Roll No: | | | | | | | | | | | |

GAIN MORE KNOWLEDGE
REACH GREATER HEIGHTS

PRESIDENCY UNIVERSITY

Presidency University Act, 2013 of the Karnataka Act No. 41 of 2013 | Established under Section 2(f) of UGC Act, 1956
Approved by AICTE, New Delhi | Approved By BCI
Bengaluru

Mid Term Examinations - October 2026

Date: 09/10/2026 **Time:** 02:00 PM - 03:30 PM

Course Code: CBS1002 **Course Name:** Business Law

Semester: Third Semester **Max. Marks:** 50 **Weightage:** 50%

CO - Levels	CO1	CO2	CO3
Marks	70	88	22

PART A: Answer Following Questions. 10 M

Q.N.	Questions	M	CO	BT
1	List two characteristics of law.	2	CO1	BT1
2	List one difference between district court and session court.	2	CO1	BT1
3	Define contract.	2	CO2	BT1
4	State the meaning of "Acceptance must be absolute and unconditional".	2	CO2	BT1
5	State the meaning of contract of indemnity.	2	CO3	BT1

PART B : Answer Any 1 Following Questions. 10 M

Q.N.	Questions	M	CO	BT
6	Define Business Law and explain its nature, characteristics, and scope. Discuss the importance of Business Law in regulating business activities and maintaining fair and orderly commercial relationships, with suitable examples.	10	CO1	BT2
7	Explain the meaning and importance of ADR and negotiation. Distinguish between ADR and negotiation with suitable examples.	10	CO1	BT2

PART C: Answer Any 1 Following Questions. 10 M

Q.N.	Questions	M	CO	BT
8	Every contract is an agreement, but every agreement is not a contract." Critically examine this statement with reference to the Indian Contract Act, 1872. Explain the relationship between an agreement and a contract and discuss the essential conditions that make an agreement legally enforceable, with suitable examples.	10	CO2	BT2
9	What is meant by discharge of a contract? Explain the various modes by which a contract may be discharged under the Indian Contract Act, 1872. Illustrate each mode with a suitable example.	10	CO2	BT2

PART D: Answer Any 1 Following Questions. 10 M

Q.N.	Questions	M	CO	BT

10	Aarav, a hotel owner, entered into a contract with Modern Furnishers to supply 100 dining chairs and 20 tables for ₹5 lakh by 1st June. The contract clearly stated that the furniture had to be delivered by that date because the hotel was scheduled to open on 5th June. Modern Furnishers failed to deliver the furniture on time. They informed Aarav on 3rd June that they would need another month to complete the order. Aarav had to purchase the furniture from another supplier at a higher price of ₹6.2 lakh. Aarav suffered an additional expense of ₹1.2 lakh and also incurred other reasonable expenses due to the delay. Questions – 1. Has Modern Furnishers committed a breach of contract? Give reasons. 2. What type of breach has occurred? 3. Can Aarav claim damages from Modern Furnishers? 4. What type of damages can Aarav claim? 5. Give a reasoned conclusion based on the principles of the Indian Contract Act, 1872.	10	CO2	BT2
11	Define a quasi-contract? Explain the essential features of quasi-contracts and discuss the different types of quasi-contracts recognised under the Indian Contract Act, 1872, with suitable examples.	10	CO2	BT2

PART E: Answer Any 1 Following Questions. 10 M				
Q.N.	**Questions**	**M**	**CO**	**BT**
12	Explain the meaning of an agent under the Indian Contract Act, 1872. Discuss the major rights and duties of an agent in relation to the principal, with suitable examples	10	CO3	BT2
13	Riya gives her expensive laptop to a repair shop for servicing. The repair shop agrees to keep the laptop safely and return it after the repair. While the laptop is in the shop, an employee carelessly leaves it near an open window, and rainwater damages the laptop. The shop owner argues that the laptop was damaged accidentally and refuses to compensate Riya. Questions: 1. Does this transaction constitute a contract of bailment? Give reasons. 2. What duty does the repair shop have towards Riya as a bailee? 3. Is the repair shop liable for the damage caused to the laptop? Explain. 4. State the standard of care expected from a bailee under the Indian Contract Act, 1872.	10	CO3	BT2