

END SEMESTER EXAMINATION, MAY - 2026**B. Com. (Hons.) Semester – II****Paper Code : 551107****Subject Name: Mercantile Law****Subject Code: BCM201****Time allotted: 03 Hours****Max. Marks: 100****Note: Read all the instructions carefully.**

Q.1	Objectives Type (Very short, MCQ, One-liners, Fill in the Blank, True/ False) Attempt all.	(10x2=20)
a.	Contract is defined under: i) IPC ii) Indian Contract Act iii) Companies Act iv) LLP Act	CO1
b.	Acceptance must be: i) Conditional ii) Absolute iii) Written iv) Oral only	CO1
c.	Agreement without consideration is: i) Valid ii) Void iii) Illegal iv) Enforceable	CO1
d.	Fraud includes: i) False statement ii) Active concealment iii) Promise without intention iv) All	CO1
e.	Contingent contract depends on: i) Past event ii) Future uncertain event iii) Agreement iv) Offer	CO1
f.	A continuing guarantee: i) Ends after one transaction ii) Covers series of transactions iii) Is invalid iv) Cannot be revoked	CO2
g.	Pledge is: i) Bailment of goods as security ii) Sale of goods iii) Agency contract iv) Partnership	CO2
h.	Transfer of ownership takes place in: i) Bailment ii) Sale iii) Agency iv) Guarantee	CO2
i.	Caveat emptor means: i) Seller beware ii) Buyer beware iii) Contract void iv) Goods defective	CO2
j.	Partnership requires minimum: i) 1 person ii) 2 persons iii) 5 persons iv) 7 persons	CO2
Q.2.	Short Notes / Short Answer Type (Attempt any five out of Seven)	(5x4=20)
a.	Explain the meaning of business law and its importance in business	CO3
b.	Explain the concept of offer and acceptance.	CO3
c.	Explain breach of contract and apply suitable remedies in a situation.	CO3
d.	Analyze the rights and duties of a bailee and bailor.	CO3
e.	Analyze the distinction between a contract of sale and other similar transactions, highlighting their legal implications.	CO4
f.	Analyze the rules regarding delivery of goods and examine their impact on transfer of ownership and risk.	CO4
g.	Analyze the key features of partnership and examine how they influence the functioning of a partnership firm.	CO4
Q.3.	Structured Question (Attempt any three out of four)	(3x10=30)
a.	Explain standard form contracts with examples and discuss their advantages and disadvantages in business transactions.	CO4
b.	Analyze the difference between void, voidable, and illegal agreements.	CO4
c.	Evaluate the rules relating to transfer of property in a contract of sale and assess their impact on ownership and risk in business transactions.	CO5
d.	Evaluate the various modes of dissolution of a partnership firm and assess their implications for partners and business continuity.	CO5
Q.4. Long Answer / Essay type (Attempt any two out of three)		(2x15=30)
a.	Evaluate the role of consideration in ensuring the validity of a contract, critically examining its rules and exceptions.	CO5
b.	Evaluate the relevance of the doctrine of <i>caveat emptor</i> in modern business practices, considering its exceptions and consumer protection developments.	CO6
c.	Design an appropriate business structure using a Limited Liability Partnership (LLP), justifying its incorporation, features, and comparison with a traditional partnership.	CO6
