

FOUNDATION COURSE EXAMINATION

JUNE 2025

FUNDAMENTAL OF BUSINESS LAWS AND BUSINESS COMMUNICATION

Time Allowed: 1 hour

Full Marks: 100 (2×50)

Choose the correct answer from the given alternatives:

1. Which Articles of the Constitution of India have the power to entertain petitions of violation of Fundamental Rights?
(A) Article 32
(B) Article 226
(C) Article 226 and Article 32
(D) Article 356
2. In case of Hindu and Muslim family business, which Law prevail to divide there family properties?
(A) Legal Laws
(B) Government Laws
(C) Their own Laws
(D) None of the above
3. P invites Q to his wedding ceremony to which Q consented to attend. This is not a contract breach of which gives any remedy to either party because
(A) it is not witnessed by two parties.
(B) there is no intention to create legal obligations on the part of the parties.
(C) there is no considerations.
(D) formal invitation is not sent.
4. Select the odd one:
(A) Condition as to Title
(B) Condition as to Description
(C) Condition as per Sample
(D) Quiet Possession
5. State which of the following statements is true:
(A) There is no punishment for Contempt of Court.
(B) Case Laws are judicial precedents.
(C) Any elected members can pass an ordinance.
(D) The study of Indian Legal History can primarily be divided into three periods.
6. When no documents relating to Goods are annexed to bill, it is
(A) Accommodation bills
(B) Fictitious bill
(C) Clean bill
(D) Ambiguous bill
7. X owes Y ₹ 20,000. X paid ₹ 15,000 in full satisfaction of the debt to which Y agreed. This is the case of
(A) Remission
(B) Reduction
(C) Redemption
(D) Repayment
8. State which of the following is/are not a Negotiable Instrument:
(A) Share Certificate with Blank Transfer Deed
(B) Deposit Receipt and Mate Receipt
(C) Both (A) and (B)
(D) None of the above

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9. An _____ may accept and pay the Bill of Exchange without previous protest (Section 116).

- (A) acceptor
- (B) acceptor for honour
- (C) drawee
- (D) drawee in case of need

10. Under the Sale of Goods Act, 1930, which of the following is/are the implied warranty (ies)?

- (I) Warranty of quiet possession
- (II) Warranty of freedom from encumbrances
- (III) Warranty of Title
- (IV) Warranty as to wholesomeness
- (A) (I) and (II)
- (B) (I) and (III)
- (C) (II) and (IV)
- (D) (III) and (IV)

11. Proforma invoice is used for which purposes?

- (A) Helps the Company for calculating of duties and taxes payable
- (B) Used as quotation
- (C) Both (A) and (B)
- (D) None of the above

12. FAS stands for

- (A) Free Alongside Ship
- (B) Free After Sale
- (C) Freight After Sales
- (D) None of the above

13. Which factor is not in consideration while choosing means and mode of communication?

- (A) Cost factor
- (B) Nature and wealth of locality
- (C) Resources
- (D) Distance involved

14. State which of the following statements is false:

- (A) 'yours sincerely' is not used to conclude a business letter.
- (B) Name of the firm should be mentioned below the address of the writer.
- (C) 'with regards' must be mentioned in a business letter.
- (D) A job application is similar to a letter of order.

15. A Bench of three judges in a High Court is called

- (A) Smallest Bench
- (B) Division Bench
- (C) Triangular Bench
- (D) Full Bench

16. The decision given by Supreme Court are recorded in

- (A) AIR
- (B) SCC
- (C) AIR and SCC
- (D) ITR

17. Select the false statement:

- (A) ~~Part acceptance of an offer is a valid acceptance.~~
- (B) An actionable claim can always be assigned.
- (C) Adequacy of consideration is not an essential element of a valid contract.
- (D) Absence of free consent renders a contract voidable contract.

18. A contract which is valid initially however ceases to be enforceable subsequently

- (A) becomes voidable.
- (B) ~~becomes void when it ceases to enforceable.~~
- (C) remains valid what may happen subsequently.
- (D) becomes illegal if it ceases to be enforceable.

19. Commercial impossibility means

- (A) performance will not maximise profits of the promisor.
- (B) ~~performance will result in a loss to the promisor.~~
- (C) performance will not give adequate profit to the promisor.
- (D) performance will lead to strain on capacity utilization.

20. Office Order does not include

- (A) Order No.
- (B) ~~Subject~~
- (C) Date
- (D) Undersigned

21. State which of the following statement is false:

- (A) The word 'communicare' means share.
- (B) Abbreviation must be avoided in business letter.
- (C) Both (A) and (B)
- (D) ~~The Communication process is a circular model.~~

22. Which type of letter is not a goodwill letter?

- (A) Thank you letter
- (B) Condolence letter
- (C) ~~Letter of complaint~~
- (D) Letter of sympathy

23. Which is not a communication flow?

- (A) Upward
- (B) Horizontal
- (C) ~~Vertical~~
- (D) Diagonal

24. If a message is short and to the point, the message is said to be

- (A) correct
- (B) ~~concise~~
- (C) coherent
- (D) complete

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25. Information overload is when _____
(A) listener gets inadequate information
(B) listener gets too much information
(C) listener gets adequate information
(D) listener is inattentive
26. _____ damages are awarded by way of punishment.
(A) Special
(B) Vindictive
(C) Nominal
(D) All of the above
27. Communication of offer is complete only when
(A) it is received by the offeree.
(B) it is posted for transmission.
(C) it comes to the knowledge of the offeree.
(D) the offeree responds to it
28. A contract cannot be avoided due to
(A) absence of free consent.
(B) inadequacy of consideration.
(C) Both (A) and (B)
(D) None of the above
29. Select the odd one:
(A) Sue for interest
(B) Sue for refund of price
(C) Sue for damages
(D) Sue for reward
30. A male receipt is a/an
(A) document of Title of Goods.
(B) Transfer Deed.
(C) Goods Receipt.
(D) acknowledgement for Receipt of Goods.
31. Which of these is not an essential requirement of a valid Bill of Exchange?
(A) Acceptance
(B) Consideration
(C) Specific sum payable
(D) Writing
32. Bills in sets are made in sets of
(A) 3
(B) 2
(C) 4
(D) 5
33. Liability of a drawer to compensate the holder in case of dishonour is primarily provided under
(A) Section 30
(B) Section 29
(C) Section 31
(D) Section 32
34. In a promissory note, the amount of money payable
(A) must be certain.
(B) may be certain or uncertain.
(C) is usually uncertain.
(D) None of the above

35. When a cheque is crossed generally, the banker on whom it is drawn

- ☒ (A) shall not pay it otherwise than to a banker.
- (B) shall not pay it otherwise than to the holder.
- (C) shall not pay it to a banker.
- (D) None of the above

36. Under which of these circumstances an agreement becomes void and illegal?

- ☒ (A) When it is forbidden by Law
- (B) When it is not voidable at the option of the other party
- (C) When it is not in writing
- (D) When it is an unilateral contract

37. State which statement is not true:

- (A) A minor can be an agent.
- (B) Capacity to contract is an essential condition to appoint an agent.
- (C) Both (A) and (B)
- ☒ (D) No consideration is required for appointment of an agent.

38. Which of the following statements is/are correct?

- (A) A breach of condition cannot be treated as a Breach of Warranty.
- ☒ (B) 'Caveat emptor' means that the buyer must be careful.
- (C) Seller is bound to disclose the defects in the goods to the buyer before sale.
- (D) Merchantability means that the goods must be of superior quality.

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39. In case no price is fixed in a contract of Sale of Goods, the buyer is to pay

- (A) nothing.
- ☒ (B) reasonable price.
- (C) prevailing MRP less tax.
- (D) cost of production plus 10% profit.

40. Which of these statements is appropriate for a Hire Purchase Sale Agreement?

- (A) Buyer is the owner of the goods
- (B) The insolvency of the buyer, seller can take back goods
- (C) Hire Purchase Sale Agreement attracts Sales Tax liability at the time of agreement.
- ☒ (D) Instalment paid is treated as part of sales consideration rather than hire charges.

41. An agreement between two parties whereby one of the parties loses all the right against the other one is

- (A) Voidable
- ☒ (B) Void
- (C) Valid
- (D) Illegal

42. Which of the following is a false statement?

- ☒ (A) Contingent Contract contains reciprocal promises.
- (B) Every Contingent Contract need not be a wagering agreement.
- (C) Contingent Contract is a contract to do or not to do something.
- (D) Contingent Contract are valid.

43. Which of the following is not covered under the quasi contract?

- (A) Finder of lost goods
- (B) Quantum meruit
- (C) Payment of money due by other
- (D) Payment of Contractual debt

44. Which of the following features is not a communication?

- (A) Continuous
- (B) Goal oriented
- (C) No flow of message
- (D) Interdisciplinary Science

45. Which of these is /are not an exception to the rule of Privity of Contract?

- (A) Family arrangement
- (B) Agency
- (C) Assignment
- (D) Agreement with minor

46. Which of the following statements is true?

- (A) An agreement with minor is void.
- (B) An agreement with minor is voidable.
- (C) The right of Estoppel is equally applicable against a minor.
- (D) A minor cannot be an agent.

47. Which of these is not an essential requirement of a contract under Sale of Goods Act?

- (A) Goods
- (B) Two parties
- (C) Must be in writing
- (D) Mutual consent

48. Under which circumstances an unpaid seller resales the goods?

- (A) When the goods are of perishable nature
- (B) When the goods are costly
- (C) Both (A) and (B)
- (D) None of the above

49. Section 5 of the Negotiable Instrument Act deals with

- (A) Bills of Exchange
- (B) Holder in due course
- (C) Cheque
- (D) Promissory Note

50. _____ is not a Negotiable Instrument as per customs and usage.

- (A) Delivery Note
- (B) Railway Receipt
- (C) Cheque
- (D) Government Promissory Note