

SHRI GURU NANAK DEGREE COLLEGE,

Preet Vihar, RUDRAPUR

BHS205 – Business Regulatory Framework [B.Com. (Hons.) Semester – II]

Section A: Long Answer Questions

Unit I: Indian Contract Act

1. Explain the essential elements of a valid contract under the Indian Contract Act.
2. Define consideration and explain its importance in a contract.
3. Discuss the discharge of contract and remedies for breach of contract.
4. Explain the concept of free consent with examples.
5. Discuss important case laws related to the Indian Contract Act.
6. Describe the legality of object and consideration.
7. Explain performance of contract and who can perform it.
8. Discuss the concept of 'offer' and 'acceptance' with illustrations.
9. Write a detailed note on void, voidable, and illegal contracts.
10. Explain the concept of quasi-contract with important case laws.
11. Case Study: A agreed to sell goods but refused after receiving payment. Decide.
12. Analytical Question: Evaluate the role of Indian Contract Act in modern business.
13. Discuss remedies available for breach of contract.

Unit II: Special Contract

1. Define bailment and pledge with examples.
2. Explain the concept of indemnity and guarantee.
3. Differentiate between indemnity and guarantee contracts.
4. Discuss contingent contracts with examples.

5. Explain quasi-contract and agency with relevant case laws.
6. Describe the duties and rights of a bailee.
7. Discuss important case laws related to special contracts.
8. Explain the essentials of a contract of guarantee.
9. Discuss the kinds of agency and termination of agency.
10. Case Study: A pledged goods with B but refused to return. Decide.
11. Analytical Question: Evaluate the importance of special contracts in commerce.
12. Discuss the difference between bailment and pledge.
13. Explain the duties and rights of an agent.

- Unit III: Indian Sale of Goods Act

1. Define contract of sale and explain its essential elements.
2. Differentiate between sale and agreement to sell.
3. Discuss implied conditions and warranties in a contract of sale.
4. Explain the concept of transfer of ownership.
-
5. Describe the rights of an unpaid seller.
6. Explain the doctrine of caveat emptor and its exceptions.
7. Discuss auction sales under the Sale of Goods Act.
8. Explain the rules relating to passing of property in goods.
9. Case Study: A sold defective goods to B. Discuss B's remedies.
10. Analytical Question: How does this Act protect consumers?
11. Discuss remedies available for breach of contract of sale.
12. Explain the duties of buyer and seller.
13. Discuss the classification of goods under the Sale of Goods Act.

- Unit IV: Indian Partnership Act & Indian Negotiable Instrument Act

1. Define partnership and explain its essential features.
2. Explain the types of partnership.
3. Discuss the rights and duties of partners.
4. Explain the registration of partnership and its importance.
5. Discuss the dissolution of partnership firm.
6. Define negotiable instrument and explain its essential features.
7. Describe the types of negotiable instruments with examples.
8. Discuss the concept of holder and holder in due course.
9. Explain endorsement and crossing of cheques.
10. Case Study: A cheque is dishonoured due to insufficient funds. Decide.
11. Analytical Question: Evaluate the importance of negotiable instruments in trade.
12. Discuss the legal provisions regarding dishonour of cheque.
13. Explain the discharge of negotiable instruments.

-

- Section B: Short Answer Questions

-
- Unit I: Indian Contract Act
-

1. What are the essential elements of a valid contract?
2. Define consideration.
3. What do you mean by free consent?
4. Explain the term discharge of contract.
5. What are the remedies for breach of contract?
6. Define void contract.
7. What is a quasi-contract?
8. Explain the term performance of contract.
9. What is meant by legality of object?
10. Define offer and acceptance.
11. Distinguish between voidable and illegal contract.
12. Mention two important case laws of Indian Contract Act.
13. What do you understand by contingent contract?

-
- Unit II: Special Contract

1. Define bailment.
2. What is pledge?
3. Explain indemnity with an example.
4. Define guarantee.
-
5. What is contingent contract?
6. Explain quasi-contract in simple terms.
7. What are the duties of a bailee?
8. State the types of agency.
9. What is the termination of agency?
10. Write two differences between bailment and pledge.
11. Explain the essential features of contract of guarantee.
12. What do you mean by special contract?
13. Define agency.

-
- Unit III: Indian Sale of Goods Act

1. What is a contract of sale?
 2. Differentiate between sale and agreement to sell.
 3. What is the meaning of condition and warranty?
 4. Explain the term transfer of ownership.
 5. Who is an unpaid seller?
 6. State the exceptions to caveat emptor.
 7. What is an auction sale?
 8. What are specific goods?
 9. Define the passing of property.
 10. What is the classification of goods?
 11. Explain the duties of buyer.
 12. What are the implied conditions in a sale contract?
 13. State the remedies for breach of contract of sale.
-

- **Unit IV: Indian Partnership Act & Indian Negotiable Instrument Act**

1. What is partnership?
2. State the essential features of partnership.
3. Name the types of partnership.
4. What are the rights of partners?
5. What is registration of partnership?
6. What is a negotiable instrument?
7. Name the types of negotiable instruments.
8. Who is a holder in due course?
9. Define endorsement.
10. What is crossing of cheques?
11. Explain the discharge of negotiable instruments.
12. What is the meaning of dishonour of cheque?
13. What is the importance of negotiable instruments in trade?

-

Section C: Multiple Choice Questions (MCQs)

Unit I: Indian Contract Act

1. Which of the following is not an essential element of a valid contract?

- A. Free consent
- B. Lawful consideration
- C. Written agreement
- D. Competent parties

2. A contract which is not enforceable by law is called:

- A. Valid contract
- B. Void contract
- C. Illegal contract
- D. Unlawful contract

3. Which section defines a contract?

- A. Section 2(h)
- B. Section 3(a)

- C. Section 5(d)

- D. Section 10

4. A quasi-contract is imposed by:

- A. Mutual agreement
- B. Operation of law
- C. Offer and acceptance
- D. Performance

5. The performance of a contract can be:

- A. Actual
- B. Attempted
- C. Both A and B
- D. None

6. An agreement enforceable by law is called:

- A. Offer
- B. Promise
- C. Contract
- D. Acceptance

7. Consideration must move at the desire of:

- A. Promisor
- B. Promisee
- C. Any third party
- D. Court

8. An agreement to do an impossible act is:

- A. Void
- B. Voidable
- C. Valid
- D. Illegal

9. Breach of contract means:

- A. Non-performance
- B. Dispute

- C. Fraud
- D. Negligence

10. Which of the following is not a type of contract?

- A. Express
- B. Implied
- C. Executed
- D. Imaginary

11. A valid contract must have:

- A. Lawful object
- B. Consideration
- C. Capacity to contract
- D. All of the above

12. A minor's agreement is:

- A. Valid
- B. Void
- C. Voidable
- D. Enforceable

13. The term 'agreement' is defined under which section?

- A. Section 2(e)
- B. Section 2(h)
- C. Section 3
- D. Section 4

Unit II: Special Contract

1. The Indian Contract Act covers special contracts in which chapter?

- A. Chapter I
- B. Chapter II
- C. Chapter III
- D. Chapter IV

2. A contract of indemnity involves:

- A. Compensation for loss

- B. Transfer of ownership
- C. Sale of goods
- D. Partnership formation

3. A pledge is a type of:

- A. Bailment
- B. Sale
- C. Gift
- D. Lease

4. An agent acts on behalf of:

- A. Third party
- B. Principal
- C. Buyer
- D. Seller

5. A person who delivers goods in a bailment is called:

- A. Bailee
- B. Bailor
- C. Agent
- D. Guarantor

6. A surety is liable:

- A. Only if the principal debtor defaults
- B. Even before default
- C. Never liable
- D. Only in writing

7. Guarantee is a contract involving:

- A. Two parties
- B. Three parties
- C. Four parties
- D. One party

8. Revocation of agency can be done by:

- A. Principal

- B. Agent
- C. Mutual agreement
- D. All of the above

9. Which of the following is a type of agency?

- A. Agency by estoppel
- B. Agency by fraud
- C. Agency by sale
- D. Agency by force

10. Which contract is contingent on an event happening?

- A. Absolute contract
- B. Contingent contract
- C. Conditional contract
- D. Future contract

11. Right of lien is associated with:

- A. Sale
- B. Pledge
- C. Bailment
- D. Agency

12. An agent must follow:

- A. Principal's instructions
- B. Buyer's instructions
- C. Own judgement always
- D. Competitor's advice

13. A pledge is terminated by:

- A. Fulfilment of debt
- B. Sale of goods
- C. Death of bailee
- D. Agreement breach

[Unit III: Indian Sale of Goods Act](#)

1. The Sale of Goods Act was enacted in:

- A. 1872
- B. 1930
- C. 1881
- D. 1956

2. Property in the goods means:

- A. Ownership
- B. Possession
- C. Custody
- D. Control

3. In a sale, the ownership of goods is:

- A. Retained
- B. Transferred
- C. Shared
- D. Ignored

4. An unpaid seller has:

- A. No rights
- B. Right to resell
- C. Right to compensation only
- D. Right to gifts

5. Caveat Emptor means:

- A. Buyer beware
- B. Seller beware
- C. No one is responsible
- D. Government duty

6. A condition in a contract of sale is:

- A. An essential stipulation
- B. A non-essential term
- C. An implied warranty
- D. A collateral agreement

7. Transfer of ownership is covered under:

- A. Chapter II
- B. Chapter III
- C. Chapter IV
- D. Chapter I

8. Which of these is NOT a type of goods?

- A. Specific goods
- B. Future goods
- C. Generic goods
- D. Contingent goods

9. Implied condition as to quality applies when:

- A. Buyer inspects the goods
- B. Buyer specifies the purpose
- C. Seller declares it
- D. The contract is oral

10. Auction sales are governed by:

- A. General sales law
- B. Special agreement
- C. Sale of Goods Act
- D. Indian Contract Act

11. Risk passes with:

- A. Agreement
- B. Contract
- C. Property
- D. Intention

12. Breach of warranty entitles the buyer to:

- A. Cancel the contract
- B. Claim damages
- C. Reject the goods
- D. Arrest the seller

13. Rights of an unpaid seller include:

- A. Lien
- B. Stoppage in transit
- C. Resale
- D. All of the above

Unit IV: Indian Partnership Act & Indian Negotiable Instrument Act

1. A partnership is formed by:

- A. Agreement
- B. Registration
- C. Sale
- D. Court decree

2. Maximum number of partners in a partnership firm is:

- A. 20
- B. 50
- C. Unlimited
- D. 10

3. Registration of partnership is:

- A. Mandatory
- B. Optional but advisable
- C. Illegal
- D. Government directive

4. The document that defines the terms of partnership is:

- A. Prospectus
- B. Memorandum
- C. Partnership deed
- D. Articles

5. On dissolution, liabilities are paid:

- A. Before assets
- B. After assets are distributed
- C. Proportionately
- D. Never

6. Which is NOT a negotiable instrument?

- A. Promissory note
- B. Bill of exchange
- C. Share certificate
- D. Cheque

7. Crossing a cheque means:

- A. Cancelling it
- B. Endorsing it
- C. Restricting its payment
- D. Issuing it

8. Holder in due course enjoys:

- A. Equal rights
- B. Superior rights
- C. Lesser rights
- D. No rights

9. Dishonour of cheque is governed under:

- A. Indian Contract Act
- B. Companies Act
- C. Negotiable Instruments Act
- D. Sale of Goods Act

10. Which instrument is always payable on demand?

- A. Promissory note
- B. Cheque
- C. Bill of exchange
- D. None

11. Arbitration is:

- A. Judicial proceeding
- B. Alternative dispute resolution
- C. A type of contract
- D. Cheque clearance process

12. A promissory note is:

- A. An order to pay
- B. A promise to pay
- C. A receipt
- D. An invoice

13. The party who signs a promissory note is called:

- A. Drawer
- B. Maker
- C. Payee
- D. Endorser
-