

SUBJECT-BUSINESS REGULATORY FRAMEWORK
B.COM III SEM-V- MCQ.
DEPARTMENT-COMMERCE

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1. The Indian Contract Act came into force on:

- (a) 15th September, 1872
- (b) 1st September, 1872
- (c) 1st October, 1872
- (d) 15th October, 1872.

ANSWER-B

2. The Indian Contract Act, applies to the:

- (a) Whole of India excluding Jammu & Kashmir
- (b) Whole of India including Jammu & Kashmir
- (c) States notified by the Central Government from time to time
- (d) None of the above.

ANSWER-B

3. An agreement consists of reciprocal promises between at least

- (a) four parties.
- (b) six parties.
- (c) three parties.
- (d) two parties.

ANSWER-D

4. Every promise and every set of promise forming the consideration for each other is a/an

- (a) contract.
- (b) agreement.

- (c) offer.
- (d) acceptance.

ANSWER-C

5. Contract is defined as an agreement enforceable by law, vide Section ... of the Indian Contract Act.

- (a) Section 2(e)
- (b) Section 2(f)
- (c) Section 2(h)
- (d) Section 2(i)

ANSWER-C

6. Valid contracts

- (a) are made by free consent.
- (b) are made by competent parties.
- (c) have lawful consideration and lawful object.
- (d) all of the above.

ANSWER-D

7. A contract creates

- (a) rights and obligations of the parties to it.
- (b) obligations of the parties to it.
- (c) mutual understanding between the parties to it.
- (d) mutual lawful rights and obligations of the parties to it.

ANSWER-B

8. In agreements of a purely domestic nature, the intention of the parties to create legal relationship is

- (a) to be proved to the satisfaction of the court.
- (b) presumed to exist.
- (c) required to the extent of consideration.
- (d) not relevant at all.

ANSWER-A

9. is forbidden by law.

- (a) Valid contract
- (b) Illegal agreement
- (c) Voidable contract
- (d) Unenforceable contract

ANSWER-B

10. A makes a contract with B to beat his business competitor. This is an example of

- (a) valid contract.
- (b) illegal agreement.
- (c) voidable contract.
- (d) unenforceable contract.

ANSWER-B

11. Which of the following legal statement is incorrect?

- (a) An agreement enforceable by law is a contract [Section 2]
- (b) All agreements are contracts [Section 10]
- (c) A proposal when accepted becomes a promise [Section 2]
- (d) Every promise and every set of promise forming the consideration for each other is an agreement [Section 2(e)]

ANSWER-B

12. is made by words written.

- (a) Express contract
- (b) Implied contract
- (c) Tacit contract
- (d) Unlawful contract

ANSWER-A

13. Agreement the meaning of which is uncertain is

- (a) Void

- (b) Valid
 - (c) Voidable
 - (d) Illegal Answer:
- ANSWER-A

14. Which of the following relationship raise presumption of positive influence?

- (a) Parent and Child
- (b) Religious/ Spiritual Guru and disciple
- (c) Guardian and Ward
- (d) All of the above

ANSWER-D

15. Which of the following is false with respect to minor entering a contract?

- (a) An agreement with or by a minor is void ab initio
- (b) A minor can be a beneficiary of a contract
- (c) The contracts involving a minor as a beneficiary may be enforced at the option of the third party
- (d) A minor cannot ratify a contract on attaining majority

ANSWER-C

16. Drawing cash from ATM, sale by fall of hammer at an auction sale, etc., are example of

- (a) express contract.
- (b) implied contract.
- (c) tacit contract.
- (d) unlawful contract.

ANSWER-B

17. is a one-sided contract in which only one party has to perform his promise or obligation.

- (a) Void contract
- (b) Illegal agreement
- (c) Unilateral contract
- (d) Bilateral contract

ANSWER-C

18. All Contract is a/an

- (a) Offer
- (b) Agreement
- (c) Acceptance
- (d) Transaction

ANSWER-B

19. A/an is every Promise and every set of promises , forming consideration for each other

- (a) Offer
- (b) Agreement
- (c) Acceptance
- (d) Transaction

ANSWER-B

20. Every agreement and promise enforceable by law is

- (a) Offer
- (b) Contract
- (c) Acceptance
- (d) Consideration

ANSWER-B

21. “A Contract is an agreement creating and defining obligations between the parties” the definition was put forwarded by

- (a) Dr. Ambedkar
- (b) Pollock
- (c) Salmonds
- (d) N.D.Kapoor

ANSWER-C

22. The Law of Contract is nothing but

- (a) A Child of Commercial dealing
- (b) A Child of Religion
- (c) A Child of day to day Politics
- (d) A Child of Economics.

ANSWER-A

23. To form a valid contract, there should be atleast

- (a) Two parties
- (b) Three parties
- (c) Four parties
- (d) Five parties.

ANSWER-A

24. Contractual rights and duties are created by

- (a) State
- (b) Statute
- (c) Parties
- (d) Custom or Usage.

ANSWER-C

25. Agreement is defined by the section of the Indian Contract Act, 1872.

- (a) Section 2(c)
- (b) Section 2(e)
- (c) Section 2(g)
- (d) Section 2(i)

ANSWER-B

26. Which of the following labour legislations is implemented only by the Central Implementation Machinery?

- A. Trade Unions Act
- B. Maternity Benefit Act
- C. Industrial Disputes Act
- D. Employees' State Insurance Act

Answer D

27. Under Section 2(12) the Act is applicable to non-seasonal factories employing----- persons

- A. 10 or more
- B. 25 or more
- C. 20 or more
- D. 5 or more

Answer A

28. Employees' Deposit Linked Insurance Scheme was introduced in the year

- A. 1976
- B. 1961
- C. 1923
- D. 1948

Answer A

29. The Payment of Gratuity Act was introduced in the year

- A. 1961
- B. 1923
- C. 1972
- D. 1976

Answer C

30. The Maternity Benefit Act was introduced in the year

- A. 1961
- B. 1923
- C. 1976
- D. 1948 Answer A

31. Which of the following benefits is covered under social security schemes?

- A. Medical facilities
- B. Retirement benefits
- C. Compensation facilities
- D. All of the above

Answer D

32. Making peace with employees by fulfilling all their needs without any resistance is the essence of the

- A. Appeasement theory
- B. Policing theory
- C. Benevolence theory
- D. Religious theory

Answer A

33. The age of dependent for obtaining dependent's benefit under the Employees State Insurance Act has now been enhanced from 18 years to

- A. 22 years
- B. 24 years
- C. 20 years
- D. 25 years

Answer D

34. Employees who are getting a daily average wages up to _____ are exempted from contributing employees' share of ESI contribution.

- A. Rs 70
- B. Rs 384.60
- C. Rs 100
- D. Rs 50

Answer C

35. The employer's share of contribution under the ESI Act is

- A. 8.33 %
- B. 1.75 %
- C. 12 %
- D. 4.75%

Answer D

36. As per the latest amendment under the ESI Act, 1948 medical treatment is now available to persons under voluntary retirement scheme also.

- A. True
- B. False
- C. Partly True
- D. The Act is silent

Answer A

37. Which of the following legislations in India is governed by a tripartite organisation consisting of representatives of labour, management and Government?

- A. Payment of Bonus Act
- B. Industrial Disputes Act
- C. ESI Act
- D. Maternity Benefit Act

Answer C

38. What is the wage limit for employees to be covered under the Employee State Insurance Act as per the latest amendment?

- A. Rs. 25,000 per month
- B. Rs. 18,000 per month
- C. Rs. 15,000 per month
- D. Rs. 20,000 per month

Answer C

39. Employees' share of contribution under the ESI Act is

- A. 1.75 %
- B. 4.75%
- C. 12%
- D. 8.33%

Answer A

40. Which of the following legislations extends some sort of benefit to retired employees also?

- A. Employees' State Insurance Act
- B. Payment of Bonus Act
- C. Maternity Benefit Act
- D. Employees' Compensation Act

Answer A

41. PF act is applicable to an establishment engaged in any industry specified in

- A. Schedule II
- B. Hazardous Industries List
- C. Schedule IX
- D. Schedule I

Answer: D

42. Minimum Persons must be employed in as establishment for the applicability of the PF act.

- A. 15
- B. 20
- C. 35
- D. 50

Answer: B

43. The term “Appropriate Government” is defined in which section of the PF Act?

- A. Section 2(a)
- B. Section 2 (b)
- C. Section 2 (d)
- D. Section 2 (e)

Answer: A

44. According to Section 2(a) which is the appropriate Government for a mine in a given state?

- A. State Government
- B. Central Government
- C. Both (A) and (B)
- D. None of these

Answer: B

45. Section 2(aa) of the PF act defines the term

- A. Basic Wages
- B. Authorised Officer
- C. Government
- D. None of these

Answer: B

46. Deputy Provident Fund Commissioner is an authorised officer.

- A. True
- B. False

Answer: A

47. The term “Basic Wages” is defined in which section of the Provident Fund Act?

- A. Section 2(g)

- B. Section 2(d)
- C. Section 2(b)
- D. None of these

Answer: C

48. Bonus is part of Basic Wages as defined in the respective section in the PF Act.

- A. True
- B. False

Answer: B

49. Section 2(d) of the Provident Fund Act defines

- A. Hazardous Process
- B. Employee
- C. Employment
- D. Controlled Industry

Answer: D

50. The chairman and members of Central Board constituted under Employees Provident Fund are appointed by

- A. Supreme Court
- B. State Government
- C. Central Government
- D. None of the above

Answer: C

51. The contribution which shall be paid by the employer to the Fund shall be

A. 5%

B. 7%

C. 12%

D. 10%

Answer: C

52. An employer who contravenes or makes default in complying with the provisions of section 6 of this act, shall be punishable with imprisonment for a term which may extend to _____ years

A. 1

B. 2

C. 3

D. 5

Answer: C

53. This Act shall not apply to any establishment registered under the Co-operative Societies Act, 1912 (2 of 1912), employing less than ----- persons and working without the aid of power

A. 100

B. 70

C. 50

D. 20

Answer: C

54. No court inferior to that ofclass shall try any offence under this Act

A. Sureme Court

B. Presidency Magistrate or a Magistrate of the first class

C. Musiff Court

D. High Court

Answer: B

55. Under this act, “Insurance Fund” means

A. Employees’ Group Accident Insurance

B. Unit Linked Insurance Plan

C. Deposit Linked Insurance Scheme

D. Medical Insurance Fund

Answer: C

56. The Central Government has amended the ceiling for contributions under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 (EPF Act) and the Employees' Provident Fund and Miscellaneous Provisions Scheme, 1952 (EPF Scheme) from _____ to _____, with effect from 1 September 2014.

A. Rs. 5000/- to Rs.12000/-

B. Rs. 6500/- to Rs.15000/-

C. Rs. 6500/- to Rs.13000/-

D. Rs. 7500/- to Rs. 15000/-

Answer: B

57. GST was introduced in India with effect from

a) 1.1.2017

b) 1.4.2017

c) 1.1.2018

d) 1.7.2017

ANSWER-D

58. GST was introduced in Jammu and Kashmir with effect from

a) 1.8.2017

b) 1.7.2017

c) 1.1.2018

d) 8.7.2017

ANSWER-D

59. Constitution Amendment Act, 2016 for GST was

a) 80th

b) 101st

c) 122nd

d) None of these

ANSWER-B

60. As a result of constitution amendment for GST a Separate List ---
has been inserted in the
constitution.

a) *Article 246A*

b) Article 146B

c) Article 122 C

d) Article 101B
ANSWER-A

61. The incidence of tax on tax is called

- a) *Tax Cascading*
- b) Tax Pyramidding
- c) Tax evasion
- d) Indirect tax

ANSWER-A

62. Under GST, 'value addition' refers to

- a) *Expenses 'plus' profit*
- b) *Cost plus tax*
- c) *Cost plus tax plus profit*
- d) Tax plus profit

ANSWER-A

63. UTGST is applicable when

- a) *Sold from Union territory*
- b) Goods are purchased by Central Government
- c) Sold from one union territory to another union territory
- d) There is interstate supply

ANSWER-A

64. Integrated Goods and Services Tax is applicable when -

- a) Sold in Union territory
- b) Sold from one GST dealer to another GST dealer
- c) Sold within a state
- d) *There is interstate supply*

ANSWER-D

65. SGST is applicable when

- a) *Goods are sold within a state*
- b) Goods are sold from one GST dealer to a customer

- c) Goods are sold by a GST dealer to another GST dealer
- d) Interstate supply

ANSWER-A

66. The tax which was not merged into GST

- a) Counterveiling Duty
- b) Excise duty
- c) *Basic Customs Duty*
- d) Purchase tax

ANSWER-C

67. Condition is a stipulation which is

- a. Essential to the main purpose of contract
- b. Collateral to the main purpose of contract
- c. Not essential to the main purpose of contract
- d. Collateral to the main purpose of contract

(Ans: a)

68. The sale of goods Act deals only with goods which are _____ in nature

- a. Immovable
- b. Movable
- c. Specific

d. All of the above

(Ans: b)

69. Goods that are identified at the time of contract of sale is called _____ goods

a. Specific

b. ascertained

c) clear Goods

d) both a & b

(Ans: d)

70. _____ is a Stipulation which is Collateral to purpose of contract

a. Condition

b. Warranty

c. Guaranty

d. Collateral Contract

(Ans: b)

71. _____ is the concept of “LET THE BUYER BEWARE”.

- a. Information Center
- b. Unfair Trade Practices
- c. Caveat Emptor
- d. Buyer Kingdom

(Ans: c)

72. _____ and _____ are the two parties involved in Contract of sale

- a. Seller & Buyer
- b) Agent & Principle
- c) Customer & Sales man
- d) Customer and supplier

(Ans: a)

73. It is a standard rule that risk follows _____

- a. Seller
- b. buyer
- c. property

d. Possession

(Ans: c)

74. The sale of Goods Act enforces in the year

a) 1935 b) 1930 c) 1945 d. 1955

(Ans: b)

75. The subject matter of the contract under Sale of goods Act must be

a. Money

b. Goods

c. Immovable Goods

d. All of the above

(Ans: b)

76. Sale under Sale of goods Act is a/an _____
contract

a. Executory

b. Executable

c. Executed

d. None of the above

(Ans: c)

77. In sale the transfer of property in goods from the seller to the buyer takes place

a. At the end of contract

b. Immediately

c. In a future Date

d. Both a&b

(Ans: d)

78. In Agreement to sell the transfer of property in goods from the seller to the buyer takes place

a. At the end of contract

b. Immediately

c. In a future Date

d. Both b&c

(Ans: c)

79. Which of the following is not a subject matter in a Sale of goods Act

- a. Trade mark
- b. Good will
- c. Money
- d. Water

(Ans: c)

80. As per Sale of goods Act Movable goods does not include

- a. Gas
- b. Growing crop
- c. Electricity
- d. Money

(Ans: d)

81. The goods must be _____ goods for transferring the property in the goods

- a. Ascertained
- b. Unascertained
- c. Future
- d. All of the above

(Ans: a)

82. The subject matter of the contract must necessarily be _____

- a. Sale
- b. Product
- c. Service
- d. Goods

(Ans: a)

83. A consideration in contract of sale must be _____ only

- a. Goods
- b. movable only
- c. price
- d. Purchase

(Ans: c)

84. Transfer or agree to transfer the _____ of the goods is the purpose of sale of goods Act

- a. Property

b. Possession

c. Value

d. Usage

(Ans: b)

85. A sale is a _____ contract

a. Implied

b. Executed

c. Agreed

d. Executory

(Ans: b)