



FOUNDATION EXAMINATION

MODEL QUESTION PAPER

TERM – JUNE 2024

PAPER - 1

FUNDAMENTALS OF BUSINESS LAWS AND BUSINESS COMMUNICATION

Time Allowed: 1 Hour

Full Marks: 100

Answer all questions. Each question carries 2 marks.

1.	What are the sources of law?	
(a)	Constitution of India	O
(b)	Constitution of India, judicial precedents, customary laws, statutes and ordinance	O
(c)	Statutes enacted by the Parliament of India and State Legislatures	O
(d)	Religion	O
2.	Which Article in the Constitution of India, 1950 has provisions for introduction of a bill in the Parliament of India?	
(a)	Article 119	O
(b)	Article 141	O
(c)	Article 107	O
(d)	Article 243	O
3.	Money Bill is introduced in which House of the Parliament?	
(a)	Council of People – Lok Sabha	O
(b)	Council of States – Rajya Sabha	O
(c)	Both the Houses	O
(d)	None of the Houses	O
4.	Under what Article of the Constitution of India, 1950 is The President of India empowered to make an Ordinance?	
(a)	Article 243	O
(b)	Article 123	O
(c)	Article 129	O
(d)	Article 368	O
5.	The essence of Sub-Ordinate legislation can be found in which Article of the Constitution of India, 1950?	
(a)	Article 12	O
(b)	Article 32	O
(c)	Article 13	O



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	(d)	Article 14	O
6.	Voidable contract is one :		
	(a)	Which is lawful	O
	(b)	Which is invalid	O
	(c)	Which is valid so long it is not avoided by the party entitled to do so	O
	(d)	None of these	O
7.	The difference between an advertisement for sale and a proposal is :		
	(a)	No difference at all	O
	(b)	That a proposal becomes a promise as soon as the party to whom it is made accepts it but an advertisement does not	O
	(c)	Every case will be viewed according to the circumstances	O
	(d)	None of these	O
8.	In a Book depot a catalogue of books enlisting the price of each book and specifying the place where the particular book is available is :		
	(a)	An invitation to offer	O
	(b)	An offer	O
	(c)	An invitation to visit the book shop	O
	(d)	None of these	O
9.	A catalogue of the goods of a company for sale a series of offers but only an invitation for offers.		
	(a)	is	O
	(b)	is not	O
	(c)	in normal cases is	O
	(d)	in normal cases is not	O
10.	An offer does not lapse if the :		
	(a)	offeror dies before acceptance	O
	(b)	The offeree dies before acceptance	O
	(c)	Acceptance is made by the offeree in ignorance of the death of the offeror	O



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	(d)	Acceptance is made by the offeree with knowledge of the death of the offeror	O
11.		A telephonic acceptance is complete when the offer is :	
	(a)	spoken into the telephone	O
	(b)	heard but not understood by the offeror	O
	(c)	heard and understood by the offeror	O
	(d)	is received, heard and understood by some person in the offeror's house	O
12.		With regard to the contractual capacity of a person of unsound mind, which one of the following statements is most appropriate?	
	(a)	A person of unsound mind can never enter into a contract	O
	(b)	A person of unsound mind can enter into a contract	O
	(c)	A person who is usually of unsound mind can contract when he is, at the time of entering into a contract, of sound mind	O
	(d)	A person who is occasionally of unsound mind can contract although at the time of making the contract, he is of unsound mind	O
13.		While obtaining the consent of the promisee, keeping silence by the promisor when he has a duty to speak about the material facts, amounts to consent obtained by:	
	(a)	Coercion	O
	(b)	Misrepresentation	O
	(c)	Mistake	O
	(d)	Fraud	O
14.		A' threatened to commit suicide if his wife did not execute a sale deed in favour of this brother. The wife executed the sale deed. This transaction is:	
	(a)	Voidable due to under influence	O
	(b)	Voidable due to coercion	O
	(c)	Void being immoral	O
	(d)	Void being forbidden by law	O
15.		A contract which is vitiated by undue influence is declared as which one of the following by the Indian Contract Act?	
	(a)	Invalid	O



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	(b)	Void	O
	(c)	Illegal	O
	(d)	Voidable	O
16.	Consider the following: 1. Active concealment of fact. 2. Promise made without any intention of performing it. 3. Breach of duty which gains an advantage to the person committing it. 4. Inducing mistakes as to subject matter. Which of the above amount to fraud?		
	(a)	1 and 2	O
	(b)	2 and 3	O
	(c)	3 and 4	O
	(d)	1 and 4	O
17.	Factors vitiating consent are:		
	(a)	Coercion, Undue influence	O
	(b)	Fraud, Misrepresentation	O
	(c)	Mistake	O
	(d)	All of these	O
18.	Misrepresentation means:		
	(a)	Unwarranted assertion	O
	(b)	Any breach of duty without an intent to deceive	O
	(c)	Innocent mistake	O
	(d)	All the above	O
19.	If a party stands in a fiduciary relation to the other:		
	(a)	He cannot dominate	O
	(b)	He can dominate the will of another	O
	(c)	The trust should be maintained	O
	(d)	None of these	O
20.	A person is deemed to be in a position to dominate the will of another if he:		
	(a)	Holds real or apparent authority	O
	(b)	Stands in a fiduciary relationship	O
	(c)	Both (a) and (b)	O



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	(d)	Either (a) or (b)	O
21.	In case of appropriation of goods, which are the essential requirements:		
	(a)	The goods should confirm to the description and quality stated in the contract.	O
	(b)	The goods must be in a deliverable state	O
	(c)	The appropriation must be by the seller with the assent of the buyer	O
	(d)	All the above	O
22.	Appropriation of goods means :		
	(a)	separating the goods sold from other goods	O
	(b)	putting the quantity of goods sold in suitable receptacles	O
	(c)	delivering the goods to the carrier or other bailee for the purpose of transmission to the buyer with reserving the right of disposal	O
	(d)	all the above	O
23.	The general rule of Sale of Goods Act is, risk prima facie passes with :		
	(a)	Ownership	O
	(b)	Possession	O
	(c)	Delivery	O
	(d)	Custody	O
24.	"Nemo dat quad non habet", means:		
	(a)	no one is greater than god	O
	(b)	none can give who does not himself possess	O
	(c)	every one can give everything he has	O
	(d)	everyone is bound by is habit	O
25.	Transfer of documents of title to the goods sold to the buyer, amounts to :		
	(a)	actual delivery	O
	(b)	symbolic delivery	O
	(c)	constructive delivery	O
	(d)	none of these	O
26.	Under Sec.2(4) of the Sale of Goods Act, a delivery order enabling a person to obtain delivery on payment of price is :		
	(a)	Deemed as a Document of Title	O
	(b)	Not a Document of Title	O



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	(c)	Document enabling title to Goods	O
	(d)	Not a valid document at all	O
27.	A Share Certificate is a —		
	(a)	Document of Title to Goods	O
	(b)	Bill of Exchange	O
	(c)	Document Showing Title to Goods	O
	(d)	Instrument of Transfer	O
28.	A Bill of Lading is a —		
	(a)	Bill of Exchange	O
	(b)	Promissory Note	O
	(c)	Cheque	O
	(d)	Document of Title to Goods	O
29.	Section 19 of the Sale of Goods Act, deals with passing of property of.....goods.		
	(a)	Unascertained Goods	O
	(b)	Future Goods	O
	(c)	Specific or Ascertained Goods	O
	(d)	Contingent Goods	O
30.	Voluntary transfer of possession from one person to another is called as :		
	(a)	Ownership	O
	(b)	Delivery	O
	(c)	Gift	O
	(d)	License	O
31.	The undertaking contained in a promissory note, to pay a certain sum of money is :		
	(a)	Conditional	O
	(b)	Unconditional	O
	(c)	may be conditional or unconditional depending upon the circumstances	O
	(d)	none of the above	O
32.	A bill of exchange contains a/an :		
	(a)	unconditional undertaking	O
	(b)	unconditional order	O



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	(c)	conditional undertaking	O
	(d)	conditional order	O
33.	Cheque is a _____.		
	(a)	promissory note	O
	(b)	bill of exchange	O
	(c)	both (a) and (b) above	O
	(d)	None of the above	O
34.	The term 'Negotiable instrument' is defined in the Negotiable Instruments Act, 1881, under section:		
	(a)	12	O
	(b)	13	O
	(c)	13A	O
	(d)	2(d)	O
35.	The term 'negotiation' in section 14 of the Negotiable Instruments Act, 1881 refers to :		
	(a)	the transfer of a bill of exchange, promissory note or cheque to any person, so as to constitute the person the holder thereof	O
	(b)	the payment by a bank on a negotiable instrument after due verification of the instrument	O
	(c)	the bargaining between the parties to a negotiable instrument	O
	(d)	all of the above	O
36.	If an instrument may be construed either as a promissory note or bill of exchange, it is :		
	(a)	a valid instrument	O
	(b)	an ambiguous instrument	O
	(c)	a returnable instrument	O
	(d)	none of the above	O
37.	If a minor draws, endorses, delivers or negotiates an instrument, such instrument binds :		
	(a)	all parties to the instrument including the minor	O
	(b)	only the minor and not other parties to the instrument	O
	(c)	all parties to the instrument except the minor	O

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	(d)	none of the above	O
38.	In a promissory note, the amount of money payable :		
	(a)	must be certain	O
	(b)	may be certain or uncertain	O
	(c)	is usually uncertain	O
	(d)	none of the above	O
39.	X promises to supply Y one tola of gold brought from the sun. This is		
	(a)	Specially	O
	(b)	General	O
	(c)	Restrictive	O
	(d)	None of the above	O
40.	Under section 118 of the Negotiable Instruments Act, 1881, it is presumed, until the contrary is proved, that every transfer of a negotiable instrument was made :		
	(a)	after its maturity	O
	(b)	before its maturity	O
	(c)	at its maturity	O
	(d)	none of the above	O
41.	Communication that originates at a lower level and flows to a higher level is called -		
	(a)	Upward Communication	O
	(b)	Diagonal Communication	O
	(c)	Downward Communication	O
	(d)	None of the above	O
42.	Communication among employees at the same level in the organizational structure is called -		
	(a)	Grapevine Communication	O
	(b)	Diagonal Communication	O
	(c)	Lateral Communication	O
	(d)	None of the above	O
43.	Which of the following should be avoided in the Group discussion?		
	(a)	Positive body language	O
	(b)	Leadership initiative	O

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	(c)	False statements	O
	(d)	Confidence	O
44.	Which business communication usage provides a bird's eye view on a matter?		
	(a)	Speech	O
	(b)	Group Discussion	O
	(c)	Debate	O
	(d)	Presentation	O
45.	How many types of communication takes place in an organisation?		
	(a)	5	O
	(b)	1	O
	(c)	3	O
	(d)	4	O
46.	In which business communication, a speaker has to clearly speak for or against a topic?		
	(a)	Presentation	O
	(b)	Debate	O
	(c)	Speech	O
	(d)	Group discussion	O
47.	Includes face to face interaction with customers for closing the sale?		
	(a)	Sales promotion	O
	(b)	Advertising	O
	(c)	Direct marketing	O
	(d)	Personal Selling	O
48.	Use of coupons and samples come under which mode of marketing communication?		
	(a)	Sales promotion	O
	(b)	Advertising	O
	(c)	Direct marketing	O
	(d)	Personal Selling	O
49.	What is the situation called when a bad image of the company is created?		
	(a)	Positive PR	O
	(b)	Negative PR	O



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	(c)	Customer service	O
	(d)	Promotion	O
50.		Business communications help in establishing _____ when marketing?	
	(a)	Professionalism	O
	(b)	Rudeness	O
	(c)	Negativity	O
	(d)	Casualness	O