act 2008.



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a) 2(1) (n)

b) 2(2) (n)

c) 2(1) (m)

d) 2(2) (m)

Answer- (a) 2(1) (n)

55. J.J Irani community on 2003 highlighted the need to introduce Limited liability Partnership in India specially for service industry. (True or false)

Answer –False

56. The first LLP in India was formed and registered on 2nd April 2009. (True or false)

Answer –True

57. The life of limited liability partnership Act is dependent on the life of partners. (True or false)

Answer –False

58 Change in partners do not affect Limited liability Partnership . (True or false)

Answer –True

59. LLP cannot sue but can be sued. (True or false)

Answer –False

60. Limited Liability Partnership Act came into force on:

a. 31st March 2008

b. 31st March 2007

c. 2nd April 2009

d. 31st March 2009

Answer – d) 31st March, 2009

61. Perpetual succession means:

a. Legal existence

b. Can be sued

c. Never ending

d. None of these

Answer – c) Never ending

62. According to section ____ of LLP Act, the provisions of Indian Partnership Act 1932, shall not be applied to LLP.

a. 2

b. 5

c. 4

d. 3



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Answer – c) 4

63. According to section 3(1), LLP is a _____formed and incorporated under the LLP Act, 2008.

- a. Artificial person
- b. Body corporate
- c. Separate legal entity
- d. None of these

Answer – b. Body Corporate

64. _____ of LLP provides that any individual or body corporate may be a partner in LLP.

- a. Section 6
- b. Section 5
- c. Section 2
- d. Section 1

Answer – b) Section 5

65. LLP must have at least ____ partners.

- a. 2
- b. 5
- c. 10
- d. 7

Answer – a) 2

66. Maximum number of partners in LLP is:

- a. 100
- b. 200
- c. 500
- d. Not prescribed in LLP Act

Answer – d. Not prescribed in LLP Act

67. "The need for increasing global competition and to enable to access technology" is highlighted by which committee?

- a. JJ Irani committee
- b. Naresh Chandra committee
- c. Abid Hussain committee
- d. All of these

Answer – a) JJ Irani committee

68. 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.



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c. Members of an LLP are taxed as partners.

d. A limited company

Answer – d) A limited company

69. which one of the following is an unincorporated organisation?

- a. General partnership
- b. Limited liability partnership
- c. Private limited company
- d. Public limited company

Answer – a) General partnership

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

- a. 2
- b. 20
- c. no limit
- d. 100

Answer – c) no limit

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

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

Answer – c) An equity partner

72. The certificate of incorporation is given by registrar after

- a) 14 days
- b) 15 days
- c) 16 days
- d) 20 days

Answer- a) 14 days

73. In case of Limited liability partnership, the partners are agents of

- a) Limited liability partnership
- b) Other partners
- c) Both a & b
- d) None

Answer- a) Limited liability partnership

74. For reservation of name E-form is required.

- a) E-form-1
- b) E-form-A
- c) E-form-B
- d) E-form-2



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Answer- a) E-form-1

75. Minimum designated partners required in LLP are-

- a) 1
- b) 2
- c) 3
- d) 4

Answer- b) 2

76. Common seal is mandatory for-

- a) Company
- b) LLP
- c) Both
- d) None

Answer- d) None

77. Who are responsible in case of legal non-compliance and penalties under the LLP Act?

- a) Limited liability partnership
- b) Designated partners
- c) Partners
- d) All of these

Answer- b) Designated partners

78. A LLP is not a body corporate. (True or false)

Answer –False

79. Executing LLP agreement is discretionary. (True or false)

Answer –False

80. In LLP, partners have unlimited liability. (True or false)

Answer –False

81. Limited liability partnership is governed by Partnership Act 1932. (True or false)

Answer –False

82. LLP can be incorporated for charitable purpose as well as for business. (True or false)

Answer –False

83. Foreign nationals can become partner in LLP. (True or false)

Answer –True

84. It is mandatory for LLP to have a common seal. (True or false)

Answer –False



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85. State which of the statement is correct under the

Limited Liability Partnership Act, 2008-

- (a) All partners have unlimited liability
- (b) All partners have limited liability
- (c) Both a & b
- (d) None of these

Answer-(b) All partners have limited liability

86. Incorporation documents shall be filled by LLP with-

- a) Tribunal
- b) SEBI
- c) Central Government
- d) Registrar

Answer- d) Registrar

87. Name of the LLP shall end with either 'Limited Liabilities Partnership' or 'LLP'. (True or false)

Answer –True

88. Body corporate may be a partner of an LLP. (True or false)

Answer –True

89. Document Which is defining the role and obligations of Partner in LLP

- a) Partnership Deed
- b) LLP agreement
- c) Memorandum of association
- d) Article of association

Answer- b) LLP agreement

90. LLP may be wound up by Tribunal

- a) If LLP is unable to pay its debt
- b) If LLP has acted against interest of sovereignty & integrity of India
- c) If LLP has made a default in filling of annual return with Registrar for any five consecutive financial years
- d) All of above

Answer- d) All of above

91 DPIN Stands For

- a) Designated Partner Identification Number
- b) Director Personal Identification Number
- c) Director and Partner Identification Number
- d) Direct Partner Identification Number

Answer- a) Designated Partner Identification Number

92. LLP shall be Taxed Under Income Tax Act,1961 As of

- a) Partnership Firm



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- b) Company
 - c) Association of person
 - d) Hindu Undivided Family
- Answer- a) Partnership Firm

93. Who cannot become partner in LLP

- a) Person has been found to be unsound mind.
- b) Person is an undischarged insolvent.
- c) Person has applied to be adjudicated as an insolvent.
- d) All of above

Answer- d) All of above

94. A Person shall cease to be a partner of LLP

- a) On receiving advance from LLP
- b) On giving advance to LLP
- c) On his death
- d) After completing age of 60 years

Answer- c) On his death

95. Partner of LLP is personally liable in case of

- a) Liabilities of LLP
- b) Personal liability of other partner
- c) His own personal liability
- d) Wrongful act or omission of any other partner

Answer- c) His own personal liability

96. An obligation of LLP shall be solely the Obligation of LLP. (True or false)

Answer –True

97. Listed company can be converted into LLP. (True or false)

Answer –False

98. There is no any requirement for appointment of Company Secretary in LLP. (True or false)

Answer –True

99. Name applied for LLP cannot be rejected. (True or false)

Answer –False

100. According to LLP Act 2008, Body Corporate include

- a) A company incorporated outside India
- b) A corporation sole
- c) Co-operative society
- d) Partnership Firm

Answer – a) A company incorporated outside India



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UNIT-IV

1. Consumer Protection Act is significant to

- A) Immovable Goods
- B) Movable Goods
- C) Particular Goods and Services
- D) All Goods and Services

Answer: D

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

- A) 8
- B) 6
- C) 4
- D) 5

Answer: B

3. Under the Consumer Protection Act, the rights of a consumer don't include to be

- A) Safety
- B) Current
- C) Presented
- D) Informed

Answer: C

4. 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

Answer: C

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

- A) 30
- B) 40
- C) 35
- D) 65

Answer: C

6. The maximum age state commission member should be

- A) 60
- B) 35
- C) 70
- D) 65

Answer: D

7. The maximum age national commission member should be

- A) 60



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B) 35

C) 70

D) 65

Answer: C

8. Which of the following forum can reappoint the same person as to its member

A) National commission

B) State commission

C) District commission

D) None of the above

Answer: D

9. In which forum it is compulsory to have a female member

A) National commission

B) State commission

C) District commission

D) All of the above

Answer: D

10. The Consumer protection act 1986 enacted in

(a) 24 Oct 1986

(b) 24 Oct 1987

(c) 24 Aug 1986

(d) 15 June 1986

Answer: A

11. 2. The Consumer protection act 1986 extends to

(a) The whole India

(b) The whole India except Jammu and Kashmir

(c) The whole India except Nagaland tribal area

(d) Both (b) & (c)

Answer: B

12. 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

Answer: D

13. Which Section of the Consumer Protection Act 1986 define "spurious goods and services" as such goods and services which are claimed to be genuine but they are actually not so

(a) Section 2(1) (oo)

(b) Section 2(2) (p)



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(c) Section 2(1) (ao)

(d) Section 2(1) (po)

Answer:A

14. Which Section of the Consumer Protection Act 1986 states about 'unfair trade practice'

(a) Section 2(1)(d)

(b) Section 2(1)(r)

(c) Section 2(2)(r)

(d) Section 3(1)(b)

Answer:B

15. Which Section of the Consumer Protection Act 1986 states about 'the Central Consumer Protection Council'.

(a) Section 7

(b) Section 2

(c) Section 5

(d) Section 4

Answer: D

16. 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

Answer:A

17. The Central Council shall convene at least meeting in every year.

(a) Two

(b) One

(c) Three

(d) There is no such condition

Answer:B

18. Which Section of the Consumer Protection Act 1986 states about the objects of the Consumer Protection Councils

(a) Section 5

(b) Section 11

(c) Section 6

(d) Section 9

Answer:C



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19. Which section of the Consumer Protection Act 1986 states about 'the State Consumer Protection Councils'

- (a) Section 7
- (b) Section 6
- (c) Section 5
- (d) Section 8

Answer:A

20. Who shall be the Chairman of the State Consumer Protection Councils

- (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 Chief Minister of the State
- (d) The Governor of the State

Answer:B

21 How many non-official members can be nominated by the Central Government to the State Consumer Protection Council.

- (a) 15
- (b) 10
- (c) 5
- (d) 20

Answer:B

22. The State Council shall held meetings every year.

- (a) One
- (b) Three
- (c) Two
- (d) Four

Answer:C

23. Who shall be the Chairman of District Consumer Protection Council

- (a) Collector of the district
- (b) District Judge
- (c) President of District Panchayat
- (d) District Labour Commissioner

Answer:A

24. The number of official and non-official members in District Consumer Protection Council is prescribed by



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- (a) Central Government
- (b) State Government
- (c) Governor of the State
- (d) State High Court

Answer:B

25. The District Council shall held meetings every year.

- (a) One
- (b) Three
- (c) Two
- (d) Four

Answer:C

26. President of the District Forum shall be a person who has been, or is qualified to be a

- (a) District Judge
- (b) District Collector
- (c) Musif Court Judge
- (d) High Court Judge

Answer:A

27. Each District Forum shall consist of number of members (excluding president), one of whom shall be a woman

- (a) 4
- (b) 2
- (c) 3
- (d) 5

Answer:B

28. What is the minimum age to be appointed as the member of consumer dispute redressal forum/commission

- (a) 35
- (b) 40
- (c) 25
- (d) 20

Answer:A



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29. The salary or honorarium and other allowances payable to the members of the District Forum shall be prescribed by

- (a) The Governor of the State
- (b) The National Commission
- (c) The Central Government
- (d) The State Government

Answer: D

30. The District Forum shall have jurisdiction to entertain complaints where the value of the goods or services and the compensation claimed does not exceed rupees

- (a) 50 lakhs
- (b) 20 lakhs
- (c) 10 lakhs
- (d) 5 lakhs

Answer: B

31. Appeal against the order of District Forum can be preferred before the State Commission within a period of days from the date of the order

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

Answer: C

32. For filing appeal before the State Commission, the appellant is required to pay amount in terms of an order of the District Forum

- (a) 50% of the amount or Rs.25000/- whichever is less
- (b) 50% of the amount or Rs.35000/- whichever is less
- (c) 25% of the amount or Rs.25000/- whichever is less
- (d) 35% of the amount or Rs.25000/- whichever is less

Answer: A

33. The President of the State Commission shall be a person who is or has been a

- (a) Judge of a Supreme Court
- (b) Judge of a High Court
- (c) Judge of a District Court
- (d) A well known jurist

Answer: B



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34. The State Commission have the original jurisdiction over the complaints where the value of the goods or services and compensation claimed exceeds rupees but does not exceed rupees

- (a) Rupees 50 lakhs and 1 Crore
- (b) Rupees 20 lakhs and 1 Crore
- (c) Rupees 20 lakhs and 2 Crore
- (d) Rupees 10 lakhs and 1 Crore

Answer:B

35. For filing appeal before the National Commission, the appellant is required to deposit amount in terms of an order of the State Commission

- (a) 35 % of the amount or Rs. 35,0000/- , whichever is less
- (b) 50 % of the amount or Rs. 25,0000/- , whichever is less
- (c) 50 % of the amount or Rs. 50,0000/- , whichever is less
- (d) 50 % of the amount or Rs. 35,0000/- , whichever is less

Answer: D

36. An appeal filed before the State Commission or the National Commission shall be disposed of within a period of days from the date of its admission

- (a) 90 days
- (b) 120 days
- (c) 60 days
- (d) 30 days

Answer:A

37. The President of National CDRC shall be a person who is or has been

- (a) a Judge of the High Court
- (b) a Judge of the Supreme Court
- (c) a Chief Justice of the High Court
- (d) a well known jurist

Answer:B

38. The National Commission consist of President and number members, and one of whom shall be a woman.

- (a) Three
- (b) Five
- (c) Four
- (d) Six

Answer:C



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39. The salary or honorarium and other allowances payable to the members of the National Commission shall be prescribed by

- (a) Central Government
- (b) President
- (c) Supreme Court
- (d) High Court

Answer:A

40. Appeal against the order of National Commission can be preferred before

- (a) The President
- (b) The Supreme Court of India
- (c) The Ministry of Consumer Affairs
- (d) No such option is available

Answer:B

41. If appeal has to be filed before the Supreme Court, the appellant is required to deposit percentage of amount in terms of an order of the National Commission or rupees -----, whichever is less.

- (a) 50% and Rs.50,000/-
- (b) 40% and Rs.50,000/-
- (c) 50% and Rs.35,000/-
- (d) 40% and Rs.60,000/-

Answer:A

42. If a trader or a person or the complainant fails to comply with any order made by the District Forum, the State Commission or the National Commission, they shall be punishable

- (a) with fine not less than Rs.2000/
- (b) with fine not less than Rs.20000/
- (c) with fine not less than Rs.2000/ but which may extend to Rs.20,000/-
- (d) with fine not less than Rs.2000/- but which may extend to Rs.10,000/-

Answer: D

43. As per Section 30 of the Act, who can make rules for carrying out the provisions contained in the act?

- (a) Central Government
- (b) State Government
- (c) Both Central & State Government
- (d) Supreme Court of India

Answer:C

44. Members of state consumer protection council should not exceed

- a. Two
- b. Five



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- c. Ten
- d. Three

Answer:C

45. Which one of the following is known as Consumer disputes redressal agency?

- a. District forum
- b. State commission
- c. National commission
- d. All the above

Answer: D

46 Among the following which forum can reappoint the same person as its member

- a. District forum
- b. state commission
- c. national commission
- d. none of the above

Answer: D

47. On receiving the complaint the forum will direct the opposite party to answer on that within ___ days

- A 15
- B 20
- C 5
- D 1

Answer: D

48. The quasi-judicial machinery set up at the highest level for redressal of consumer disputes is:

- (a) The District Forum
- (b) The State Consumer Commission
- (c) Consumers International
- (d) National Consumer Disputes Redressal Commission

Answer: D

49. What was the name given to the agency at the global level for the protection of consumer rights?

- (a) Consumer Court of Justice
- (b) International Consumer Forum
- (c) Consumers Commission
- (d) Consumers International

Answer: D



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50. Which of the following is not a function of Consumer Protection Councils?

- (a) To create awareness of consumer rights among consumers.
- (b) To guide consumers on how to file cases in consumer courts.
- (c) To provide compensation to consumers when they are cheated by shopkeepers.
- (d) To represent consumers in Consumer Courts at times.

Answer: C

51. Full form of CCI-

- a. Competition Commission of India
- b. Competition Council of India
- c. Competitor Commission of India
- d. None

Answer- a. Competition Commission of India

52. What is the maximum number of members to be appointed by Central Government in Competition Commission of India as per Competition Act, 2002?

- a. 2
- b. 5
- c. 6
- d. 4

Answer- c. 6

53. Which Section of Competition Act, 2002 enlist the Anti-Competitive Agreements?

- a. 4
- b. 3
- c. 2
- d. 42

Answer- b. 3

54. No enterprise shall abuse its dominant position is mentioned in section ____ of the Competition Act, 2002

- a. 10
- b. 3
- c. 4
- d. 2

Answer- c.4

55. CCI is _____

- a. Constitutional Body
- b. Statutory Body
- c. Autonomous Body
- d. None

Answer- b. Statutory Body

56. The tenure of CCI Chairman is-



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- a. 1 Year
 - b. 3 Years
 - c. 7 Years
 - d. 5 Years
- Answer- d. 5 Years

57. Which act was replaced with the introduction of the Competition Act 2002 ?

- a. FERA Act, 1973
- b. FEMA Act, 1999
- c. MRTP Act, 2002
- d. None of these

Answer- c. MRTP Act, 2002

58. What is the minimum no. of members to be appointed by Central Government in CCI as per Competition Act, 2002?

- a. 6
- b. 2
- c. 5
- d. 4

Answer- b. 2

59. Competition Act was enacted in :

- a. 1998
- b. 1999
- c. 2001
- d. 2002

Answer- d. 2002

60. Which of the following is not a specific objective of the Competition Act:

- a. To provide and sustain competition in markets
- b. To protect the interests of consumers
- c. To curb all kinds of Competition
- d. To ensure freedom of trade

Answer- c. To curb all kinds of Competition

61. If any person contravenes the order of the Competition Commission, then he shall be liable to be detained in a civil prison for a term which may extend to:

- a. one year
- b. three years
- c. six months
- d. Two years

Answer- d. Two years

62. Within how many days from the date of communication of the order of the Competition Commission, an aggrieved party may file an appeal to the Competition Appellate Tribunal?



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- a. 30 days
 - b. 50 days
 - c. 40 days
 - d. 60 days
- Answer- d. 60 days

63. The procedure of investigation or inquiry by the Competition Commission of India is regulated by :

- a. The Code of Civil Procedure,1908
- b. The Supreme Court
- c. The Competition Commission of India itself
- d. the Central Government

Answer- c. The Competition Commission of India itself

64. Competition Commission of India was established in:

- a. 2000
- b. 2001
- c. 2002
- d. 2003

Answer- d. 2003

65. An agreement requiring a purchaser of goods to purchase some other goods as a condition of such purchase, is called-

- a. Exclusive distribution agreement
- b. Resale price maintenance agreement
- c. tie-in agreement
- d. Exclusive supply agreement

Answer- c. tie-in agreement

66. Which of the following is not the function of the Competition Commission of India :

- a. To inquire into anti-competition agreements
- b. To inquire into oppression and mismanagement of a company
- c. To inquire into alleged abuse of dominant position
- d. *To inquire into combination*

Answer- b. To inquire into oppression and mismanagement of a company

67. The Competition Act,2002 extends to the whole of India except the State of Jammu and Kashmir.(True or False)

Answer-True

68. Which section of Competition Act,2002 details combinations?

- a. 2
- b. 4
- c. 3
- d. 5



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Answer- d. 5

69. On the recommendations of Raghvan committee, the Competition Act, 2002 was enacted and it repealed the MRTP Act, 1969. (True or False)

Answer-True

70. A commission established under the Competition Act, 2002 Act is called the "Competition Commission of India"..(True or False)

Answer-True

71. the Competition Act, 2002 was amended by Competition (Amendment) Act

- a. 2004
- b. 2005
- c. 2006
- d. 2007

Answer- d. 2007

72. The Competition Commission of India was established on –

- a. 14 October, 2003
- b. 4 October, 2003
- c. 27 September, 2003
- d. 7 September, 2003

Answer- a. 14 October, 2003

73. The Competition Act, 2002 prevent the activities that have an appreciable adverse effect on competition in India. (True or False)

Answer-True

74. _____ is a vertical agreement.

- a. Refusal to deal
- b. Market share
- c. Price fixation
- d. Bid Rigging

Answer- a. Refusal to deal

75. Which is the most crucial component of the Competition Act, 2002?

- a. Anti-Competitive Agreements
- b. Abuse of dominance
- c. Competition Advocacy
- d. Regulations of Combinations

Answer-. c. Competition Advocacy

76. Any person aggrieved by any order of Appellate Tribunal, may file an appeal to the Hon'ble Supreme Court within days, from the date of receipt of the order of Appellate Tribunal.

(A) 30 days



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- (B) 45days
 - (C) 60 days
 - (D) 90 days
- Answer-(C) 60 days

77. Unfair competition means adoption of practices such as
- (A) Allocation of markets
 - (B) Deliberate reduction in output in order to increase prices,
 - (C) Predatory pricing
 - (D) All of the above
- Answer-(D) All of the above

78. The Commission also has the power to impose a fine which may extend to of the total turnover or the assets of the combination, whichever is higher, for failure to give notice to the Commission of the combination.
- (A) 2%
 - (B) 1%
 - (C) 0.5%
 - (D) 3%
- Answer-(B) 1%

79. Can the commission initiate inquiry on its own? (True or False)
- Answer-True

80. Which of the following doesn't come under anti-competitive agreement?
- a. Agreement to limit production
 - b. Agreement to sale
 - c. Agreement to fix price
 - d. Refusal to deal
- Answer- b. Agreement to sale

81. Which of the following constitutes abuse of dominance?
- a. Predatory pricing
 - b. Creating barriers to entry
 - c. Denying market access
 - d. All of the above
- Answer- d. All of the above

82. CCI works under the guidelines of Supreme Court? (True or False)
- Answer-True

83. Competition law arise from which country?
- a. United States
 - b. UK



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c.

c. China

d. India

Answer- a. United States

84. The commission shall consist of a chairperson and not less than three and not more than eight members to be appointed by central government. (True or False)

Answer-False

85. It is mandatory for a firm proposing to combine to notify the commission. (True or False)

Answer-True

86. There is compulsory wait period for a combination to take effect in case the commission does not pass the order during that period. What is the duration of that period

a. 215 days

b. 220 days

c. 210 days

d. 200 days

Answer- c. 210 days

87. Areas where competition law is used

a. Industrial policy

b. Trade policy

c. Privatization

d. All of these

Answer- d. All of these

88. Competition act 2002 extends to whole of Indian except the state of _____

a. Delhi

b. Maharashtra

c. Jammu & Kashmir

d. All of these

Answer- c. Jammu & Kashmir

89. _____ was established by the central government on 14th October 2003, under competition act to prohibit anti-competitive agreements.

a. Competition Commission of India

b. National Commission

c. State Commission

d. All of these

Answer- a. Competition Commission of India

90. CCI punishment against anti-competition is three times profit made out of such agreement or 10% avg. turnover of the cartel for proceeding three years whichever is higher. (True or False)



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Answer -True

91. Rights of consumer are protected under _____

- (a) Consumer protection 1986
- (b) Consumer protection 1990
- (c) Consumer protection 1982
- (d) Consumer protection 1991

Answer-(a) Consumer protection 1986

92. The consumer has the right to get compensation against unfair trade practices under right to

- (a) Right to choose
- (b) Right to seek redressal
- (c) Right to safety
- (d) Right to safety

Answer-(b) Right to seek redressal

93. Which of the following is not an organization working for consumer protection?

- (a) Consumer Voice
- (b) Consumer forum
- (c) The bureau of Indian standard
- (d) Consumer utility & trust society

Answer-(a) Consumer Voice

94. In case an aggrieved consumer is not satisfied with the decision of the State Commission, he can make a further appeal in

- (a) National Commission
- (b) District Forum
- (c) Supreme Court of India
- (d) All of the above

Answer-(a) National Commission

95. Where can the aggrieved party appeal further in case he is not satisfied with the order of the District Forum?

- (a) National Commission
- (b) State Commission
- (c) Supreme Court of India
- (d) All of the above

Answer-(b) State Commission

96. In case an aggrieved consumer is not satisfied with the decision of the National Commission, he can make a further appeal in

- (a) State Commission
- (b) District Forum



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(c) Supreme Court of India

(d) All of the above

Answer-(c) Supreme Court of India

97. Which of the following functions are carried out by the consumer organisations?

(a) Publishing periodicals to impart knowledge about consumer issues.

(b) Providing legal assistance to consumers.

(c) Filing complaints in appropriate consumer courts on behalf of the consumers,

(d) All of the above

Answer- (d) All of the above

98. Which of the following activities lie within the scope of consumer protection?

(a) Educating consumers about their rights and responsibilities

(b) Helping consumers in getting their grievances redressed

(c) Protecting the interests of consumers

(d) All of the above

Answer- (d) All of the above

99. Due to the negligence of the doctors, Johar passed away within a week's time after his surgery of the spine. Which of the following parties cannot file a case in this regard?

(a) The consumer

(b) Any registered consumers' association

(c) A legal heir or representative of a deceased consumer

(d) All of the above

Answer-(a) The consumer

100. _____ are set up in each district by the State Government concerned.

a. District Forums

b. National Commission

c. State Commission

d. None of these

Answer-(a) District Forums

UNIT-V

1. Intellectual Property Right (IPR) protects the use of information and idea that are of

A. Ethical value

B. Social value

C. Moral value

D. Commercial value

Answer-d Commercial value

2. What protects the intellectual property created by artist

A. Copyright

B. Patents



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- C. Trademark
- D. None of the above

Answer-a Copyright

- 3. Copyright law applies to form of expression contained in
 - A. Song lyrics and musical composition
 - B. Sculptures and painting
 - C. Dramatic and literacy works
 - D. All of the above

Answer-d All of the above

- 4. The copyright board shall be deemed to be a
 - A. Supreme court
 - B. Civil court
 - C. High court
 - D. Criminal court

Answer-b Civil court

- 5. In India first Copyright Act was passed in
 - A. 1914
 - B. 1709
 - C. 1911
 - D. 1842

Answer- a 1914

- 6. The term "Intellectual Property" covers
 - A. Copyright
 - B. Know - how
 - C. Trade mark
 - D. All of the above

Answer-d All of the above

- 7. Section _____ defines copyright under Copyright Act 1957
 - A. 15
 - B. 12
 - C. 14
 - D. 3

Answer- c 14

- 8. The people who are entitled to apply for the registration of the copyright are



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- A. Author & artist
- B. Composer & producer
- C. Assignee and licenses
- D. All of the above

Answer-d All of the above

9.The Copyright Act, 1957 came into force with effect from

- A. January 1958
- B. April 1958
- C. June 1958
- D. August 1958

Answer- a January 1958

10.The chairman of the copyright shall hold the office for a period of 5 years or the attainment of the age of

- A. 65 yrs
- B. 80 yrs
- C. 58 yrs
- D. 60 yrs

Answer-a 65 yrs

11 The chairman and other member of the Copyright board shall be appointed by

- A. Central Government
- B. High court
- C. State Government
- D. Supreme court

Answer-a Central Government

12 The special bench of the copyright board shall consist of ____ members.

- A. 5
- B. 15
- C. 10
- D. 20

Answer-a 5

13. The central government shall appoint the copyright board member consist of

- A. Chairman and other 2 members
- B. Vice chairman and other 10 member
- C. Chairman , vice chairman and other members
- D. Only 5 members

Answer- a Chairman and other 2 members

14. The registrar of the copyright act as _____ of the copyright board .

- A. Chairman



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- B. Treasure
 - C. Secretary
 - D. None of the above
- Answer- a Chairman

15. The copyright office is located in

- A. Chennai
- B. Mumbai
- C. Kolkata
- D. New Delhi

Answer-d New Delhi

16. _____ can be patented .

- A. Machine
- B. Process
- C. Composition of matter
- D. All of the above

Answer- d All of the above

17. Trademark is

- A. Is represented graphically
- B. Is capable of distinguishing the goods & services of one person from other of others
- C. May include shapes of goods or combination of colours.
- D. All of the above

Answer-d All of the above

18. Which of the following is not an intellectual property law ?

- A. Copyright Act, 1957
- B. Trademark Act, 1999
- C. Patent Act, 1970
- D. Custom Act, 1962

Answer-d Custom Act, 1962

19. Who can be the right holder of Intellectual Property Rights?

- A. Owner of intellectual property
- B. The successor in title of owner of intellectual property
- C. A licence duly authorized by the owner of intellectual property
- D. All of the above

Answer-d All of the above

20. A copyright is a kind of

- A. Movable property
- B. Personal property
- C. Both a& b



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D. None

Answer-C Personal and movable property

21. The Patent Act, 1970 came into force with effect from:

A 19th September, 1970

B 15th April, 1971

C 20th February, 1972

D 20th April, 1972

Answer- c 20th February, 1972

22. The term of every patent shall be:

a) 20 years

b) 25 years

c) 30 years

d) 35 years

Answer- a 20 years

23. The office of controller General of patents, Designs and Trade marks is located at:

a) Kolkata

b) Delhi

c) Chennai

d) Mumbai

Answer- d Mumbai

24. The Head office of the Trade Marks Registry is located at:

a) Allahabad

b) Mumbai

c) Delhi

d) Chennai

Answer- b Mumbai

25. The registration of trade mark is done for a period of:

a) 5 years

b) 10 years

c) 15 years

d) 20 years

Answer-b 10 years

26. The Head office of the Patent office is located at:

a) Delhi

b) Chennai

c) Kolkata

d) Mumbai

Answer- c Kolkata



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27. Which of the Following principles is applicable to trade marks?

- a) A trademark should be distinctive
- b) A trademark should be capable of distinguishing goods or services
- c) A trademark should not cause confusion with previous trademarks
- d) All of the above

Answer-d All of the above

28. The patents act , 1970 extends to Whole of India. (True/ False).

Answer- True

29. The trademarks act, 1999 extends to Whole of India. (True/False)

Answer- True

30. Registrar have the right to remove the trademark if fees have not been duly paid.(True/False)

Answer- True

31. The Trademarks Act has came into force with effect from

- a) 30th December,1999
- b) 15th September, 2003
- c) 5th August, 2001
- d) None of the above

Answer-b 15th September, 2003

32. Which of the following is an “intellectual property” as per IPR Laws in India.

- (a). Original literary work
- (b). Industrial Design of Maruti800 car
- (c). Trademark of Tata company
- (d). All the above

Ans:d All the above

33 The term “WIPO” stands for:

- (a). World Investment policy organization
- (b). World intellectual property organization
- (c). Wildlife Investigation and Policing organization
- (d). World institute for Prevention of organized crime

Ans:b World intellectual property organization

34. No.6 A new way to process milk so that there is no fat in any cheese made from it is covered under: (a). Copy rights

- (b). Trade mark
- (c). Patent
- (D). Industrial designs

Answer-c Patent

35. A singer wishes to assign the rights to reproduce a video she has made of her concert.



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- (a). Copy Rights
 - (b). Trade mark
 - (c). Patent
 - (d). Industrial designs
- Ans:a). Copy Rights

36. A company has decided to invest in outer shape design of bottle in which they would fill the perfume produced by them, and which is distinctive, and they wish to ensure that they have sole use. (a). Copy rights

- (b). Trade mark
 - (c). Patent
 - (d). Industrial designs
- Answer b Trade mark

37. Trademark registrations can be renewed for an unlimited number of ten year periods. (True/False)

Answer- True

38. Trademark law protects

- (a). Words, symbols or devices that differentiate goods or services from one another.
 - (b). Only brand names
 - (c). Names of specific people and places
 - (d). Inventions that feature some sort of utility function
- Ans:a Words, symbols or devices that differentiate goods or services from one another.

39. Which of the following principles is applicable to trademarks?

- (a). A trademark should be distinctive
- (b). A trademark should be capable of distinguishing goods or services
- (c). A trademark should not cause confusion with previous trademarks
- (d). All of the above

Ans: d All of the above

40. The term of copyright for an author lasts how long?

- (a). The life of the author
 - (b). The life of the author plus 60 years
 - (c). 95 years
 - (d). 75 years
- Ans:b The life of the author plus 60 years

41. The rights of a patentee are

- (a). Sell or distribute
- (b). License
- (c). Assign the property to others
- (d). All of the above

Ans:d All of the above



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42. -Patent is a form of

- a. Tangible Property
- b. Intellectual Property
- c. Industrial property
- d. Both (b) and (c)

Answer- d. Both (b) and (c)

43. Patent protects

- a. Discovery
- b. Invention
- c. New invention
- d. Both (a) and (b)

Answer- c. New invention

44. Invention means

- a. New product having inventive step and capable industrial application
- b. New process
- c. New product or process having inventive step and capable industrial application
- d. None of the above

Answer- c. New product or process having inventive step and capable industrial application

45. The following cannot be exploited by assigning or by licensing the rights to others.

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

Answer- c. Trademark

46. 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-c mode or principle of construction

47 Trademark can be used as domain name. (True/False)

Answer-True

48. Certification mark indicates

- (a) Source
- (b) Quality
- (c) both (a) and (b)
- (d) None of the above

Answer-(b) Quality



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49. Certification mark can be registered in

- (a) Trademark Registry
- (b) Certification Board
- (c) Quality Control Board
- (d) None of these

Answer-(a) Trademark Registry

50. Trademark can be used in virtual world. (True/False)

Answer-True

51. Foreign exchange regulation act (FERA) was passed by Indian parliament in the year

- A. 1972
- B. 1973
- C. 1974
- D 1991

Answer-b 1973

52. Foreign exchange regulation act (FERA) came into force with effect from

- A. 1st January 1974
- B. 1st January 1973
- C. 1st April 1974
- D. None of the above

Answer-a 1st January 1974

53. Regulation and management of foreign exchange includes

- A. Dealing in foreign exchange
- B. Holding of foreign exchange
- C. Capital account transaction
- D All of the above

Answer- D. All of the above

54.The facts / information related to authorized person are contained in _____ section of FEMA, 2000

- A. Section 11
- B. Section 10
- C. Section 8
- D. Section 3

Answer-b Section 10

55. The person authorized by Reserve Bank of India to deal in foreign exchange and securities is known as



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- A. Special person
- B. Official person
- C. Authorised person
- D. None of the above

Answer-c Authorised person

56. The section of penalty under FEMA, 2000 is

- A. Section 14
- B. Section 15
- C. Section 12
- D Section 13

Answer-d Section 13

57. Under penalty, when the amount of contravention is not quantifiable then, the defaulting party has to pay _____ sum of amount of

- A. 1 lakh
- B. 2 lakh
- C. 3 lakh
- D. 5 lakh

Answer-b. 2 lakh

58. From the date on which the notice is issued, time given to pay the penalty amount, is of

- A. 45 days
- B. 60 days
- C. 90 days
- d.70 days

Answer-c. 90 days

59. When defaulting party, doesn't pay the penalty amount within the given period and fails to make the payment he

- A. Is given extra time to repay
- B. Liable for civil imprisonment
- C. Fined twice the amount
- D. None of the above

Answer-b. Liable for civil imprisonment

60. A Contravention may be compounded by the person committing it by filling an application within _____ days from the date of receipt of an application

- A. 90 days



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B. 120 days

C. 100 days

D. 180 days

Answer-d 180 days

61. Power to compound contravention comes under _____ of FEMA 2000.

A. Section 10

B. Section 13

C. Section 15

D. Both A & B

Answer- c Section 15

62. Who appoint adjudication authority under FEMA,2000?

A. Central Government

B. State govt.

C. District municipalities

d. None of the above

Answer- a. Central Government

63. Special director under FEMA are also known as

A. Judges

B. Investigators

C. Appeals

D. None of the above

Answer-c. Appeals

64. Maintaining a foreign currency account is helpful to

(A) Avoid transaction cost.

(B) Avoid exchange risk.

(C) Avoid both transaction cost and exchange risk.

(D) Avoid exchange risk and domestic currency depreciation

Answer-(C) Avoid both transaction cost and exchange risk.

65. Foreign Exchange Management Act Passed in the year

[A] 1995

[B] 1997

[C] 1999



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[D] 2001

Answer-(C) 1999

66. What is the full form of FEMA?

- [A] Foreign Exchange Management Act
- [B] Foreign Exchange Management Agency
- [C] Foreign Emergency Managing agent
- [D] Foreign Exchange Management Agency

Answer- [A] Foreign Exchange Management Act

67. What is full form of Forex?

- [A] Foreign Exemption
- [B] Foreign Exchange
- [C] Foreign Expert
- [D] Foreign Expansion

Answer-[B] Foreign Exchange

68. What is the full form of FERA?

- [A] Foreign Exchange Regulation Act
- [B] Foreign Exchange Regulation Agency
- [C] Foreign Exchange Repulsive Agent
- [D] Foreign Expert Regulation Act

Answer-[A] Foreign Exchange Regulation Act

69. Forex is generally maintained by which of the following?

- [A] Commercial bank of that country
- [B] Central Bank of that country
- [C] Central government of that country
- [D] None of the above

Answer- B] Central Bank of that country

70. FEMA was implemented by replacing FERA in which year?

- [A] 2002
- [B] 2001
- [C] 2000
- [D] 2003

Answer-[C] 2000

71. All the offences under the FEMA are considered as which of the following type?

- [A] Civil Offence
- [B] Criminal Offence



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[C] Both Civil and Criminal Offence

[D] None of the above

Answer-[A] Civil Offence

72. FEMA head office is situated in which of the following city?

[A] Hyderabad

[B] Lucknow

[C] Bangalore

[D] New Delhi

Answer-[D] New Delhi

73. Banks maintain foreign currency accounts known as _____ account with banks abroad.

a. Vostro

b. Nostro

c. Loro

d. FEMA

Answer- b. Nostro

74. The major player in Foreign Exchange market are-

a. Commercial Banks

b. Corporates

c. Brokers

d. Central Government

Answer- a. Commercial Banks

75. Under FEMA, Reserve Bank has been authorised to make _____ to carry out the provisions of the Act.

a. rules

b. regulations

c. notifications

d. Both a&b

Answer- b. regulations

76. Non-resident bank accounts refer to

a. Vostro account

b. Nostro account

c. Loro account

d. Both a & b

Answer- a. Vostro account

77. An authorised person under FEMA does not include

a. Authorised dealer

b. Authorised Money changer

c. Exchange Broker

d. Off-shore banking unit



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Answer-c. Exchange Broker

78. The largest Foreign Exchange market in the world is

- a. London
- b. Newyork
- c. Japan
- d. None of these

Answer- a. London

79. The transaction where the exchange of currencies takes place on the same date is known as

- a. ready transaction
- b. spot transaction
- c. value tomorrow
- d. None of these

Answer- a. ready transaction

80. The transaction in which the currencies to be exchanged the next day of the transaction is known as

- a. ready transaction
- b. spot transaction
- c. value tomorrow
- d. value today

Answer- c. value tomorrow

81. The transaction in which the currencies takes place at he specified future date is known as

- a. swap transaction
- b. forward transaction
- c. future transaction
- d. None of the above

Answer- b. forward transaction

82. The term 'loro account' means

- [A] our account with you
- [B] your account with us
- [C] their account with them
- [D] none of the above

Answer-[C] their account with them

83. Which of the following is not the feature of FEMA?



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[A] There is a simplification of Foreign Exchange

Transactions.

[B] There was a discharge provisions of criminal proceedings in case of default cases.

[C] It came into force on 01.01.2004.

[D] None of the Above

Answer-[B] There was a discharge provisions of criminal proceedings in case of default cases.

84. In India, Liberalisation & Privatisation began from

a.1991

b 1973

c.1993

d 1996

Answer- a.1991

85. The Central Government establishes an Appellate Tribunal to be known as the Appellate Tribunal for Foreign Exchange. (True /False)

Answer-True

86. The Special Director (Appeals) shall have the same powers of a civil court. (True /False)

Answer-True

87. The Central Government appoints Special Directors (Appeals) to hear appeals against the orders of the Adjudicating Authorities. (True /False)

Answer-True

88. The Chairperson and every other Member of Appellate Tribunal shall hold office for a term of-

a. 2 years

b. 3 years

c. 4 years

d. 5 years

Answer- d. 5 years

89. The Central Government shall establish a Directorate of Enforcement with a _____

a. Director

b Collector

c. Special Director

d. None of these

Answer- a. Director

90. Foreign Exchange Management Act, 1999 extends to the whole of India. (True /False)

Answer-True

91. foreign currency means any currency other than Indian currency. (True /False)

Answer-True



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92. Export means, taking out of India to a place outside India any goods. (True /False)

Answer-True

93. Current account transaction includes payments due in connection with foreign trade, other current business, services, and short-term banking and credit facilities in the ordinary course of business. (True /False)

Answer-True

94. The main objective of FEMA was to help facilitate external trade and payments in India. (True /False)

Answer-True

95. FEMA defines the procedures, formalities, dealings of all foreign exchange transactions in India. (True /False)

Answer-True

96. The Foreign Exchange Regulation Act (FERA) was legislation passed in India in 1975. . (True /False)

Answer-False

97. Foreign Exchange Regulation Act (FERA) was repealed by by the Foreign Exchange Management Act. (True /False)

Answer-True

98. Capital Account Transactions are permitted only to the extent as specified by RBI in its issued regulations. (True /False)

Answer-True

99. FEMA is more concerned with the management rather than regulations or control. (True /False)

Answer-True

100. The violation of FEMA is a civil offence. (True /False)

Answer-True