



Legal Aspects of Business -111

MCQs

1. Not following the rules laid by the law is _____

- A. an excuse.
- B. not an excuse.
- C. punishment.
- D. offence.

ANSWER: D

2. _____ means offer + acceptance

- A. arrangement
- B. contract
- C. Agreement
- D. validity

ANSWER: C

3. Contract means agreement + _____.

- A. promise.
- B. consensus.
- C. enforceability by law.
- D. personam. ANSWER: C

4. The two contracting parties must agree as regards the subject-matter of the contract at the same time & in the same sense is called as _____.

- A. personam.
- B. consensus-ad-idem.
- C. reciprocal promise.
- D. accepted proposal.

ANSWER: B

5. There is _____ essential element of contract.

- A. 3.
- B. 5.
- C. 9.
- D. 10.

ANSWER: D

6. Technical term of void contract is _____.

- A. voidable contract.
- B. void-ab-initio.
- C. personam.
- D. void agreement. ANSWER: B



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7. Third party does not acquire any rights in case of _____.

- A. void agreement.
- B. voidable contract.
- C. executed contract.
- D. executory contract.

ANSWER: A

8. _____ is one the object of which is unlawful.

- A. Void contract.
- B. Wager.
- C. An illegal agreement.



D.Voidable contract. ANSWER: C

9. Law is the body of principles recognized and applied by the state in the administration of justice is the quote of _____.

- A. Salmond.
- B. Balfour.
- C. Pallock.
- D. Halsbury.

ANSWER: A

10. A proposal, when accepted becomes a _____.

- A. promise.
- B. contract.
- C. offer.
- D. consensus.

ANSWER: A

11. The law relating to contracts is contained in the Indian contract act, _____.

- A. 1870.
- B. 1871.
- C. 1872.
- D. 1873.

ANSWER: C

12. The term _____ is defined as a legal tie which imposes upon a definite person or persons the necessity of doing or abstaining from doing a definite act or acts.

- A. agreement.
- B. champerty.
- C. obligation.
- D. promise.

ANSWER: C

13. According to validity, contract can be classified into _____ types.

- A. 4.
- B. 5.
- C. 6.
- D. 3.

ANSWER: D

14. According to formation, contract can be classified into _____ types.

- A. 1.
- B. 2.
- C. 3.
- D. 4.

ANSWER: C

15. According to performance, contract can be classified into _____ types.

- A. 1.
- B. 2.



C.3.

D.4.

ANSWER: B

16. According to Execution, Contract can be classified into _____types.

A.1.

B.2.

C.3.

D.4. ANSWER: B



17. If the terms of a contract are expressly agreed upon between the parties at the time of formation of the contract, it is called as _____.

- A. express contract.
- B. executory contract.
- C. implied contract.
- D. express offer.

ANSWER: A

18. A permits a coolie to put his luggage to a carriage. The contract comes into existence as soon as the coolie puts the luggage. So A has only to fulfill his part. This is an example for _____.

- A. unilateral contract.
 - B. bilateral contract.
 - C. implied contract.
 - D. executed contract.
- ANSWER: A

19. The obligation of both the parties to the contract are pending at the time of formation of the contract is called as _____.

- A. wagering contract.
- B. bilateral contract.
- C. illegal contract.
- D. unenforceable contract.

ANSWER: B

20. A contracts to pay Rs. 10,000 if Bs house is burnt. This is a _____.

- A. wagering contract.
- B. contingency contract.
- C. executory contract.
- D. quasi contract.

ANSWER: B

21. An advantage or benefit, moving from one party to the other is called as _____.

- A. lawful consideration.
- B. lawful object.
- C. free consent.
- D. illegal consideration.

ANSWER: A

22. A agrees with B to put life into Bs dead wife, the agreement is void as it is _____.

- A. impossible to perform.
- B. low capacity of the parties.
- C. illegal.
- D. fraud.

ANSWER: A

23. Performance of contract can be classified into _____ types.

- A.1.
- B.2.
- C.3.

D.4.



ANSWER: B



24. Attempted performance can be otherwise called as _____.

- A.tender.
- B.estimation.
- C.quotation.
- D.discharge.

ANSWER: A

25. _____ means passing over rights and liabilities from one person to another person.

- A.Devolution.
- B.Endorsement.
- C.Passing the buck.
- D.Escapism.

ANSWER: A

26. Promises which form the consideration or part of the consideration for each other, are called

_____.

- A.reciprocal promise.
- B.reciprocal offer.
- C.reciprocal performance.
- D.consideration

ANSWER: A

27. Transfer of contractual rights & liabilities to a third party is called as _____.

- B.assignment.
- C.endorsement.
- D.alternative course of action.

ANSWER: B

28. Termination contractual relations between the parties to a contract is called as _____.

- A.performance of contract.
- B.discharge of contract.
- C.winding up of contract.
- D.none of the above.

ANSWER: B

29. Discharge of performance can be broadly classified into _____categories.

- A.4.
- B.5.
- C.6.
- D.3.

ANSWER: C

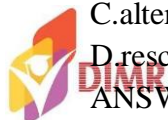
30. Substitution of a new contract for the original contract is called as _____.

- A.novation.
- B.rescission.
- C.alteration.
- D.remission.

ANSWER: A

31. _____ means intentional relinquishment of a right under the contract.

- A.waiver.



- B.wager.
- C.alteration.
- D.rescission.

ANSWER: A

32. Impossibility of performance can be classified into _____categories

- A.1.
- B.2.
- C.3.
- D.4. ANSWER: B

33. If any parties to the contract refuses or fails to perform his part of the contract or by his act makes it impossible to perform his obligation under the contract is called as _____

- A.breach of contract.
- B.void contract.
- C.tender.
- D.novation.

ANSWER: A

34. _____occurs when the party declares his intention of not performing the contract in prior. A. anticipatory breach of contract.

- B.actual breach of contract.
- C.discharge of contract.
- D.remission.

ANSWER: A

35. There are _____ways for actual breach of contract

- A.1.
- B.2.
- C.3.
- D.4.

ANSWER: B

36. The technical term Quantum Meruit denotes _____

- A.performance of a contract.
- B.quantity involved in contract.
- C.suit for specific performance.
- D.as much as earned. ANSWER: D

37. When a contract has been broken, the injured party can recover from the other party such damages as naturally & directly arose in the course of things from the breach is called as _____

- A.ordinary damages.
- B.special damages.
- C. indictive damages.
- D.nominal damages.

ANSWER: A

38. _____means a right not to perform obligation

- A.Rescission.
- B.Novation.
- C.Quantum merit.

D.Punishment. ANSWER: A





39. Damages which may reasonably be supposed to have been in the contemplation of both parties as the probable result of the breach of a contract is known as _____

- A. ordinary damages.
- B. special damages.
- C. indictive damages.
- D. nominal damages.

ANSWER: B

40. Damages in the nature of punishment is called as _____

- A. special damages.
- B. exemplary damages.
- C. nominal damages.
- D. novation.

ANSWER: B

41. The court order to restrain a person not to do a particular activity is called as _____

- A. quantum meruit.
- B. specific performance.
- C. injunction.
- D. novation.

ANSWER: C

42. The aggrieved party in breach of contract has not suffered any loss by reason of the breach of contract, the damages recoverable by him is _____

- A. payment of interest.
- B. ordinary damages.
- C. special damages.
- D. nominal damages.

ANSWER: D

43. A person should not be allowed to enrich himself unjustly at the expense of another is the principle of _____

- A. contingent contract.
- B. wagering contract.
- C. quasi contract.
- D. void contract.

ANSWER: C

44. Law of quasi-contract is also known as _____

- A. law of returns.
- B. law of restitution.
- C. law of repudiation.
- D. law of contract.

ANSWER: B

45. Section 68 to 72 of the Indian contract act deals with _____

- A. 1.
- B. 3.
- C. 5.
- D. 7.

ANSWER: C

46. Technical term exaequo-et-bono denotes _____

A.plantiff.



B.enrichment.

C.as much as earned.

D.justice & fairness.

ANSWER: D

47. Coercion involved the usage of _____

A.fraud.

B.misrepresentation.

C.undue influence.

D.all the above.

ANSWER: D

48. Responsibility of finder of goods under contract is _____

A. indemnifier.

B.bailee.

C. owner.

D.dispatcher. ANSWER: B

49. Mr. A, a tradesman, leaves goods at Mr. Bs house by mistake Mr. B treats the goods as his own. He is bound to pay for them to Mr. A. This is an example for obligation to pay for

A.non-gratuitous act.

B.gratuitous act.

C.coercion.

D.quantum meruit.

ANSWER: A

50. A contract which rises on the basis of coercion is called as _____

A.void contract.

B.voidable contract.

C.illegal contract.

D.lawful contract.

ANSWER: A

51. Contingent contract is a _____.

A.void.

B.voidable.

C.valid.

D.illegal.

ANSWER: C

52. A quasi- contract _____.

A.is a contract.

B.is an agreement.

C.has only a legal obligation.

D.contingent contract. ANSWER: C

53. When an agreement is discovered to be void, any person who have received any advantage under such agreement _____.

A.is bound to restore it.

B.is not bound to return it.

C.may retain it.

D.no need to return.



ANSWER: A



54. A minor has been supplied necessaries on credit_____.

A. he is not liable.

B. he is personally liable.

C. his estate is liable.

D. he is only personally liable. ANSWER: C

55. A person who finds goods belonging to another and takes them into his custody, is subject to the same responsibility as a _____.

A. bailee.

B. true owner.

C. thief.

D. agent. ANSWER: A

56. A finder of lost goods is a_____.

A. bailer.

B. bailee.

C. true owner.

D. thief.

ANSWER: B

57. Quantum meruit means_____.

A. a non-gratuitous promise.

B. an implied promise.

C. as much as is earned.

D. as much is paid.

ANSWER: C

58. The court may grant rescission was the contract is _____.

A. voidable at the option of plaintiff.

B. void .

C. unenforceable.

D. illegal.

ANSWER: A

59. If 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. the contract is void. ANSWER: C

60. The measure of damages in case of breach of a contract is the difference between the _____.

A. contract price and the market price at the date of breach.

B. contract price and the maximum market price during the terms of contract.

C. contract price and the price at which the plaintiff might have sold the goods.

D. contract price and the price fixed by the court.

ANSWER: A

61. A contract of indemnity is _____.

A. contingent contract.

B. wagering contract.

C.quasi contract.



D.void agreement. ANSWER: A



62. Any variance made with out surety consent in the terms of the contract between the principal debtor and the creditor discharges surety _____. as to transaction subsequent to variance. as to all transactions. from his liability under the guarantee.

A. as to transaction prior to variance.

B. as to transaction subsequent to variance.

C. as to all transactions.

D. from his liability under the guarantee. ANSWER: B

63. The right of subrogation in a contract of guarantee is available to the _____.

A. creditors.

B. principle debtors.

C. surety .

D. indemnifier.

ANSWER: C

64. The omission of the creditor to sue with in the period of limitation _____.

A. discharges the surety.

B. dose not discharge the surety.

C. makes the contract of guarantee void.

D. makes the contract illegal.

ANSWER: B

65. A bailee has _____.

A. a right of particular lien over the good bailed.

B. a right of general lien.

C. a right of both particular and general lien.

D. no lien at all over the goods bailed. ANSWER: A

66. The position of finder of lost goods is that of a _____.

A. bailor .

B. bailee.

C. surety.

D. principal debtor.

ANSWER: B

67. A gratuitous bailee is liable for defects in the goods bailed _____.

A. even if he is not aware of them.

B. only if he is aware of them.

C. in all cases.

D. in particular case.

ANSWER: B

68. A who purchases certain goods from B by representation pledges them with C. the pledge is__ .

A. valid.

B. void.

C. voidable.

D. invalid. ANSWER: A

69. A gratuitous bailment is one which is _____.

A. supported by consideration.



B. not Supported by consideration.

C. not enforced by law.

D. void.

ANSWER: B

70. For a valid ratification the principal must have contractual capacity _____.

A. at the time of the contract and at the time of ratification .

B. at the time of ratification.

C. at the time of contract.

D. at any time.

ANSWER: A

71. An agent is personally liable _____.

A. when he acts for an undisclosed principal.

B. when he acts for a named principal.

C. when he acts for a principal not in existence.

D. when he act as a sub-agent.

ANSWER: A

72. For a general balance of accounts between a factor and principal, the factor_____.

A. does not have any lien on the goods of his principal.

B. have a particular lien on the goods of his principle.

C. has a general lien on the goods of his principal.

D. has not a general lien on the goods of his principal.

ANSWER: C

73. If there no agreement, an agent is_____.

A. not entitled to any remuneration.

B. entitled reasonable remuneration.

C. entitled to remuneration which he thinks is reasonable.

D. gets commission only.

ANSWER: B

74. For his commission of remuneration an agent has _____.

A. a general lien .

B. a particular lien.

C. no lien at all.

D. neither general lien nor particular lien.

ANSWER: B

75. Concept of caveat emptor denotes _____.

A. buyer behavior.

B. customer loyalty.

C. customer awareness on purchase.

D. customer attitude.

ANSWER: C

76. In a sale, the property in goods _____.

A. is transferred to the buyer.

B. is yet to be transferred to the buyer.

C. may be transferred at future time.

D. is transferred when the buyer pays the price. ANSWER: A

77. In sale, If the goods are destroyed, the loss falls on _____.

- A. the buyer .
- B. the seller .
- C. partly on the buyer and partly on the seller.
- D. third party.

ANSWER: A

78. Specific goods are those which are identified _____. A. at the time of contract of sale.

- B. by an expert.
- C. by the seller.
- D. by the buyer. ANSWER: A

79. If a price is not determined by the parties in a contract of sale the buyer is bound to pay _____. a reasonable price. the price which the buyer is reasonable.

- A. the price demanded by the seller.
- B. a reasonable price.
- C. the price demanded by the seller.
- D. cost.

ANSWER: B

80. The doctrine of caveat emptor applies _____.

- A. in case of implied conditions and warranties.
- B. when the buyer does not intimate the purpose of seller and depends upon his on skill and judgment.
- C. when goods are sold by sample.
- D. when goods are sold by description.

ANSWER: B

81. If sale is by sample as well as by description, the implied condition is that the goods shall correspond with _____.

- A. sample.
- B. description.
- C. both sample and description.
- D. either sample or description. ANSWER: C

82. In a sale , there is an implied condition on the part of seller that he _____.

- A. has right to sell the goods.
- B. is in position of the goods.
- C. will have the right sell.
- D. will assure the goods.

ANSWER: A

83. A condition is a stipulation which is _____.

- A. essential to the main purpose of contract of sale.
- B. not essential to the main purpose of the contract of sale.
- C. collateral to the main purpose of contract of sale.
- D. additional security. ANSWER: A

84. In the case of breach of a warranty, the buyer can _____.

- A. repudiate the contract.
- B. claim damage only.

C.refuses to pay the price.



D.refuses to take the delivery of the goods.

ANSWER: B

85. The main objective of a contract of sale is _____.

- A. transfer of possessing of goods.
- B. transfer of property in goods from seller to buyer.
- C. delivery of goods.
- D. payment of price.

ANSWER: B

86. Risk follows ownership _____.

- A. only when goods have been delivered.
- B. only when price has been paid.
- C. whether delivery has been made or not.
- D. even when the price has not been paid.

ANSWER: C

87. In an agreement to sell, the seller can sue for price if _____.

- A. the goods have been delivered to the buyer.
- B. the goods have not been delivered to the buyer.
- C. there is a specific agreement.
- D. there is a general agreement.

ANSWER: C

88. The negotiable instrument act was first passed in the year _____

- A.1880
- B.1881
- C.1882
- D.1883.

ANSWER: B

89. The word negotiable mean _____

- A.transferable by hand
- B.transferable by law
- C.transferable by delivery
- D.none

ANSWER: C

90. In legal terms a person who receives a negotiable instrument in good faith and for valuable consideration is known as _____

- A. Holder in due course
- B. Holder
- C. Holder for value.
- D. None

ANSWER: A

91. A negotiable instrument drawn in india on a person residing in india and payable outside india is know as _____

- A. Inland instrument
- B. Indo-foreign instrument
- C. foreign instrument
- D. none

ANSWER: A

92. A negotiable instrument in which no time for payment is specified is payable:





- A. after acceptance
- B. after one month
- C. after sight
- D. on demand

ANSWER: D

93. The negotiable instrument act makes specific mention of three instruments, namely promissory note, bill of exchange and _____

- A. bank draft
- B. hundi
- C. cheque
- D. none of these

ANSWER: C

94. A bill of exchange dishonoured due to non-acceptance by the drawee, becomes _____

- A. void
- B. invalid
- C. voidable
- D. none

ANSWER: D

95. A person who is directed to pay the amount of bill of exchange is known as _____

- A. drawer
- B. payee
- C. drawee
- D. creditor

ANSWER: C

96. A bill of exchange payable to bearer on demand is _____

- A. voidable
- B. valid
- C. invalid
- D. conditional

ANSWER: C

97. Which of the following is a valid promissory note?

- A. I owe you some amount
- B. I owe you Rs 100
- C. I promise to pay A or order Rs 500
- D. I promise to pay the bearer Rs 500

ANSWER: C

98. Which of the following is not an essential of a valid promissory note? A. A promissory note must be signed by the maker

- B. It must be in writing
- C. It must be stamped
- D. It must be registered

ANSWER: D

99. After the dishonour of a negotiable instrument, the holder may get the fact of dishonour authenticated by a notary public. The "noting" may be done in case of _____

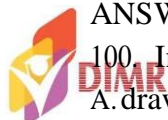
- A. Promissory note
- B. Cheque

C.Bill of exchange



D.Both (a) and (c)

ANSWER: D



100. In case of dishonour of a cheque, the holder's remedy is against the _____

A. drawee of a cheque

B. indorsee of a cheque

C. drawer of cheque

D. both (a) and (c) ANSWER: C

101. A bill of exchange is discharged when its acceptor by negotiation back, become its holder _____

A. at maturity

B. after maturity

C. before maturity

D. both (a) and (b)

ANSWER: D

102. In which of the following cases of forgery, a banker is discharged from liability by making a payment in due course _____ -

A. payee's indorsement

B. drawer's signatures

C. both (a) and (b)

D. none of these ANSWER: A

103. The payment of a negotiable instrument becomes due _____

A. at maturity

B. after maturity

C. before maturity

D. on 3rd day of maturity

ANSWER: A

104. A hundi which is payable 'at sight' is know as _____

A. miadi hundi

B. darshani hundi

C. zikri

D. none

ANSWER: B

105. The term 'jokham' means the _____

A. conditions

B. free

C. risk

D. none

ANSWER: C

106. The negotiable instrument drawn in favour of a minor is _____

A. void

B. valid

C. voidable

D. invalid

ANSWER: B

107. which of the following is not competent to draw a valid negotiable instrument

A.agent





- B. company
- C. partnership firm
- D. insolvent

ANSWER: D

108. A contract of sale may be _____.

- A. absolute only.
- B. condition only.
- C. absolute and conditional.
- D. indemnity.

ANSWER: C

109. The sale of goods act, 1930 does not cover _____.

- A. existing good.
- B. immovable goods.
- C. future goods.
- D. services.

ANSWER: B

110. S and P gets into a shop. S says to the shopkeeper, C let P have the goods, and if he does not pay you, I will. This is a _____.

- A. contract of guarantee.
- B. contract of indemnity.
- C. wagering contract.
- D. quasi-contract.

ANSWER: A

111. A bailer is a _____.

- A. a right of a particular lien over the goods bailed
- B. a right of generation
- C. a right of both particular and general lien
- D. no lien at all over the goods bailed

ANSWER: A

112. The position of a finder of lost goods is that of a _____.

- A. bailer.
- B. bailee.
- C. surety.
- D. principal debtors.

ANSWER: A

113. The gratuitous bailer is liable to the bailer for the defects in the goods bailed _____.

- A. even if he is not aware of them.
- B. only if he is aware of them.
- C. in all cases of loss.
- D. in certain case of loss.

ANSWER: B

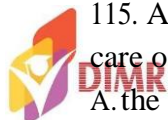
114. If the goods of the bailer get mixed up with the like goods of the bailer by the act of god, the mixture belongs to the bailer and the bailer in proportion to their shares but the cost of separation will have to be borne by _____.

- A. the bailee.
- B. the bailer.

C. both of them in proportion to the value of their goods.



D.third party. ANSWER: A



115. A bailee fails to return the goods according to the bailers direction. He takes reasonable care of the goods but still the goods are lost. The loss will fall on_____.

- A. the bailee.
- B. the bailer.
- C. on both of them.
- D. neither of them.

ANSWER: A

116. A, who purchases certain goods from B by a misrepresentation pledges them with C. the pledge is

_____.

- A.valid.
- B.void.
- C.voidable.
- D.invalid. ANSWER: B

117. In a sale, the property in goods_____.

- A.is transferred to the buyer.
- B. is yet to be transferred to the buyers.
- C. may be transferred at a future time.
- D.is transferred when the buyer pays the price. ANSWER: A

118. In a sale, if the goods are destroyed, the loss falls on_____.

- A. the buyer.
- B. the seller.
- C. partly on the buyer and partly on the seller.
- D.the seller if price has not been paid. ANSWER: A

119. The term property as used in the Sale of Goods Act, 1930 means_____.

- A.possession.
- B.ownership.
- C.ownership as well as possession.
- D.the subject matter of contract of sale.

ANSWER: B

120. If a price is not determined by the parties in a contract of sale, the buyer is bound to pay_ .

- A. the price demanded by the seller.
- B. a reasonable price.
- C. the price which the buyer thinks is reasonable.
- D. the price to be determined by a third independent person. ANSWER: B

121. The doctrine of caveat emptor applies_____.

- A. in case of implied conditions and warranties.
- B. when the buyer does not intimate the purpose to the seller and depends upon his own skill and judgment.
- C. when goods are sold by sample.
- D. when goods are sold by description.

ANSWER: A

122. If a sale is by sample as well as by description, the implied condition is that the goods

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shall correspond with_____.





- A. sample.
- B. description.
- C. both sample and description.
- D. either sample or description. ANSWER: C

123. In a sale, there is an implied condition on the part of the seller that he _____.

- A. has a right to sell the goods.
- B. is in possession of the goods.
- C. will have the right to sell.
- D. will acquire the goods.

ANSWER: A

124. A condition is a stipulation which is _____.

- A. essential to the main purpose of contract of sale.
- B. not essential to the main purpose of contract of sale.
- C. collateral to the main purpose of contract of sale.
- D. not mandatory.

ANSWER: A

125. In case of breach of a warranty, the buyer can _____.

- A. repudiate the contract.
- B. claim damages only.
- C. return the goods.
- D. refuse to pay the price. ANSWER: B

126. In case of breach of a warranty, the buyer can _____.

- A. claim damages only.
- B. repudiate the contract.
- C. cannot return the goods.
- D. refuse to take delivery of the goods.

ANSWER: B

127. The main objective of a contract of sale is _____.

- A. transfer of possession of goods.
- B. transfer of property in goods.
- C. delivery of goods.
- D. payment of price.

ANSWER: B

128. Risk follows ownership _____.

- A. only when goods have been delivered.
- B. only when price has been paid.
- C. whether delivery has been made or not.
- D. even when price has not been paid. ANSWER: C

129. In an agreement to sell, the seller gets for price if _____.

- A. the goods have been delivered to the buyer.
- B. the goods have not been delivered to the buyer.
- C. there is specific agreement.
- D. it is not a specific agreement.

ANSWER: C

130. In a contract of sale, unless goods are ascertained, there is _____.

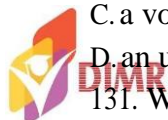
A. a sale.



B. an agreement to sell.

C. a void agreement.

D. an unenforceable agreement. ANSWER: B



131. Where there is an unconditional contract for the sale of specific goods in a deliverable state, the property in the goods passes to the buyer when_____.

A. the goods are delivered to the buyer.

B. the price is paid by the buyer.

C. the contract is made.

D. the buyer accepts the good.

ANSWER: C

132. If the contract is silent as to the party who is to appropriate the goods_____.

A. the buyer is to appropriate.

B. goods seller is to be appropriate.

C. the party who under the contract is first to act is to appropriate.

D. any party may appropriate. ANSWER: C

133. In a C.I.F., contract the property in goods passes from the seller to the buyer when the_ .

A. goods are shipped.

B. goods are received by the buyer.

C. contract is entered into.

D. price is paid. ANSWER: A

134. There is a constructive delivery of goods_____.

A. when the seller hands over to the buyer the key of the warehouse where the goods are lying.

B. where a third person in possession of the goods acknowledged to the buyer that he holds them on his behalf.

C. when the seller physically delivers the goods to the buyers.

D. when the seller asks the buyer to take delivery of the goods.

ANSWER: B

135. Where there is no specific agreement as to place, the goods sold are to be delivered at the place_____.

A. at which they are at the time of sale.

B. of the buyer.

C. desired by the buyer.

D. to be determined by the seller. ANSWER: A

136. Unless otherwise agreed, where goods are sent by the seller to the buyer by a route involved sea transit, the seller_____.

A. must inform the buyer in time to get the goods insured.

B. may insure the goods.

C. must insure the goods.

D. did not inform the buyer.

ANSWER: A

137. Unless otherwise agreed, where goods are delivered to the buyer and he rejects them_____.

A. he is not bound to return them to the seller.

B. it is sufficient if he intimates to the seller that he has rejected the goods.



C. he is bound to deliver them to the seller.

D. he may keep them with him.

ANSWER: B

138. A seller delivers goods in excess of the quantity ordered for. The buyer may_____.

A. accept the whole.

B. rejects the whole.

C. accept the goods ordered for and return the excess.

D. accept the part of goods.

ANSWER: A

139. Where the neglect or refusal of the buyer to take delivery of goods amounts to a repudiation of the contract, the seller may sue for the _____.

A. price or damages.

B. price only.

C. damages only.

D. both for price and damages. ANSWER: A

140. The lien of an unpaid seller depends on _____.

A. possession.

B. title.

C. ownership.

D. whether the buyer has paid the price or not.

ANSWER: A

141. The first factories act in India was passed in _____.

A. 1881.

B. 1882.

C. 1848.

D. 1934.

ANSWER: A

142. The factories Act, 1948 came into force on _____.

A. 1.4.1948.

B. 1.4.1949.

C. 1.4.1848.

D. 1.4.1849.

ANSWER: A

143. The Act extends to whole India including the state of _____.

A. Assam.

B. Sikkim.

C. Jammu & Kashmir.

D. Gujarat. ANSWER: C

144. The amendment in factories Act made during 1984, came into force with effect from _____ & others from _____.

A. 1.12.1987, 1.6.1988.

B. 1.12.1997, 1.6.1998.

C. 1.12.1977, 1.6.1978.

D. 1.12.1967, 1.6.1968.

ANSWER: A



145. _____ is a premises whereon 10 or more persons are engaged if power is used, or 20 or more persons are engaged if power is not used, in a manufacturing process.

- A. Railway workshops.
- B. Precincts.
- C. Production department.
- D. A factory.

ANSWER: D

146. Premises including the _____ thereof.

- A. factory.
- B. precincts.
- C. safety procedures.
- D. activities.

ANSWER: B

147. If an article becomes commercially known as something different from which it requires its existence, it is known as _____.

- A. manufacturing process.
- B. selling process.
- C. deciding process.
- D. factory process.

ANSWER: A

148. An Adult is a person who has completed his _____ year of the age.

- A. 18th.
- B. 16th.
- C. 20th.
- D. 21st.

ANSWER: A

149. An Adolescent is a person who has completed his _____ year of age but has not completed his 18th year.

- A. 3th.
- B. 14th.
- C. 15th.
- D. 16th.

ANSWER: C

150. A Child is a person who has not completed _____ year of age.

- A. 12th.
- B. 15th.
- C. 16th.
- D. 13th.

ANSWER: B

151. A young person mean a person who is either a child or _____.

- A. adult.
- B. adolescent.
- C. competent person.
- D. kid.

ANSWER: B

152. _____ means any engine, motor or other appliance which generates or otherwise provides power.

- A. Prime mover.

B. Earth mover.



C. Power mover.

D. Electrical energy.

ANSWER: A



153. _____ means electrical energy or any other form of energy which is mechanically transmitted and is not generated by human or animal energy.

A. Power.

B. Prime mover.

C. Motor.

D. Appliance. ANSWER: A

154. _____ of a factory means the person who has ultimate control over the affairs of the factory.

A. Occupier.

B. Inspector.

C. Factory manager.

D. Factory owner.

ANSWER: A

155. Work of the same kind is carried out by 2 or more set of workers working during different periods of the day is called as _____.

A. shift.

B. relay.

C. over time.

D. general work. ANSWER: A

156. Set of shifts is called as _____.

A. general shift.

B. relay.

C. overtime.

D. continuous work. ANSWER: B

157. Every person, who undertakes to design or manufacture any article for use in any factory, may carry or arrange for the carrying out of _____.

A. necessary work.

B. necessary provisions.

C. necessary research.

D. the duties & responsibilities.

ANSWER: C

158. _____ has the power to require medical examination of a young person working in a factory.

A. Factory manager.

B. A Doctor.

C. Occupier.

D. An inspector.

ANSWER: D

159. _____ shall carry out examination of persons engaged in factories in dangerous occupations or process.

A. Occupier.

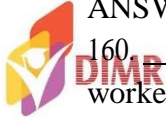
B. Inspector.

C.Manager.



D.Certifying surgeon.

ANSWER: D



160. _____ of the factories act deals with the provisions ensuring the health of the workers.

- A. Chapters III (sections 11 to 20).
- B. Chapters II (sections 21 to 30).
- C. Chapters I (sections 31 to 40).
- D. Chapters V (sections 41 to 50).

ANSWER: A

161. Provisions relating to hazardous process has been dealt by _____ of the factories act,1948.

- A. Chapter IV section 41-A to 41-H.
- B. Chapter IV section 41-B to 41-I.
- C. Chapter IV section 41-C to 41-J.
- D. Chapter IV section 41-D to 41-K.

ANSWER: A

162. _____ shall examine an application for the establishment of a factory involving a hazardous process.

- A. The site appraisal committee.
- B. An occupier.
- C. Inspect.
- D. Members of the inquiry committee. ANSWER: A

163. Welfare measures has been dealt in _____ of the factories act,1948.

- A. chapter V section 41 to 51.
- B. chapter V section 42 to 52.
- C. chapter V section 42 to 50.
- D. chapter V section 41 to 50. ANSWER: C

164. According to welfare measures how many first aid boxes with prescribed contents should be maintained for every 150 workers?

- A. One.
- B. Only one.
- C. Atleast one.
- D. More than one.

ANSWER: C

165. _____ shall be provided & maintained, a suitable room or rooms for use of children under the age of 6 years of the women workers of the factories.

- A. Creches.
- B. Fencing of machinery.
- C. Protection of eyes.
- D. Self-acting machine. ANSWER: A

166. No _____ worker shall be required or allowed to work in a factory for more than 48 hours in any week.

- A. women.
- B. young.
- C. adult.

D.adolescent. ANSWER: C

167. _____means of escape of all persons from fire.

A.Prevention.

B.Prohibition.

C.Safe.

D.Corrective action.

ANSWER: C

168. _____will entitle a young person to work as a child or adult.

A.Certificate of fitness.

B.Revocation of certificate of fitness.

C.Medical examination.

D.Safety provisions. ANSWER: A

169. _____provide for the grant for the grant of a certain period of leave with wages to workmen.

A. Chapter X 80 to 86.

B. Chapter IX 81 to 87.

C. Chapter VII 74 to 80.

D. Chapter VIII 78 to 84.

ANSWER: D

170. No _____shall be required or allowed to work in any factory on any day on which he has already been working in another factory.

A. child.

B. young person.

C. woman.

D. adult. ANSWER: A

171. The employees provident funds and miscellaneous provisions act, has been passed in the year

_____.

A.1951.

B.1952.

C.1953.

D.1954.

ANSWER: B

172. The membership of the _____was initially restricted employees whose monthly pay did not exceed Rs.300.

A. employee provident scheme.

B. gratuity scheme.

C. pension scheme.

D. state insurance scheme. ANSWER: A

173. _____means the central PF commissioner, additional CPF commissioner, RPF commissioner or such other officer as may be authorized by the central government.

A. Authorized officer.

B. Commissioner.

C. Inspector.

D. Recovery officer. ANSWER: A

174. _____ means the provident fund established under the employees provident fund scheme.

- A. Contribution.
- B. Money.
- C. Fund.
- D. Scheme.

ANSWER: C

175. _____ means any industry specified in schedule I, and includes any other industry added to the schedule by notification under section 4.

- A. Factory.
 - B. Firm.
 - C. Industry.
 - D. Manufacturing unit.
- ANSWER: C

176. _____ in relation to an employee, who is the member of the pension scheme, means the attainment by the said employee, of the age of 58 yrs.

- A. Retirement.
- B. Superannuation.
- C. Golden handshake.
- D. Fund.

ANSWER: B

177. _____ means the employees provident funds appellate tribunal constituted under section 7-D.

- A. Central government.
- B. State government.
- C. Tribunal.
- D. Appropriate government.

ANSWER: C

178. _____ is deemed to include also the cash value of any food concession allowed to the employee.

- A. Dearness allowance.
- B. Food allowance.
- C. Salary.
- D. Accommodation.

ANSWER: A

179. _____ means an employee who is not liable under the act to pay the employees contribution.

- A. Employee of military or air forces.
- B. Employee of Indian naval.
- C. Exempted employee.
- D. Dependent employee.

ANSWER: C

180. _____ means a condition which requires medical treatment and attendance and necessitates

abstention from work on medical grounds.

- A. Accident.

B. Injury.



C. Sickness.

D. Medical leave. ANSWER: C



181. _____ means labor resulting in the issue of diving child, or labor after 26 weeks of pregnancy resulting in the issue of a child whether alive or dead.

A. Confinement.

B. Grievances.

C. Maternity benefit.

D. Stringent.

ANSWER: A

182. The E.S.I Corporation will keep its _____ expenses within the limit so prescribed by the central government.

A. general.

B. administrative.

C. monthly.

D. insurance. ANSWER: B

183. The E.S.I Corporation shall submit its _____ to the central government about its work and activities.

A. financial statement.

B. budget.

C. accounts.

D. annual report.

ANSWER: D

184. Rule _____ lays down the method of calculation of the employees & employers contribution to E.S.I.

A. 15.

B. 16.

C. 17.

D. 18. ANSWER: A

185. _____ means the director general, insurance commissioner, joint insurance commissioner, regional director or such other officer as may be authorized by the central government.

A. Commissioner.

B. Authorized officer.

C. Inspector.

D. Recovery officer.

ANSWER: C

186. The period of limitation for an appeal under section 82 of the E.S.I act shall be _____ days.

A. 30.

B. 60.

C. 90.

D. 120.

ANSWER: B

187. _____ means any body corporate and includes a firm and other associations of individuals.

A. Association of individuals.



B. Factory.

C. Company.

D. Partnership.

ANSWER: C

188. _____ means any person appointed or acting as the representative of another person for the purpose of carrying on such other persons trade or business, but does not include and individual manager subordinate to an employer.

A. Representative.

B. Employee.

C. Nominee.

D. Managing agent. ANSWER: D

189. Disablement can be classified into _____ types.

A. 3.

B. 2.

C. 4.

D. 5. ANSWER: B

190. _____ means any person responsible for the supervision and control of the establishment.

A. Inspector.

B. Occupier.

C. Factory manager.

D. Principal employer.

ANSWER: D

191. Section _____ of the E.S.I act deals with budget estimates.

A. 30.

B. 31.

C. 32.

D. 33.

ANSWER: C

192. Certain provisions of the _____ is applicable to E.S.I Act.

A. income tax Act.

B. gratuity Act.

C. P.F Act.

D. wages Act.

ANSWER: A

193. The E.S.I Act deals finance and audit under _____.

A. Chapter III section 26 to 37.

B. Chapter IV section 27 to 38.

C. Chapter V section 28 to 39.

D. Chapter VI section 29 to 40.

ANSWER: A

194. Section _____ of the E.S.I Act, deals with the holding of property.

A. 28.

B. 29.

C. 30.

D.31. ANSWER: B



195. Section _____ of the E.S.I Act deals with accounts, audit & valuation of assets & liabilities.



- A.30
- B.31.
- C.32.
- D.33.

ANSWER: D

196. The E.S.I corporation shall value its assets & liabilities once in _____.

- A.1 year.
- B.3 years.
- C.4 years.
- D.5 years.

ANSWER: D

197.E.S.I Act deals contributions under _____.

- A. Chapter III 37 to 44-A.
- B. Chapter IV 38 to 45-B.
- C. Chapter V 39 to 46-C.
- D. Chapter VI 40 to 47-D.

ANSWER: B

198. The E.S.I amendment Act, 1989 has omitted _____ to the Act.

- A. Schedule I.
- B. Schedule II.
- C. Schedule III.
- D. Schedule IV. ANSWER: A

199. The E.S.I amendment Act,1989 has inserted _____ which make provision for setting up of an independent machinery for recovery of arrears of the E.S.I contributions.

- A. sections 44-B to 45.
- B. sections 45-C to 45 -1.
- C. sections 46-D to 45-2.
- D. sections 47-E to 45-3.

ANSWER: B

200. The right to reserve any payment of any benefit under the E.S.I Act shall not be _____.

- A.commutable.
- B.enactable.
- C.negotiable.
- D.transferable.

ANSWER: D

201. The sale of goods is the most common of all _____.

- A.insurance contracts.
- B.commercial contracts.
- C.banking contracts.
- D.legal contracts. ANSWER: B

202. Prior to the sale of goods act, the law of sale of goods was contained in chapter VII of _____.

A. The Indian contract Act, 1872.



B. The transfer of property Act,1882.

C. The consumer protection Act,1938.

D. The companies Act,1956.

ANSWER: A

203. Contract of sale includes sale and _____.

A.agreement to sell.

B.credit stipulations.

C.transfer of property in goods.

D.mortgage.

ANSWER: A

204. The sale of goods act had been passed in the year _____

A.1930.

B.1931.

C.1932.

D.1933.

ANSWER: A

205. The sale of good act, deals with _____.

A.goods.

B.mortgage.

C.pledge.

D.actionable claims & money. ANSWER: A