



LOYOLA COLLEGE (AUTONOMOUS) CHENNAI – 600 034

B.Com. DEGREE EXAMINATION – HONOURS

SECOND SEMESTER – APRIL 2025



UBH2MC02 – CORPORATE AND BUSINESS LAW PART -2

Date: 28-04-2025

Dept. No.

Max. : 100 Marks

Time: 01:00 PM - 04:00 PM

SECTION A - K1 & K2 (CO1)

Q.No	Levels	Answer ALL the Questions	(10 x 2 = 20)
1	K1	What is the contract of indemnity?	
2		Define gratuitous bailment.	
3		List the duties of an agent toward their principal.	
4		Recall the meaning of caveat emptor.	
5		What is a shelf prospectus?	
6	K2	Explain continuing guarantee with example?	
7		Define pledge.	
8		Summarise how can an agency relationship be legally terminated?	
9		Define the term sale and agreement to sell.	
10		State any two characteristics of a company.	

SECTION B – K3 & K4 (CO2)

		Answer ALL the Questions	(4 x 10 = 40)
11	K3	Mr. A approached a bank for a loan, and Mr. B agreed to act as a surety for the loan. Due to unforeseen circumstances, Mr. A defaulted on the repayment. The bank demanded the payment from Mr. B, who claimed that his liability should arise only after exhausting all remedies against Mr. A. The bank insisted on immediate payment from Mr. B. Questions: 1. Explain the legal position of Mr. B as a surety in this situation. (2 marks) 2. What are the rights and liabilities of Mr. B in this case? (4 marks) 3. Under what circumstances can a surety be discharged from liability? (4 marks) [OR]	
12		Mr. M, a car dealer, appointed Mr. N as his agent to sell a specific model of cars. Mr. N sold a car to Buyer O and accepted the payment but failed to transfer the amount to Mr. M. Later, Buyer O discovered defects in the car and demanded either a refund or a replacement. Mr. M refused to take responsibility, claiming that the deal was entirely managed by Mr. N. Questions: 1. Analyze the legal relationship between Mr. M, Mr. N, and Buyer O. (3 marks) 2. Determine the liabilities of Mr. M as the principal and Mr. N as the agent in this transaction. (5 marks) 3. Suggest the legal remedies available to Buyer O in this situation. (2 marks)	
13		Explain the relationships created in a contract of guarantee? What are their roles? Summarise the types of guarantee with examples of case laws. [OR]	
14		Differentiate between a) indemnity and guarantee and b) bailment and pledge.	
15		Explain the different kinds of agents. [OR]	
16		Analyze the statement “Sale by non-owner”- Explain any exceptions to this statement.	
17		Assess the consequences of misstatements in the prospectus and their impact on stakeholders. [OR]	
18		Discuss the different kinds of share capital and their significance.	

SECTION C – K5 & K6 (CO3)

Answer ALL the Questions

(2 x 20 = 40)

19	K5	Evaluate the duties and responsibilities outlined in a bailment agreement, considering the impact on both the bailor and bailee.
20		[OR] Explain the rights and duties of the parties in the contract of agency.
21	K6	Critically evaluate the circumstances in which a surety is discharged from liability?
22		[OR] Summarize the rights and duties of the buyer.
