

Examrace

Mercantile Law 2000-Solved MCQs Competitive Exams Set 1

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(1) Payment can be made on a bill of exchange to:

Answer: Only to a person specified therein

(2) How a cheque is treated by a banker among the following when the balance at credit of drawer is found insufficient"

Answer: Be dishonored.

(3) 'Accommodation Party' is a person who has signed a negotiable instrument:

Answer: Without receiving the value thereof.

(4) Which of the following is correct:

Answer: A Provincial Government can constitute a Corporate Law Authority.

(5) Which of the following is correct:

Answer: None of these.

(6) Good will:

Answer: can be sold separately from other property of a firm.

(7.) When undue influence is used in a contract by one party against the other, the contract becomes:

Answer: voidable

(8) Which of the following is correct:

Answer: cannot mix

(9) Pledgor or Pawnor are:

Answer: same persons

(10) The principal must ratify the contract:

Answer: as a whole

(11) A dormant partner is one:

Answer: whose name does not appear in any way as partner?

(12) Caveat Emptor means:

Answer: The buyer should be aware of the suitability of goods for his purpose.

(13) If the seller of immovable property has effected a fire insurance policy in respect of the property, the purchaser, of the property:

Answer: cannot claim any benefit of it.

(14) The delivery of the insurance policy to the assured is:

Answer: essential to make binding contract.

(15) The grace period for every instrument payable at a specified period after date or after sight

is:

Answer: 3 days.

(16) Special Resolution is passed at a general meeting of a Public Company when not less than the following notice has been given:

Answer: 15 days notice

(17) One of the special privileges of a Private Limited Company is that:

Answer: there is restriction on the right of members to transfer their shares. (By the way this is not a privilege rather a disadvantage)

(18) A company shall be eligible for registration as a Modaraba Company if its paid-up capital is

not less than:

Answer: 2.5 million rupees.

(19) A and B are partners. A buys land with partnership moneys for his sole benefit. Thereafter,

A debits himself in the firm books and becomes a debtor to the firm for the amount of the purchase money. The purchased property is:

Answer: not partnership property.

(20) Whether a partner has got power to assign his partnership interest to any other person so as to make him a partner in the business?

Answer: No

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