



## Avinashilingam Institute for Home Science and Higher Education for Women

Deemed to be University Estd. u/s 3 of UGC Act 1956, Category A by MHRD (now MoE)

Re-accredited with A++ Grade by NAAC. CGPA 3.65/4, Category I by UGC

Coimbatore - 641 043, Tamil Nadu, India

### Continuous Internal Assessment Test I – February 2026

#### II Semester

Class : I UG  
Major : I BBA

Time: 2 hours  
Maximum Marks: 60

#### 25BBAC07 Legal and ethics in Business

##### Course Outcomes:

At the end of the course, students will:

1. Recall major laws and regulations and ethical principles that guide business conduct.
2. Analyse case studies to identify legal and ethical challenges within business operations
3. Evaluate the effectiveness of existing legal frameworks in governing business practices.
4. Propose solutions to ethical dilemmas based on ethical theories
5. Analyse principles that align with corporate social responsibility.

#### Part - A

6 x 1 = 6

##### Choose the Correct Answer

1. The chief source of legal authority in India is  
a. People                      b. Constitution of India      c. Parliament                  d. Parliament                      CO1 K1
2. Competency to contract relates to  
a. Age of parties                      b. Soundness of mind of the parties  
c. Both age and soundness of mind      d. Intelligence of the parties                      CO2 K1
3. Business ethics refers to  
a. Legal obligations only                      b. Moral principles in business  
c. Government rules                      d. Profit maximization                      CO3 K1
4. Consideration in a contract means  
a. Written agreement                      b. Something given in return  
c. Legal capacity                      d. Lawful object                      CO1 K1
5. A contract of sale involves transfer of  
a. Service                      b. Ownership of goods      c. Property                      d. Capital                      CO2 K1
6. Electronic Fund Transfer (EFT) is related to  
a. Sale of goods      b. Banking transactions      c. Leasing contracts                  d. Consumer disputes                      CO3 K1

#### Part - B

3 x 6 = 18

##### Answer ALL Questions

Each answer should not exceed 400 words or two pages

7. a. Explain the Capacity of Competent parties for a contract in brief                      CO1 K2  
(or)
7. b. Differentiate between Sale and Agreement to Sell.                      CO2 K2
8. a. Write a note on Essential elements for Valid Offer.                      CO1 K2  
(or)
8. b. Explain in brief on the different kinds of endorsements with suitable examples.                      CO2 K2
9. a. Explain the benefits of Ethical conduct in business in brief.                      CO3 K2  
(or)
9. b. Explain the importance of ethics in business in brief.                      CO3 K2

#### Part - C

3 x 12 = 36

##### Answer ALL questions

Each answer should not exceed 800 words or four pages

10. a. "All Contracts are Agreements but all Agreements are not Contract". Explain in detail                      CO1 K2  
(or)
10. b. Explain the legal rules regarding valid consideration in detail.                      CO1 K2
11. a. Elucidate on the doctrine of caveat emptor and explain the exceptions.                      CO2 K2  
(or)
11. b. Explain in detail on implied conditions and warranties in a contract of sale of goods.                      CO2 K2
12. a. Explain in detail various modes in which a contract may be discharged.                      CO3 K2  
(or)