



**Q SECTION A (ONE MARKS)**

(1) What is the common rights of consumer?

- (a) right of protection to life and property
- (b) right to be informed
- (c) right to choose
- (d) all of the above

Answer : D

(2) What is the content of MoA?

- (a) Name clause
- (b) Object clause
- (c) Situation clause
- (d) all of the above

Answer : D

(3) What is the key contents of articles of association?

- (a) calls on share
- (b) share capital and variation of rights
- (c) transfer and transmission of shares
- (d) all of the above

Answer : D

(4) Under the ethical standards of the profession, which of the following investments by a CPA in a corporate client is an indirect financial interest?

- (a) An investment held in a retirement plan.
- (b) An investment held in a blind trust.
- (c) An investment held through a regulated mutual fund
- (d) An investment held through participation in an investment club

Answer : C

(5) The position of meeting of mind of the parties to agreement is called as

- (a) Contract,
- (b) Offer,
- (c) Consensus ad idem,
- (d) none

Answer : C

(6) Which of the given statement is true in the context of consumer?

- (a) a person who buys for a consideration
- (b) a person who hires or avails any services for a consideration
- (c) both a and b
- (d) none of the above

Answer : C

(7) What does IT Act enable?

- (a) legal recognition to electronic transaction
- (b) facilities electronic governance
- (c) facilities electronic commerce and electronic data interchange
- (d) all of the above



: D

(8) If person to a contract die or become victim of serious illness then contract shall be

- (a) Invalid,
- (b) continue,
- (c) Discharged,
- (d) Void ab Initio

Answer : C

(9) When former stands of contract discharged automatically?

- (a) Inferior contract merge into superior right contract,
- (b) superior contract merge into right of inferior contract,
- (c) By court,
- (d) none

Answer : A

(10) In case of "indemnity" how many parties are acting?

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

Answer : B

(11) What is the nature of Negotiable instrument used in modern business?

- (a) Debt device,
- (b) Contract device,
- (c) Credit device,
- (d) Cross Cheques

Answer : C

(12) In eyes of law who does not have visible existence?

- (a) Contract,
- (b) Promise,
- (c) Company,
- (d) Director

Answer : C

(13) The property of the company is property of the \_\_\_\_\_

- (a) Share holders,
- (b) debenture holders,
- (c) Members,
- (d) Company's own

Answer : D

(14) What kind of obligation cant be enforced?

- (a) Political,
- (b) Social,
- (c) Commercial,
- (d) Statutory

Answer : D

What is the essential of valid offer?

- (a) an offer may be general or specific
- (b) an offer should be made with an intention of creating legal obligation
- (c) an offer must be definite and certain
- (d) all of the above

Answer : D

(16) What are the rules regarding acceptance?

- (a) an offer can be accepted only by the person to whom it is made
- (b) acceptance should be communicated
- (c) should be according to the prescribed form
- (d) all of the above

Answer : D

(17) What all is included in the right of co-sureties among themselves?

- (a) release
- (b) contribution
- (c) equality
- (d) all of the above

Answer : D

(18) These companies are formed under a special act of Parliament or the state legislature.

- (a) Statutory company
- (b) Royal or chartered company
- (c) Registered company
- (d) Companies limited by guarantee

Answer : A

(19) What are the key features for minority agreements?

- (a) no estoppels against minor
- (b) no liability in contract or tort arising out of contract
- (c) beneficial contracts
- (d) all of the above

Answer : D

(20) What are the essentials of an arbitration agreement?

- (a) it must have all the essential elements of a valid contract
- (b) it must be in writing
- (c) both a and b
- (d) None of the above

Answer : C

(21) Baker is a partner in BDT with a partnership basis of Rs.60,000. BDT made a liquidating distribution of land with an adjusted basis of Rs.75,000 and a fair market value of Rs.40,000 to Baker. What amount of gain or loss should Baker report?

- (a) Rs.35,000 loss.
- (b) Rs.20,000 loss.
- (c) Rs.0
- (d) Rs. 15,000 gain.

Answer : c

What shall be ultimate purpose of the Companies limited by Guarantee?

- (a) Profit,
- (b) Capital generation,
- (c) Develop economic sources,
- (d) Charity / sport / culture

Answer : D

(23) What is the modes of negotiation?

- (a) by mere delivery
- (b) be indorsement and delivery
- (c) Both a and b
- (d) None of the above

Answer : C

(24) What is the responsibilities of employer?

- (a) for the payment of wages to person employed by him
- (b) to fix wage period
- (c) to pay wages on a working day
- (d) all of the above

Answer : D

(25) What is the cases in which the contract can are discharges on the ground of supervising?

- (a) failure of ultimate purpose
- (b) destruction of subject-matter
- (c) change of law
- (d) all of the above

Answer : D

(26) What all is included in the right against debtor?

- (a) right of indemnity
- (b) right of subrogation
- (c) right as to securities with the creditor
- (d) all of the above

Answer : D

(27) What is the essential of promissory note?

- (a) it must be in writing
- (b) it must be signed by the maker
- (c) the sum payable must be certain
- (d) all of the above

Answer : D

(28) What re the documents to be filed for registration?

- (a) memorandum of association
- (b) articles of association
- (c) copy of proposed agreement
- (d) all of the above

Answer : D

(29) What is the modes of arbitration?

- (a) arbitration without the intervention of the court

arbitration with the intervention of the court when there is no suit ending

- (c) arbitration with intervention of the court where a suit is pending
- (d) all of the above

Answer : D

(30) Company act through a human agency known as \_\_\_\_\_

- (a) Director,
- (b) share holders,
- (c) Government,
- (d) Manager

Answer : A

(31) A bill of exchange is said to be dishonoured by \_\_\_\_\_ when the drawee makes default in acceptance upon being duly required to accept the bill.

- (a) Non payment
- (b) Non acceptance
- (c) Non performance
- (d) All the above

Answer : B

(32) \_\_\_\_\_ is a person who for consideration became the possessor of a negotiable instrument if payable to bearer.

- (a) Holder
- (b) Holder in due course
- (c) Holder not in due course
- (d) Endorser

Answer : B

(33) Which of the following is not contained in Articles of Association?

- (a) Calls on share
- (b) Account and audit
- (c) List of person who act as directors
- (d) Authorized capital

Answer : D

(34) Which of the following is false in the context of Companies Act, 1956?

- (a) A company is an artificial person created by law
- (b) Once the company is incorporated, it must be treated like any other independent.
- (c) Company cannot sell or purchase the property
- (d) The Common Seal is the official signature of the company

Answer : C

(35) All meetings except statutory meeting and AGM are called

- (a) Special Purpose meetings
- (b) Extra-ordinary General Meeting
- (c) Board Meeting
- (d) Agenda Meeting

Answer : B

(36) The promisor in a contract of indemnity is called \_\_\_\_\_

- (a) Indemnity holder



Indemnifier

- (c) Guaranteer
- (d) Surety

Answer : B

(37) A guarantee which extends to a series of transactions is called a \_\_\_\_\_ guarantee.

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

Answer : B

(38) Verification of digital signature requires \_\_\_\_ keys.

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

Answer : B

(39) Child pornography, harassment and cyber stalking are examples of \_\_\_\_\_.

- (a) Persons
- (b) Property
- (c) Government
- (d) Web

Answer : A

(40) The Arbitration act is based on model law drafted by \_\_\_\_\_.

- (a) UN
- (b) UNESCO
- (c) UNCITRAL
- (d) UNKTAD

Answer : C

( ) SECTION B

(41) \_\_\_\_\_ is formed and registered under the Indian Companies Act, 1956.

- (a) Statutory company
- (b) Royal or chartered company
- (c) Registered company
- (d) Companies limited by guarantee

Answer : C

(42) What is the procedure to file the complaint?

- (a) no fees have been prescribed
- (b) complainant or his authorized agent can present the complaint in person
- (c) complaint can be sent by post to the appropriate forum
- (d) all of the above

Answer : D

(43) Cheaptours operates in Santa Fe, New Mexico and sells discount tour packages. One of its advertised tours was a "Three night weekend getaway to Las Vegas" for a low price.



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Jan and Jim bought one of the packages, but were upset when they learned that the getaway was for Las Vegas, New Mexico, a town in New Mexico about an hour's drive from Santa Fe, rather than Las Vegas, Nevada. Jim had called Cheaptours after hearing a radio advertisement (which did not mention which Las Vegas the trip was for) and simply asked for the package for two. Jim and Jan had driven to Las Vegas, New Mexico on several occasions for a quick weekend getaway, but would not have purchased a weekend travel package to go there. The most likely grounds on which they could seek a refund is:

- (a) Mutual (bilateral) mistake of fact.
- (b) Fraud
- (c) Unilateral mistake of fact.
- (d) Mutual (Bilateral) mistake of value.

Answer : A

(44) Which characteristic results in a contract being classified as a formal contract?

- (a) The contract is written rather than oral.
- (b) The contract is one that is very long and contains much complex legal language.
- (c) The contract is required by law to use certain language or be presented in a certain way.
- (d) The contract is one where the same contract is used for many transactions by one of the parties.

Answer : C

(45) Which of the following areas of professional responsibility should be observed by a CPA not in public practice? Objectivity Independence

- (a) Yes Yes
- (b) Yes No
- (c) No Yes
- (d) No No

Answer : B

(46) What all information should be the in the company?

- (a) name and description and address of complainant
- (b) name, description and address of the opposite party or parties
- (c) the relief which the nominate is seeking
- (d) all of the above

Answer : D

(47) .According to \_\_\_\_\_, law is the general rule of external human action enforced by a sovereign political authority.

- (a) S almond
- (b) Holland
- (c) Both a and b
- (d) None of the above

Answer : B

(48) What is the ways of discharging the tender by mutual agreement?

- (a) novation
- (b) alteration
- (c) remission
- (d) all of the above

Answer : D

What is the owners of District Forum?

- (a) the reception of evidence on affidavits
- (b) issuing of any commission for the examination of any witness
- (c) the summoning and enforcing the attendance of any defendant
- (d) all of the above

Answer : D

(50) The Indian Contract Act\_\_\_\_\_lays down the law reacting to contract.

- (a) 1871
- (b) 1872
- (c) 1990
- (d) None of the above

Answer : B

(51) \_\_\_\_\_means a commercial establishment.

- (a) shops
- (b) establishments
- (c) both a and b
- (d) none of the above

Answer : B

(52) According to\_\_\_\_\_, law is the body of principles recognized and applied by the state in the administration of justice.

- (a) S almond
- (b) Holland
- (c) Both a and b
- (d) None of the above

Answer : A

(53) \_\_\_\_\_ is the committing or threatening to commit any act forbidden by the Indian penal code.

- (a) Coercion
- (b) Undue influence
- (c) Fraud
- (d) Misrepresentation

Answer : A

(54) Decision of arbitral tribunal is termed as \_\_\_\_\_ .

- (a) Arbitral result
- (b) Arbitral judgement
- (c) Arbitral award
- (d) Arbitral reward

Answer : C

(55) \_\_\_\_\_ contains the rules and regulation relating to the internal management of the company.

- (a) Articles of association
- (b) Memorandum of association
- (c) Agreement of formation of company
- (d) Charter of the company

Answer : A

Which of the following is not a consumers ?

- (a) A person who purchased goods for resale.
- (b) A person who purchased goods for commercial purpose.
- (c) A person who obtains services without consideration
- (d) All the above

Answer : D

(57) Any person who hires services for a consideration is a \_\_\_\_\_.

- (a) Consumer
- (b) Shopkeeper
- (c) Trader
- (d) Employee

Answer : A

(58) Which of the following is not an essential condition for holder in due course ?

- (a) He must be a holder
- (b) He must have become the holder of the negotiable instrument after its maturity.
- (c) He must take the negotiable instrument complete and regular on the face of it.
- (d) He must have become holder in good faith without having sufficient cause to believe that any defect existed in the title of the transferor.

Answer : B

(59) What is the nature of negotiable instrument,

- (a) Written promise to pay,
- (b) Oral promise to pay,
- (c) Conditional promise to pay,
- (d) Promise to recover

Answer : A

(60) A false statement made knowingly called \_\_\_\_\_

- (a) Mistake,
- (b) Fraud,
- (c) Misinterpretation,
- (d) Misrepresentation.

Answer : B

( ) SECTION C

(61) .Which of the following statement is false?

- (a) a company is an artificial person accreted by law
- (b) it can not sell or purchase property
- (c) the common seal is the official signature of the company
- (d) all of the above

Answer : B

(62) Which of the following is included in the Part III of Arbitration Act 1996?

- (a) Domestic arbitration
- (b) Enforcement of foreign awards
- (c) Supplementary provisions
- (d) Conciliation procedures

Answer : D

What is the benefits of selling relief under the Consumer Protection Act 1986?

- (a) administration of justice under the Consumer protection Act is totally free
- (b) consumer courts are expected to delivery speedy justice
- (c) both a and b
- (d) none of the above

Answer : C

(64) The liability of a member in these companies is limited to the amount undertaken to be contributed by him at the time of winding up of the company.

- (a) Statutory company
- (b) Royal or chartered company
- (c) Registered company
- (d) Companies limited by guarantee

Answer : D

(65) Which of the following is included in Part IV of Arbitration Act 1996?

- (a) Domestic arbitration
- (b) Enforcement of foreign awards
- (c) Supplementary provisions
- (d) Conciliation procedures

Answer : C

(66) Who all may refer to arbitration?

- (a) partner
- (b) agent
- (c) official assignee
- (d) all of the above

Answer : D

(67) It is the capital which is stated in company's MoA with which the company intends to be registered.

- (a) called-up capital
- (b) authorized capital
- (c) reserve capital
- (d) paid-up capital

Answer : B

(68) What is the circumstance under which the offer can be terminated?

- (a) (a)lapse
- (b) failure to fulfill a condition precedent
- (c) revocation
- (d) all of the above

Answer : D

(69) Match the following  
1) Holder in due course  
2) Presentment for acceptance  
3) Dishonor by non payment  
4) Discharge of instrument  
a) instrument  
b) dishonor by non payment  
c) possessor for consideration  
d) bill of exchange

- (a) 1-a , 2-b , 3-c , 4-d.
- (b) 1- c , 2- d , 3- b , 4- a .
- (c) 1- b , 2- c , 3- d , 4- a .
- (d) 1- c , 2- d , 3- a , 4- b .



: B

(70) Assume that Mary contracts to sell an antique dresser to her son, an antique hobbyist, for Rs.600. Mary later finds out that her son sold the dresser for Rs.2300 to a newly wed couple. Mary is upset about this because she thought that the dresser was worth around Rs.500. In this situation, most likely:

- (a) Mary could get out of the contract because there was a unilateral mistake of fact.
- (b) Mary could get out of the contract because there was a unilateral mistake of value.
- (c) Mary could get out of the contract under the doctrine of duress.
- (d) Mary could get out of the contract under the doctrine of undue influence.

Answer : D

(71) Which of the following company has to hold statutory meeting according to company's act.

- (a) Private company
- (b) Company limited by guarantee having no share capital
- (c) Unlimited liability company
- (d) Public company

Answer : D

(72) Which of the following is not true regarding arbitration ?

- (a) The arbitral tribunal should treat the parties equally and each party should be given full opportunity to present his case.
- (b) Law of limitation is not applicable to arbitration.
- (c) Arbitral tribunal has full powers to decide the procedure to be followed, unless the parties are not agreeing.
- (d) Arbitration agreement should possess all the characteristic of a valid contract

Answer : B

(73) Mandy is planning her wedding and enters into a contract with a local hotel for the rental of a room for the reception. The contract contains many provisions of items prohibited, including a prohibition against bringing any food or drink onto the premises and that all food and drink at the reception will be purchased from the hotel. One paragraph states that if Mandy and her new husband bring their own champagne for the reception that they have to open it themselves-the hotel will not do so. A few days before the wedding Mandy gets into a dispute with the hotel over whether or not Mandy can bring her own champagne to the reception. In this situation:

- (a) The contradictory language of the contract makes the contract violate substantive due process.
- (b) There is no contract because the offer is not reasonably certain.
- (c) The specific language relative to champagne would allow Mandy to bring her own champagne.
- (d) The contract specifically allows no food or drink to be brought in, thus she is not allowed to bring any.

Answer : C

(74) What is the right meaning of e-commerce?

- (a) Electronic Commerce,
- (b) Electro-Commerce,
- (c) Electronic Commerce,



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(d)

none

Answer : A

(75) How many (minimum) members require forming Public Company?

- (a) 7,
- (b) 2,
- (c) 5,
- (d) 4

Answer : A

