



PRACTICE SET
End Semester Examination, December, 2025

Program: B.Com/BBA
Semester: III
Course: Legal Aspects of Business
Course Code: 32ACC202/11CC202

Course learning objective Missing.

Course Outcome:

CO 1: Students CAN apply principles of the Indian Contract Act, 1872, to analyze contracts, breaches, and remedies.

CO 2: Students are able to apply knowledge of the Sale of Goods Act, 1930, to understand buyer-seller rights and obligations, including conditions, warranties, transfer of property, and remedies for unpaid sellers.

CO 3: Apply knowledge of negotiable instruments, including essentials, types, holder rights, endorsement, cheque crossing, and dishonor procedures, to facilitate secure financial transactions

CO4: The student will be able to apply the knowledge of company and LLP law to make informed business decisions and ensure regulatory compliance."

Section – I: Very Short Answer Question

Question for 5 marks

Unit I: Indian Contract Act, 1872

1. State two of the four Essentials of a Valid Contract. [CO1] (LOT) - Action verb missing across the question.
2. Differentiate between a Contract of Indemnity and a Contract of Guarantee. [CO1] (HOT) – It should be a LOT question – pls check.
3. What is a Discharge of Contract by impossibility of performance? [CO2] (LOT)

4. Analyze the role of Consideration in the formation of a contract. [CO1] (HOT)- Action verb missing and SEC A cannot have HOT level question.
5. What is the primary duty of an Agent to their Principal? [CO1] (LOT)
6. List two Remedies for Breach of Contract. [CO1] (LOT)

Unit II: Sale of Goods Act, 1930

7. Define the term 'Goods' under the Sale of Goods Act, 1930. [CO1] (LOT)
8. Differentiate between a Condition and a Warranty. [CO1] (HOT) – Action verb missing and SEC A cannot have HOT level question.
9. State the general rule regarding the Transfer of Property in specific goods. [CO1] (LOT)

19. What is meant by 'Nemo dat quod non habet' in the context of sale? [CO2] (LOT)

10. Who is an Unpaid Seller? [CO1] (LOT)
11. Analyze when the right of Lien can be exercised by an unpaid seller. [CO1] (HOT)
Action verb missing and SEC A cannot have HOT level question.

Unit III: The Negotiable Instruments Act, 1881

13. List the three main Kinds of Negotiable Instruments. [CO1] (LOT)
14. What are the two types of Endorsement? [CO1] (LOT)
15. Differentiate between a Holder and a Holder in Due Course. [CO1] (HOT) - Action verb missing and SEC A cannot have HOT level question
16. Briefly explain the concept of General Crossing of a cheque. [CO2] (LOT)

17. State two essential features of a Promissory Note. [CO1] (LOT)
18. What is a Dishonour of a Cheque? [CO1] (LOT)

Unit IV: The Companies Act, 2013 & The Limited Liability Partnership Act 2008

20. Define the term 'Prospectus' under the Companies Act. [CO1] (LOT)
21. Differentiate between Memorandum of Association (MoA) and Articles of Association (AoA). [CO1] (HOT)
22. What is a Sweat Equity Share? [CO1] (LOT)
23. State the meaning of Limited Liability Partnership (LLP). [CO1] (LOT)
24. Analyze one key difference between a Company and an LLP regarding liability. [CO1] (HOT)
25. Explain the concept of 'Director Identification Number (DIN)'. [CO2] (LOT)

Section-II: Short Answer

Question for 10 marks

Unit I: Indian Contract Act, 1872

1. Explain the circumstances under which a Contract of Agency can be terminated. [CO2] (LOT)
2. Evaluate the necessity of Free Consent for a contract to be legally valid. [CO2] (HOT)

3. Analyze a situation where the goods forming the subject matter of the contract are perished, and how this affects the contract under the Indian Contract Act. [CO1] (HOT)

Unit II: Sale of Goods Act, 1930 – All the questions in section B cannot be of Lower Order Thinking

4. Discuss the difference between the transfer of property and the transfer of possession in a contract of sale. [CO1] (LOT)
5. List and explain the Rights of an Unpaid Seller against the goods. [CO2] (LOT)
6. Explain the rule of 'Nemo dat quod non habet' and state its exceptions. [CO2] (LOT)

Unit III: The Negotiable Instruments Act, 1881

7. Analyze the essential features that make an instrument Negotiable. [CO1] (HOT)
8. Elaborate on the procedure for Negotiation by Endorsement. [CO3] (HOT)

Unit IV: The Companies Act, 2013 & The Limited Liability Partnership Act 2008

9. Describe the process of Incorporation of a company under the Companies Act, 2013. [CO3] (HOT)
10. Explain the concept of Limited Liability for the partners of an LLP. [CO2] (LOT)

Section-III: Long Answer

Question for 20 marks

1. **Unit I (Contract Act):** Analyze the various Remedies for Breach of Contract available to an aggrieved party under the Indian Contract Act, 1872. [CO1] (HOT)
2. **Unit I (Contract Act):** Explain and illustrate the fundamental principles governing the Discharge of Contract. Provide an example of discharge by Novation. [CO3] (HOT)
3. **Unit II & III (Integrated):** Evaluate the statement: "The Sale of Goods Act is an extension of the Indian Contract Act." Explain the transfer of property under the Sale of Goods Act and how this differs from the liability of a Holder in Due Course under the Negotiable Instruments Act. [CO2] (HOT)
4. **Unit IV (Company Act):** Discuss the provisions relating to the Issue of Shares (including bonus shares and rights issue) under the Companies Act, 2013. [CO2] (LOT) – SECTION C should not contain LOT questions.
5. **Unit IV (Company/LLP Act):** Elaborate on the Formation and the nature of Partners' relations in a Limited Liability Partnership (LLP). Prepare a brief comparison of the liability extent in an LLP versus a general partnership. [CO3] (HOT)
6. **Integrated (Unit I, II, III):** Analyze a scenario where a manufacturer takes a loan (Contract of Guarantee) to buy raw materials (Sale of Goods Act) and issues a post-dated cheque (Negotiable Instruments Act) for the payment. Discuss the legal implications if the cheque is dishonored and the goods were defective. [CO1] (HOT)

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Disclaimer: - This is a Practice Set. The Question in End term examination will differ from the Practice set. This Practice set is meant for practice