

**E 6138**

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Reg. No.....

Name.....

**B.B.A. DEGREE (C.B.C.S.S.) EXAMINATION, OCTOBER 2013**

**Third Semester**

**Complementary Course—BUSINESS LAW**

Time : Three Hours

Maximum Weight : 25

**Part A**

*Answer all questions from this Part.  
Each bunch of Four questions carries a weight of 1.*

**I. Fill up the blanks :**

1. A \_\_\_\_\_ is a promise by a third party to pay a debt owed, or repay a loss caused, by another party.
2. \_\_\_\_\_ is a person appointed to act on behalf of another person.
3. A \_\_\_\_\_ is a contract to perform the promise, or discharge the liability of a third person in case of his default.
4. The term \_\_\_\_\_ includes all acts committed by a person with an intention to deceive another person.

**II. Write True or False :**

5. In order for apparent authority to arise, a representation must be made by the principal prior to the contract being entered into.
6. Where a third party deals with an agent, but is not aware that he is dealing with an agent, the principal will not normally be contractually bound to the third party.
7. When the subject matter of a contract is personal, the performance must actually satisfy the party to whom it is owed.
8. An offer to form a unilateral contract is accepted by a promise to perform.

**III. Choose the appropriate answer :**

9. The requirements for a valid and binding contract are :
  - (a) Offer, acceptance, consideration, and intention to create legal relations.
  - (b) Offer, acceptance, certainty, practicality, and intention to create legal relations.
  - (c) Offer, acceptance, certainty, consideration, and reasonableness.
  - (d) Offer, acceptance, certainty, consideration, and intention to create legal relations.

**Turn over**

10. Which one of the following usually amounts to an offer ?  
(a) Goods sold through a machine. (b) Advertisements.  
(c) Displays of goods. (d) An invitation to submit a tender.
11. Which one of the following is not a method by which a contract can be discharged ?  
(a) Discharge by misrepresentation. (b) Discharge by performance.  
(c) Discharge by breach. (d) Discharge by agreement.
12. So as to have a valid sale, there shall be :  
(a) Two parties and subject matter. (b) Price or consideration.  
(c) Transfer or conveyance. (d) All the above.
- IV. One word answer :
13. An agreement that is not enforceable by law.
14. Failure by one party to a contract to uphold their part of the deal is called :
15. A contract where both the offer and acceptance constituting an agreement enforceable at law made in words spoken or written.
16. Goods which are physically in existence and which are in sellers ownership at the time of entering the contract of sale.

(4 × 1 = 4)

### Part B

*Answer any five questions.  
Each Question carries Weight 1.*

17. Define business law.
18. Define promissory note.
19. Define Bill of Exchange.
20. Define cheque.
21. Define unpaid seller.
22. Define warranty.
23. Define the term sale.
24. Define the term agreement to sell.

(5 × 1 = 5)

**Part C (Short Essay Questions)**

*Answer any **four** questions.*

*Each question carries a Weight of 2.*

25. Distinguish between conditions and warranties.
26. Distinguish between a bailor and bailee.
27. Distinguish between a holder and a holder in due course.
28. Distinguish between Executed Contract and Executory Contract.
29. Distinguish between fraud and misrepresentation.
30. Distinguish between an agent and a servant.

(4 × 2 = 8)

**Part D (Essays Type Questions)**

*Answer any **two** questions.*

*Each question carries Weight of 4.*

31. "All contracts are agreements, but all agreements are not contracts". Discuss.
32. "It is the duty of the seller to deliver the goods and of the buyer to accept and pay for them in accordance with the terms of the agreement." Elucidate.
33. "No consideration, no contract." Explain.

(2 × 4 = 8)