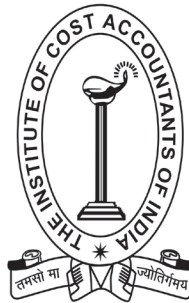


FOUNDATION

Paper 1

Fundamentals of Business Laws and Business Communication

Study Notes
SYLLABUS 2022



The Institute of Cost Accountants of India

CMA Bhawan, 12, Sudder Street, Kolkata - 700 016

www.icmai.in

First Edition : August 2022
Revised Edition : July 2024
Reprint : January 2026

Price: ₹ 400.00

Published by :

Directorate of Studies
The Institute of Cost Accountants of India
CMA Bhawan, 12, Sudder Street, Kolkata - 700 016
studies@icmai.in

Printed at :

M/s. Print Plus Pvt. Ltd.
212, Swastik Chambers
S. T. Road, Chembur
Mumbai - 400 071

Copyright of these Study Notes is reserved by the Institute of Cost Accountants of India and prior permission from the Institute is necessary for reproduction of the whole or any part thereof.

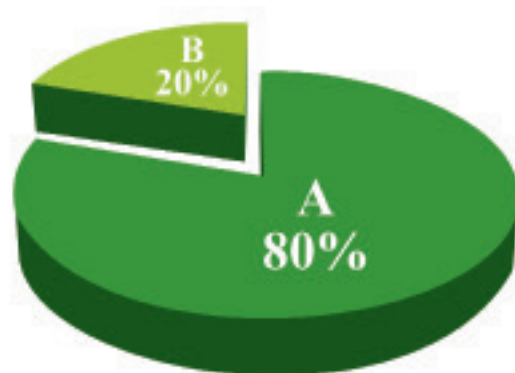
Copyright © 2026 by **The Institute of Cost Accountants of India**

PAPER 1: FUNDAMENTALS OF BUSINESS LAWS AND BUSINESS COMMUNICATION

Syllabus Structure:

The syllabus in this paper comprises the following topics and study weightage:

Module No.	Module Description	Weight
Section A : Fundamentals of Business Laws		80%
1	Introduction	10%
2	Indian Contracts Act, 1872	30%
3	Sale of Goods Act, 1930	20%
4	Negotiable Instruments Act, 1881	20%
Section B : Business Communication		20%
5	Business Communication	20%



Contents as per Syllabus

SECTION A : FUNDAMENTALS OF BUSINESS LAWS

01 - 208

Module 1. Introduction

01 - 38

- 1.1 Sources of Law
- 1.2 Legislative Process in India
- 1.3 Legal Method and Court System in India
- 1.4 Primary and Subordinate Legislation

Module 2. Indian Contracts Act, 1872

39 - 138

- 2.1 Essential elements of a Contract, Types of Contract, Offer and Acceptance
- 2.2 Void and Voidable Agreements, No Consideration No Contract
- 2.3 Consideration, Legality of Object and Consideration
- 2.4 Capacity of Parties, Free Consent
- 2.5 Quasi and Contingent Contracts
- 2.6 Performance of Contracts
- 2.7 Meaning of Indemnity, Guarantee, Pledge, Agent
- 2.8 E-Contracts and E-Signature – Meanings and Requirements
- 2.9 Discharge of Contracts
- 2.10 Breach of Contract and Remedies for Breach of Contract

Module 3. Sale of Goods Act, 1930

139 - 178

- 3.1 Definition
- 3.2 Transfer of Ownership
- 3.3 Essential Conditions of a Contract of Sale
- 3.4 Conditions and Warranties
- 3.5 Performance of the Contract of Sale
- 3.6 Rights of Unpaid Seller

Contents as per Syllabus

Module 4. Negotiable Instruments Act, 1881	179 - 208
4.1 Characteristics of Negotiable Instruments	
4.2 Definitions of Promissory Note, Bill of Exchange and Cheque	
4.3 Difference between Promissory Note, Bill of Exchange and Cheque	
4.4 Crossing – Meaning, Definition and Types of Crossing	
4.5 Dishonour of Cheques (Section 138)	

SECTION B : BUSINESS COMMUNICATION

209 - 288

Module 5. Business Communication	211 - 288
5.1 Introduction to Business Communication	
5.2 Features of Effective Business Communication	
5.3 Process of Communication	
5.4 Types of Business Communication	
5.5 Internet Based Business Communication	
5.6 Do's and Don'ts of Communication through Social Media	
5.7 Writing and Drafting for Business Audiences	
5.8 Intercultural and International Business Communication	
5.9 Barriers to Business Communication	
5.10 Legal Aspects of Business Communication	
5.11 Use of Graphics and References for Business Communication	

SECTION - A

FUNDAMENTALS OF BUSINESS LAWS

INTRODUCTION

1

This Module includes:

- 1.1 Sources of Law**
- 1.2 Legislative Process in India**
- 1.3 Court System in India**
- 1.4 Primary and Subordinate Legislation**

INTRODUCTION

Module Learning Objectives:

After studying this module, the students will be able to -

- ✦ Know the development of legal system in India over the years.
- ✦ Understand the sources of law and legislative process in India.
- ✦ Develop and understanding of the court system in India.
- ✦ Know primary and subordinate legislation prevailing in India with a brief introduction to the alternative dispute resolution process.

Law, as a tool of governance, has been dynamic in nature, expanding its horizons to accommodate the requirements of the society, over centuries. As we trace the sources, let us understand what law is, in the simplest of terms.

“Law is a set of rules...” (for the society) – Concept of Law by H.L.A. Hart.

In order to understand the law in greater detail, we shall cover the below mentioned modules, beginning from what is construed to be law, to the process of how it is formulated. We shall briefly cover the following topics for a better understanding:

- ⦿ Sources of Law
 - ✦ Sources of Law and Legal System in India before Independence - Brief History
- ⦿ Legislative Process in India
- ⦿ Court System in India
- ⦿ Primary and Subordinate Legislation

Introduction

The founding stone of source of law in modern India, post Independence, is the Constitution of India, 1950 which provides us the basic principles of law. However, there are various other sources of law, which has been developed with respect to customs, personal beliefs, pre-existing statutes, ordinances, regulations and judicial pronouncements. Its sources of law in India can be broadly classified as the below mentioned:

- 1) All statutes (preceding and proceeding the adoption of the Constitution of India, 1950),
- 2) Case Laws (judicial precedents) and customary law (personal laws)
- 3) Ordinances, regulations and other mandates that effect us.

Statutes - The statutes are enacted by the Parliament and State Legislatures according to their domain, mentioned in the 7th Schedule of the Constitution of India (the Union List, The State List and the Concurrent List). There are laws known as delegated legislation in the form of rules, and regulations, as well as bye-laws made by Central Government, State Governments and local authorities under the authority conferred or delegated by Parliament or the concerned State Legislature. Laws made by Parliament may extend throughout, or in any part of the territory of India and those by State Legislatures may generally apply only within the territory of the State concerned. This is also inclusive of all the statutes which have already been enacted before the adoption of the Constitution of India, 1950 unless repealed in part or in whole.

Judicial Precedents - As, we try and enhance our understanding of the law and its sources, it is very pertinent to know that all laws, go through rigorous scrutiny under the public eye, once it comes into effect. The concerned entities therefore, challenge laws, regulations before the court of law accordingly. The Constitution of India, 1950

therefore provides for provision under Article 141 for the same, which illustrates - Law declared by Supreme Court to be binding on all courts.— The law declared by the Supreme Court shall be binding on all courts within the territory of India.

Although, the Supreme Court of India or the High Courts of the respective states do not legislate, they have time and again provided with the correct interpretations for our understanding, and thereby acted as a source of law.

Personal Laws – Personal Laws are mostly based on individual faith, hence mostly guided by customs and practice. Example – Hindu Marriage Act, 1955, The Indian Christian Marriage Act, 1872, The Kazis Act, 1880, etc.

Ordinance/Regulations -Article 13.3 (a) on the Constitution of India, 1950 mentions law includes any Ordinance, order, bye-law, rule, regulation, notification, custom or usage having in the territory of India the force of law;

Therefore, in times of these exigencies The President of India 123. Power of President to promulgate Ordinances during recess of Parliament. Similar powers have been provided to the Governor of a State, under Article 213 of the Constitution of India, 1950, in territorial limit of the concerned state.

The authorities (Panchayati Raj), are notified under Article 243 of the Constitution of India, 1950, have the power delegated, to frame the required regulations for governance as local rural administration along with various institutions/organisations empowered to legislate rules/regulations.

As we delve into law and its sources in the modern times, it is pertinent to know the development of the same over centuries, and what it is today, and how it came to be so in brief. In this module of Indian Legal History we shall try and explore contemporary legal system with the one that already existed over various period of time over the geographical boundaries of present day India.

1.1.1 Sources of Law and Legal System in India before Independence – Brief History

The study of Indian legal history can primarily be divided into four periods:

- 1) The Ancient Period
- 2) The Medieval Period
- 3) The British Administrative Period
- 4) Indian Legal Period

1. The Ancient Period of law and governance can be found in and around the geographical boundaries of modern day India, 1500 years before and after the beginning of approximately the first decade of the Gregorian calendar. This era is mostly ruled and governed by kings having their own territories, and having laws and regulations that were very localized and specific to their geographical boundaries. So, with every passing territory, the set of laws differed. Therefore, bringing the ancient period of law with reference to the geographical idea of modern day India under the same umbrella, is a subject matter of great deliberation in itself. However, there were some underlying texts that have had their universal presence, i.e. Vedas, Smritis (Manu-Smriti being one of the most popular texts to have been in circulation), Upanishads and Arthashastra in the post Mauryan Empire era. One of the salient features of the ancient Indian law was that it was based on the principle of “dharma”, basing righteousness and duty as its guiding principle, which was a conglomeration of both legal and religious duties.

The jurisdiction of each was determined by the importance of the dispute, the minor disputes being decided by the lowest court and the most important by the king. The decision of each higher Court superseded that of the court below.

Ancient Indian Courts can be divided into six categories based on their rank.

They are as follows:

- ⦿ **The Kula** - Family Councils or groups
- ⦿ **The Shreni** - Trade or Professional Councils
- ⦿ **The Gana** - Village Assembly
- ⦿ **Adhikrita** - Court appointed by the King
- ⦿ **Sasita** - King's Court
- ⦿ **Nripa** – The King

But, as foreign invasions began to rise in numbers along-with the magnitude of these attacks, it became inevitable that the Indian sub-continent continue in the model of governance, that it had for centuries. Alongwith it, came changes to administration and subsequently to the legal system concerned.

2. The Medieval Period begins around the 12th century majorly influenced by foreign invasions and the idea of justice and laws they imported along-with themselves (overlapping with other legal systems under rulers of different faith). In 12th century when Mohammed Ghori defeated Prithviraj Chauhan at the Second Battle of Tarain in 1192 AD, shortly after which Qutubuddin Aibak became the first Sultan of Delhi, belonging to the slave dynasty. The medieval period in India had major influence from Delhi Sultanate ruled by Slave Dynasty to Lodhi Dynasty(1206-1526) after that Zahiruddin Babur defeated Ibrahim Lodhi which started the rule of the Mughal Empire effectively up to A.D. 1707 and then after the death of Bahadur Shah Zafar, the Mughal rule and influence in India practically came to an end.

During the **Sultanate period**, there were several courts of Justice, related to different branches of law. For example- Diwan-i-Mazlim deals with disputes concerning with administration or bureaucracy.

During the **Mughal period** courts were categorized according to the subject and requirement in contention, the central administration of justice was done by the central judicial system. The chief judicial functionary of the state was the Qazi-ul-Quzat who was appointed by the emperor to hear appeals and supervise the provincial courts. He was to be assisted by Mufti and Mir Ad'l: the former was given the duty to expound the law on which the Qazi would deliver the verdict, whereas the latter was associated with the functions of bringing the parties to the court and enforcing the decrees. Similarly, there was a Chief Qadi of the provincial court that dealt with all the cases which were civil and criminal nature and served as the highest forum of appeal within the province. In the capital, the military had its own judge, Qadi-e-Askar, who moved from place to place with the troops and whose office corresponds to the present day Court Martial.

With the decline of the Mughal Empire, prominence of the European Powers rose in the sub-continent, and the introduction of modern legal system took place.

3. The British Administrative Period lasted for approximately around 200 years.

The East India Company enjoyed more than trade rights, what if one is to see the complete picture, and followed in the aftermath of its arrival in India. The Charter of Elizabeth, 1600 empowered their legislative right, although limited, it led to the establishment of a new judicial system in India.

But over time, new charters were executed along with several new powers being granted. The Britishers over a period of time, exercised these powers to set up institutions for administration of disputes, however with limited jurisdiction.

The East India Company turned from the perspective of an entity interested in revenue, to one that was invested in administrative and political influence over the region, which was strengthened during the Battle of Plassey in 1757, and the subsequent grant of Dewani rights (1765) in Bengal.

However, in this process of acquiring territories after territories, the need for resolution of disputes, also arose, and it's out of this necessity that the introduction of British legal system, as suited for the Britishers, was implemented in territories under British occupancy.

To name a few reforms that are still prevalent till date:

- a) Establishment of Mayor's Court – 1726
- b) Warren Hastings with his Judicial Plan of 1772 which is known as The Adalat System now.
- c) Establishment of High Courts - The Indian High Courts Act, 1861 which suggested the establishment of High Courts in place of Supreme Court in three Presidencies: Calcutta, Madras, and Bombay.
- d) The Government of India Act, 1935 (alongwith the introduction of the Federal Court in 1937)

Along-with the above mentioned introductions, the British have introduced law as a codified subject, which till then, in it's previous era, was that of an abstract idea of justice.

In this course of time, they have also provided us with The Indian Penal Code, 1860, the Indian Contract Act, 1872, the Indian Evidence Act, 1872, etc. An essential set of laws which govern the modern day world.

The Indian Contracts Act becomes one of the branches of law, that requires our special attention, which in fact had many more parts than its present version. Over time separate legislations were enacted for the same. They are:

- i) The Sale of Goods Act, 1930
- ii) The Indian Partnership Act, 1932.

4. Indian Legal Period (1950 – Present Day) – The Indian (post Independence) legal history, begins with the Abolition of Privy Council Jurisdiction Act, 1949 (earlier Privy Council seated in England acted as the Highest Court of Appeal, since 1726) which was passed by the Indian Government. This Act accordingly abolished the jurisdiction of Privy Council to entertain new appeals and petitions as well as to dispose of any pending appeals and petitions. It also provided for transfer of all cases filed.

The Drafting Committee for the Constitution was formed and appointed with Mr. B.R. Ambedkar as its Chairman on 29th August 1947. On 26 November 1949, the Constitution of India was passed and adopted by the Constituent Assembly (celebrated as Law Day). On 26th January 1950, the Constitution of India was adopted.

With this, India gained its autonomy in Independent judicial system and infrastructure under the Constitution of India, 1950 and over the years been empowered with the same, to have a sovereign entity, with segregation of powers at all levels and all branches of administration.

With this, the Supreme Court of India was established on 26th January 1950, established under Article 124 (1) of the Constitution of India, 1950 with a strength of 8 (1 + 7) judges. Currently it has a strength of 34 judges (33 judges of the Supreme Court of India and 1 Chief Justice of India).

Legislative Process in India

1.2

The statutes enacted by the Parliament of India and/or the State Legislature is one of the most important source of law, in present day India. Therefore it becomes important to understand the process of distribution of power to legislate and structure of legislature in the Indian democracy.

The legislative process in India derives its authority from the Constitution of India, 1950. The structure of the Indian polity is that of federal (two tier structure - Central and State Government) in nature (S.R. Bommai vs Union of India, Supreme Court of India judgment - (1994 SCC (3) 1). However, India is a federation with a unitary bias and is referred as a quasi federal state because of its strong central machinery. The Indian legislative process has two major law making bodies, The Parliament of India and the State Legislature.

Parliament of India and State Legislature - Article 79 of the Constitution of India states that The Parliament for the Union which shall consist of the President and two Houses to be known respectively as the Council of States (Rajya Sabha) and the House of the People (Lok Sabha). Article 168 of The Constitution of India, 1950 - Constitution of Legislatures in States - For every State there shall be a Legislature which shall consist of the Governor and one House (Legislative Assembly). In some states, there are two houses, Article 168 (2) of the Constitution of India, where there are two Houses of the Legislature of a State:

- 1) Legislative Council and
- 2) Legislative Assembly.

The legislative bodies in India, i.e. at the Central Level (the Parliament) and State Level (Legislative Assembly) derive its power to frame laws from Article 245 of the Constitution of India.

Power to Legislate - Part XI of the Constitution of India, Article 245, states-

- (1) Subject to the provisions of this Constitution, Parliament may make laws for the whole or any part of the territory of India, and the Legislature of a State may make laws for the whole or any part of the State.

The power to make laws can further be found in Article 246 of the Indian Constitution which is to be read along-with the Schedule 7 of the Indian Constitution. The Parliament has exclusive power to make laws with respect to any of the matters enumerated in List I. (Seventh Schedule-Union List).

- (2) The Parliament and the Legislature of any State have power to make laws with respect to any of the matters enumerated in List III. (Seventh Schedule-Concurrent List). The Legislature of any State has exclusive power to make laws for such State or any part thereof with respect to any of the matters enumerated in List II (Seventh Schedule-State List).

However, despite demarcations, disputes arise on powers being transgressed between the two law making bodies, Article 254 of the Indian Constitution illustrates: Inconsistency between laws made by Parliament and laws made by the Legislatures of States—

- (1) If any provision of a law made by the Legislature of a State is repugnant to any provision of a law made by Parliament which Parliament is competent to enact, or to any provision of an existing law with respect to one of the matters enumerated in the Concurrent List,
- (2) Law made by Parliament, whether passed before or after the law made by the Legislature of such State, or, as the case may be, the existing law, shall prevail

Where a law made by the Legislature of a State with respect to one of the matters enumerated in the Concurrent List contains any provision repugnant to the provisions of an earlier law made by Parliament if it has been reserved for the consideration of the President and has received his assent, prevail in that State.

Introduction of Bill - In order to formulate a law, all legislative proposals have to be brought in the form of bills. The process of law making begins with the introduction of a Bill in either House of Parliament. A bill can be introduced either by a Minister or a member other than a Minister. In the former case, it is called a Government Bill and in the latter case, it is known as a Private Member's Bill.

Article 107 of the Indian Constitution, act 1950 specifies, the provisions up to introduction and passing of Bills — Subject to the provisions of Articles 109 and 117 with respect to Money Bills and other financial Bills, a Bill may originate in either House of Parliament. (a money bill is not introduced in the Council of States/Rajya Sabha – Article 109 of The Constitution of India, 1950).

A bill undergoes readings in each House, i.e., the Lok Sabha and the Rajya Sabha, before it is submitted to the President for assent. Therefore, as every bill goes through several rounds of debates and scrutiny before it becomes a law, therefore the time frame for the same too is one that takes time, weeks or sometimes months.

Many times, there are certain exigencies where the time and/or the circumstances do not permit for a law to be passed through the normal procedure, i.e. the legislative procedure vide the Parliament and/or the State Legislature.

Article 13.3 (a) on the Constitution of India, 1950 mentions law includes any Ordinance, order, bye-law, rule, regulation, notification, custom or usage having in the territory of India the force of law;

Therefore, in times of these exigencies The President of India 123. Power of President to promulgate Ordinances during recess of Parliament — If at any time, except when both Houses of Parliament are in session, the President is satisfied that circumstances exist which render it necessary for him to take immediate action, he may promulgate such Ordinances as the circumstances appear to him to require. (the tenure of an ordinance can vary from six weeks to six months, depending upon the circumstance)

Similar powers have been provided to the Governor of a State, under Article 213 of the Constitution of India, 1950, in territorial limit of the concerned state.

The Article 243 of the Constitution of India, 1950 illustrates how the power sharing has gone a step down further (w.r.t rural India), in order to incorporate local governance and required adequate support for the same.

Alongwith all the power to formulate the laws, what becomes a necessity is to amend the same over time. Article 368 of the Constitution of India, 1950 states that notwithstanding anything in this Constitution, Parliament may in exercise of its constituent power amend by way of addition, variation or repeal any provision of this Constitution in accordance with the procedure laid down in this article.

However, with all these powers conferred there remains a risk of introduction/deletion of certain laws, which are in contravention of the rights that are fundamental to human survival with a dignified life and enhancement of the same. The Supreme Court of India, in Keshavananda Bharati vs State of Kerala (AIR 1973 SC 1461), mentioned any amendment which is in contravention of the Fundamental Rights of an individual, will be unconstitutional.

However, despite all such checks and balances, powers are transgressed, and disputes arise. In order to seek the correct understanding and validity of the law/bye law concerned, we approach the Court to address the merit in the situation, and decide accordingly.

The judiciary has been established under the Constitution of India, 1950 as an institution of last resort, for common public, as well as all legal entities under law, inclusive of the State Governments and the Government of India. The Supreme Court of India is the apex institution, in its hierarchy, followed by the High Courts in respective States, followed by the Sub-Ordinate Courts.

Hierarchy of Courts in India

The Constitution of India, 1950 has provided us with a single integrated judicial system with a pyramidal structure which consists of different types of courts each having varying powers depending on their tier and jurisdiction. The framework of the current legal system has been laid down by the Constitution of India, 1950 in Part V (Chapter IV-Supreme Court of India) and Part VI (Chapter V-High Courts) and (chapter VI-Subordinate Courts).

Supreme Court

The Supreme Court is the apex court under the Indian Judicial system governed under Chapter IV of Part V- Art 124-147 of the Constitution comprising of the Chief Justice and other Judges appointed by the President. The Constitution bestows the following powers to the Supreme Court-

- a. **Original Jurisdiction** - Art 131 provides for the original jurisdiction whereby the Court can decide disputes between the Government of India and one or more states, between two or more states, between Government of India and State (s) on one side and State(s) on the other side.
- b. **Writ Jurisdiction** - Any person has the right to approach the Court against violation of his fundamental rights prescribed under Part-III, as expressly provided under Article 32 which guarantees constitutional remedies in the form of writs.
- c. **Appellate Jurisdiction** - Being the highest court of appeal, the Supreme Court has power to hear all appeals against any order of the High Court.
- d. **Advisory Jurisdiction** - The Supreme Court can advise the President on any question of public importance etc as desired.
- e. **Punishment for Contempt** - Under Article 129 of the Constitution of India, 1950 The Supreme Court of India and the High Court of each state under Article 215 of the Constitution of India, 1950 are declared as a Court of record with the power to punish for contempt of itself.
- f. **Review Jurisdiction** - The Court under Article 137 can review its own orders or judgments.

With this, the Supreme Court of India was established on 26th January 1950, established under Article 124 (1) of the Constitution of India, 1950 with a strength of 8 (1 + 7) judges. Currently it has a strength of 34 judges (33 judges of the Supreme Court of India and 1 Chief Justice of India).

High Court

High Courts are the second highest courts in the hierarchy dealt in Chapter V of Part VI of the Constitution. The Constitution bestows the following powers to the High Court-

- a. **Original Jurisdiction** - The Court has original jurisdiction and can decide disputes related to enforcement of fundamental rights, settlement of disputes relating to election to the Union and State Legislatures and jurisdiction over revenue matters.
- b. **Writ Jurisdiction** - Any person has the right to approach the Court against violation of his fundamental rights as well as legal rights under Article 226. Thus, it has a wider scope than that with the Supreme Court.
- c. **Appellate Jurisdiction** - An appeal against orders of subordinate courts in both civil and criminal matters lies with the High Court.
- d. **Power of superintendence** - Article 227 of Constitution empowers all High Courts to practice superintendence over all the courts or tribunals within its territorial jurisdiction. Moreover, under Article 228, the High Court can transfer any case pending before a subordinate court to itself if it involves a substantial question of law.
- e. **Punishment for Contempt** - Like the Supreme Court, the High Court is also declared as a Court of record with the power to punish for contempt of itself.

Lower/Subordinate Courts

Chapter VI of Part VI of the Indian Constitution incorporates provisions related to the subordinate courts. These courts are established and controlled by the High Court taking into account various factors. The Lower/Subordinate court structure can be divided into the following two branches of the legal system-

Criminal Court Structure

Section 6 of the Criminal Procedure Code, 1973 prescribes for the constitution of the following four classes of criminal courts:

- a) **Court of Session** - Every State has session divisions with each of them having a Court of Sessions to be presided over by the Sessions Judge who is appointed by the High Court. The court has power to try any criminal matter and pass any punishment authorized by law, but punishment of death penalty has to be confirmed by the High Court.
- b) **Court of Metropolitan Magistrate** - This is a special court established by the State Government in consultation with the High Court in metropolitan areas, i.e., areas with population of more than a million. These Courts are subordinate to the Sessions Court. Chief Metropolitan Magistrate can pass any punishment authorized by law, except death penalty, penalty of life imprisonment or imprisonment for a term of more than seven years.
- c) **Court of Chief Judicial Magistrate** - The State Government in consultation with the High Court establishes number of Courts of the Judicial Magistrate- Judicial Magistrate of First Class (JMFC) and second class headed by the Chief Judicial Magistrate (CJM). These Courts can pass any punishment authorized by law, except death penalty, penalty of life imprisonment or imprisonment for a term of more than seven years.
- d) **Executive Magistrates** - The functions and powers of an Executive Magistrate are more or less administrative in nature and are for maintaining law and order. They are appointed by the respective State Government. Their essential job is not as a judicial officer.

Hierarchy of Courts – Criminal Justice System in India

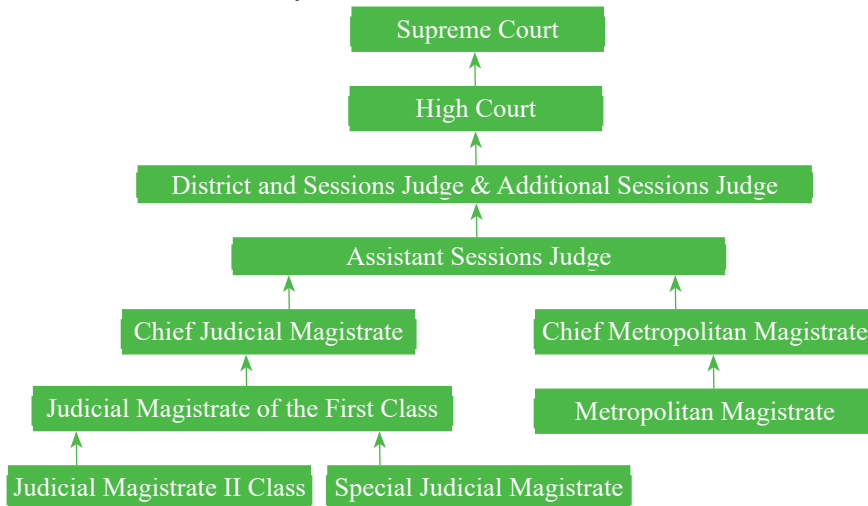


Fig. 1.1 : Hierarchy of Courts – Criminal Justice System in India

Civil Court Structure

The district court is the highest civil court in a district and has judicial as well as administrative powers including the power of superintendence with both appellate and original jurisdiction. According to Article 233 of the Constitution the appointment of district judges that shall be done by the Governor in consultation with the High Court in every district or more than one district. Following are the courts subordinate to the district courts which have jurisdiction based on subject matter, pecuniary or territorial jurisdictions-

- a. Sub-Judge
- b. Additional Sub-Judge
- c. Munsif Courts

Thus, judiciary comprising of the court system is one of the most vital organs of the state that not only acts as a watchdog of democracy but also as the guardian of the Constitution. It is evident from the strong base and the proven efficiency of the structure of the Indian judiciary being independent and impartial that the existing system is ideal for a big country like India to ensure proper administration of justice at all levels starting from the grass root.

Hierarchy of Civil Judicial System

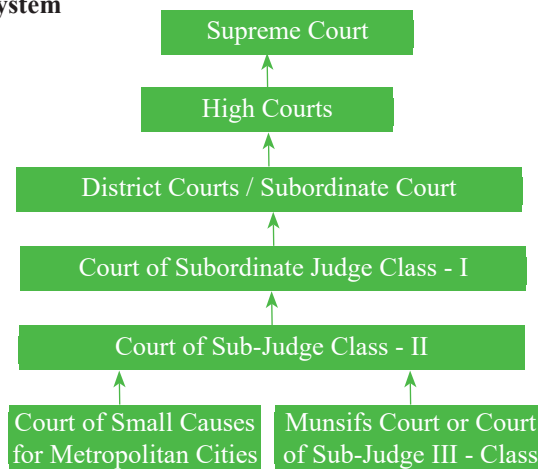


Fig. 1.2 : Hierarchy of Civil Judicial System

The Tribunal System in India

Key insights

- Tribunals are institutions established for discharging judicial or quasi-judicial duties. The objective may be to reduce case load of the judiciary or to bring in subject expertise for technical matters.
- The Supreme Court has ruled that tribunals, being quasi-judicial bodies, should have the same level of independence from the executive as the judiciary. Key factors include the mode of selection of members, the composition of tribunals, and the terms and tenure of service.
- In order to ensure that tribunals are independent of the executive, the Supreme Court had recommended that all administrative matters be managed by the law ministry rather than the ministry associated with the subject area. Later, the Court recommended creation of an independent National Tribunals Commission for the administration of tribunals. These recommendations have not been implemented.
- Whereas the reasoning for setting up some tribunals was to reduce pendency of cases in courts, several tribunals are facing the issue of a large case load and pendency.

Evolution of the Tribunal System

Tribunals are judicial or quasi-judicial institutions established by law. Currently, tribunals have been created both as substitutes for High Courts and as subordinate to High Courts (see Figure). In the former case, appeals from the decisions of Tribunals (such as the Securities Appellate Tribunal) lie directly with the Supreme Court. In the latter case (such as the Appellate Board under the Copyright Act, 1957), appeals are heard by the corresponding High Court.

Structure of Indian Tribunal System

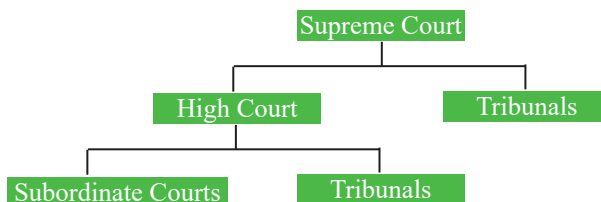


Fig. 1.3 : Structure of Indian Tribunal System

- **Composition of Tribunals:** The Supreme Court has noted that the members of a tribunal may be selected from departments of the central government as well as from various other fields of expertise. The presence of expert members (technical members) along with judicial members is a key feature of tribunals which distinguishes them from traditional courts. Only persons with a judicial background (such as Judges of the High Court and lawyers with the prescribed experience who are eligible for appointment as High Court Judges) may be considered for appointment as Judicial Members.

The Tribunals Reforms (Rationalisation and Conditions of Service) Ordinance, 2021 has abolished nine tribunals and transferred their functions to High Courts. This action would add to the pending cases in such High Courts.

Appeals from tribunals usually lie with the concerned High Court. However, some laws specify that appeals will be heard by the Supreme Court. Table illustrates some tribunals and the court with appellate jurisdiction over them.

Table: Appellate courts for some Tribunals in India

Name of Tribunal	Act establishing the Tribunal	Appellate Court
Industrial Tribunal	The Industrial Disputes Act, 1947	High Court
Income-Tax Appellate Tribunal	The Income-tax Act, 1961	High Court
Customs, Excise and Service Tax Appellate Tribunal	The Customs Act, 1962	High Court
Appellate Tribunal	The Smugglers and Foreign Exchange Manipulators (Forfeiture of Property) Act, 1976	High Court
Central Administrative Tribunal	The Administrative Tribunal Act, 1985	Supreme Court
Railway Claims Tribunal	The Railway Claims Tribunal Act, 1987	High Court
Securities Appellate Tribunal	The Securities Exchange Board of India Act, 1992	Supreme Court
Debts Recovery Appellate Tribunal	The Recovery of Debts Due to Banks and Financial Institutions Act, 1993	High Court
Telecom Disputes Settlement and Appellate Tribunal	The Telecom Regulatory Authority of India Act, 1997	Supreme Court
National Company Law Appellate Tribunal	The Companies Act, 2013	Supreme Court
National Consumer Disputes Redressal Commission	The Consumer Protection Act, 2019	Supreme Court
Appellate Tribunal for Electricity	The Electricity Act, 2003	Supreme Court
Armed Forces Tribunal	The Armed Forces Tribunal Act, 2007	Supreme Court
National Green Tribunal	The National Green Tribunal Act, 2010	Supreme Court

Alternate Dispute Resolution (ADR)

The process by which disputes between the parties are settled or brought to a result without the intervention of Judicial Institution and without any trial is known as Alternative Dispute Resolution. ADR offers to resolve all type of matters including civil, commercial, industrial and family etc., where people are not being able to start any type of negotiation and reach the settlement.

Generally, ADR uses neutral third party who helps the parties to communicate, discuss the differences and resolve the dispute.

Modes of Alternate Dispute Resolution (ADR)

Arbitration

The dispute is submitted to an arbitral tribunal which makes a decision (an “award”) on the dispute that is mostly binding on the parties. Except for some interim measures, there is very little scope for judicial intervention in the arbitration process.

Conciliation

A non-binding procedure in which an impartial third party, the conciliator, assists the parties to a dispute in reaching a mutually satisfactory agreed settlement of the dispute.

The parties are free to accept or reject the recommendations of the conciliator. However, if both parties accept the settlement document drawn by the conciliator, it shall be final and binding on both.

Mediation

In mediation, an impartial person called a “Mediator” helps the parties try to reach a mutually acceptable resolution of the dispute.

The mediator does not decide the dispute but helps the parties communicate so they can try to settle the dispute themselves. Mediation leaves control of the outcome with the parties. This is more or less an informal way of arriving at a settlement/arrangement.

Lok Adalat

An interesting feature of the Indian legal system is the existence of voluntary agencies called Lok Adalat (People’s Court). The Legal Services Authorities Act was passed in 1987 to encourage out-of-court settlements.

Lok Adalat or “People’s Court” comprises of a forum which facilitates negotiations in the presence of a judicial officer. The order of the Lok-Adalat is final and shall be deemed to be a decree of a civil court and shall be binding on the parties to the dispute. The order of the Lok-Adalat is not appealable in a court of law.

Important Provisions Related To ADR

Section 89 of the Civil Procedure Code, 1908 provides that opportunity to the people, if it appears to court there exist elements of settlement outside the court then court formulate the terms of the possible settlement and refer the same for: Arbitration, Conciliation, Mediation or Lok Adalat.

The Acts which deal with Alternative Dispute Resolution are

- i. Arbitration and Conciliation Act, 1996 and,
- ii. The Legal Services Authority Act, 1987

Since courts in India are already burdened by a huge backlog of cases, many statutory provisions make mediation a compulsory prerequisite to filing of a suit in court. Some of these statutes are:

- ⦿ **Industrial Disputes Act, 1947** – Section 4 of the Act assigns conciliators the responsibility to mediate and settle industrial disputes and prescribes the procedure to be followed in great detail.
- ⦿ **Code of Civil Procedure, 1908** – The Code was amended in 2002 which provided for the reference of all pending court cases to mediation. The amendment also prescribes mediation for all family and personal matters due to their sensitive nature.
- ⦿ **Companies Act, 2013** – Section 442 provides for the referral of disputes to mediation by the National Company Law Tribunal and the Appellate Tribunal.
- ⦿ **Micro, Small and Medium Enterprises Development Act, 2006** – The Act mandates mediation and conciliation when disputes arise. (Section 18)
- ⦿ **Real Estate (Regulation and Development) Act, 2016** – Section 32(g) provides for the amicable settlement of disputes through an established dispute resolution forum.

- ⦿ **Commercial Courts Act, 2015** – The new amendment made to the Act in 2018 provide for mandatory mediation between parties before filing of a suit. The amendment allows litigation only if the parties meaningfully engage in mediation proceedings and still fail to resolve the matter.
- ⦿ **Consumer Protection Act, 2019** – The new rendition of the Consumer Protection Act dedicates an entire Chapter to the resolution of disputes through mediation first before approaching a consumer redressal agency.

Advantages of Alternative Dispute Resolution

Less Time Consuming: People resolve their disputes in short period as compared to traditional litigation forums.

Cost effective method: ADR as a process in general is less expensive than litigation process. Also, as a platform this is a less aggressive dispute resolution process, which often leads to an amicable settlement.

Regulatory Bodies in India

Along with Courts, Tribunals and other forums in India, we have various regulatory bodies in India, which are the part and parcel of governance in their respective sectors, a watchdog and also a guardian in case of any irregularity. Listed below, are few of the most important one's affecting on our day to day life.

1. Securities and Exchange Board of India (SEBI)

The Securities and Exchange Board of India (SEBI) is a statutory body established under the SEBI act of 1992, as a response to prevent malpractices in the capital markets that were negatively impacting people's confidence in the market. Its primary objective is to protect the interest of the investors, prevent malpractices, and ensuring the proper and fair functioning of the markets. SEBI has many functions, they can be categorized as:

- (i) **Protective functions:** To protect the interests of the investors and other market participants. It includes – preventing insider trading, spreading investor education and awareness, checking for price rigging, etc.
- (ii) **Regulatory functions:** These are performed to ensure the proper functioning of various activities in the markets. It includes – formulating and implementing code of conduct and guidelines for all types of market participants, conducting an audit of the exchanges, registration of intermediaries like brokers, investment bankers, levying fees, and fines against misconduct.
- (iii) **Development functions:** These are performed to promote the growth and development of the capital markets. It includes – Imparting training to various intermediaries, conducting research, promoting self-regulation of organizations, facilitating innovation, etc.

To perform its functions and achieve its objectives, SEBI has the following powers:

- a. To change laws relating to the functioning of the stock exchange
- b. To access records and financial statements of the exchanges
- c. To conduct hearing and give judgments on cases of malpractices in the markets.
- d. To approve the listing and force delisting of companies from any exchanges.
- e. To take disciplinary actions like fines and penalties against participants who involve in malpractice.

- f. To regulate various intermediaries and middlemen like brokers.

2. Reserve Bank of India (RBI)

The Reserve Bank of India (RBI) is India's central bank and was established under the Reserve Bank of India act in 1935. The primary purpose of RBI is to conduct the monetary policy and regulate and supervise the financial sector, most importantly the commercial banks and the non-banking financial companies. It is responsible to maintain price stability and the flow of credit to different sectors of the economy.

Some of the main functions of RBI are:

- a. It issues the license for opening banks and authorizes bank branches.
- b. It formulates, implements, and reviews the prudential norms like the Basel framework.
- c. It maintains and regulates the reserves of the banking sector by stipulating reserve requirement ratios.
- d. It inspects the financial accounts of the banks and keeps a track of the overall stress in the banking sector.
- e. It oversees the liquidation, amalgamation or reconstruction on financial companies.
- f. It regulates the payment and settlement systems and infrastructure.
- g. It prints, issues and circulates the currency throughout the country.

The RBI is the banker to the government and manages its debt issuances, and is also responsible to maintain orderly conditions in the government securities markets (G-Sec). RBI manages the foreign exchange under the Foreign Exchange Management Act, 1999.

3. Insurance Regulatory and Development Authority of India (IRDAI)

The Insurance Regulatory and Development Authority of India (IRDAI) is an independent statutory body that was set up under the IRDA Act, 1999. Its purpose is to protect the interests of the insurance policyholders and to develop and regulate the insurance industry. It issues advisories regularly to insurance companies regarding the changes in rules and regulations.

It promotes the insurance industry but also controls the various charges and rates related to insurance.

The three main objectives of IRDA are:

- (i) To ensure fair treatment and protect the interests of the policyholder.
- (ii) To regulate the insurance companies and ensure the industry's financial soundness.
- (iii) To formulate standards and regulations so that there is no ambiguity.

Some important functions of IRDA are:

- a. Granting, renewing, canceling or modifying the registration of insurance companies.
- b. Levying charges and fees as per the IRDA act.
- c. Conducting investigation, inspection, audit, etc. of insurance companies and other organizations in the insurance industry.

- d. Specifying the code of conduct and providing qualifications and training to intermediaries, insurance agents etc.
- e. Regulating and controlling the insurance premium rates, terms and conditions and other benefits offered by insurers.
- f. Provides a grievance redressal forum and protect the interests of the policyholder.

4. Pension Funds Regulatory and Development Authority (PFRDA)

The Pension Fund Regulatory and Development Authority (PFRDA) is a statutory body, which was established under the PFRDA act, 2013. It is the sole regulator of the pension industry in India. Initially, PFRDA covered only for employees in the government sector but later, its services were extended to all citizens of India including NRI's. Its major objectives are – to provide income security to the old aged by regulating and developing pension funds and to protect the interest of subscribers to pension schemes.

The National Pension System (NPS) of the government is managed by the PFRDA. It is also responsible for regulating custodians and trustee banks. The Central Record Keeping Agency (CRA's) of the PFRDA performs record keeping, accounting and provides administration and customer services to subscribers of the pension fund.

Some functions of PFRDA are:

- (i) Conducting enquiries and investigations on intermediaries and other participants.
- (ii) Increasing public awareness and training intermediaries about retirement savings, pension schemes etc.
- (iii) Settlements of disputes between intermediaries and subscribers of pension funds.
- (iv) Registering and regulating intermediaries.
- (v) Protecting the interest of pension fund users.
- (vi) Stipulating guidelines for investment of pension funds.
- (vii) Formulating code of conduct, standards of practice, terms and norms for the pension industry.

5. Association of Mutual Funds in India (AMFI)

The Association of Mutual Funds in India (AMFI) was set up in 1995. It is a non-profit organization that is self-regulatory and works for the development of mutual fund industry by improving professional and ethical standards, thus aiming to make the mutual funds more accessible and transparent to the public. It provides spreads awareness vital information about mutual funds to Indian investors.

The Association of Mutual Funds in India is the regulatory body for mutual funds sector in India. It is a division of the Securities and Exchange Board of India, Ministry of Finance, Government of India. Most mutual funds firms in India are its members.

AMFI ensures smooth functioning of the mutual fund industry by implementing high ethical standard and protects the interests of both – the fund houses and investors. Most asset management companies, brokers, fund houses, intermediaries etc in India are members of the AMFI. Registered AMC's are required to follow the code of ethics set by the AMFI. These code of ethics are – integrity, due diligence, disclosures, professional

selling and investment practice.

The AMFI updates the Net Asset Value of funds on a daily basis on its website for investors and potential investors. It has also streamlined the process of searching mutual fund distributors.

6. Ministry of Corporate Affairs (MCA)

The Ministry of Corporate Affairs (MCA) is a ministry within the government of India. It regulates the corporate sector and is primarily concerned with the administration of the Companies Act, 1956, the Companies Act, 2013 and other legislations. It frames the rules and regulations to ensure the functioning of the corporate sector according to the law.

The objective of MCA is to protect the interest of all stakeholders, maintain a competitive and fair environment and facilitate the growth and development of companies. The Registrar of Companies (MCA), is a body under the MCA that has the authority to register companies and ensure their functioning as per the provisions of the law. The issuance of securities by the companies also comes under the purview of the Companies Act.

7. National Housing Bank (NHB)

National Housing Bank, is the apex regulatory body for overall regulation and licensing of housing finance companies in India. It is under the jurisdiction of Ministry of Finance, Government of India. It was set up on 9 July 1988 under the National Housing Bank Act, 1987.

The primary function of NHB is to “operate as a principal agency to promote housing finance institutions both at local and regional levels and to provide financial and other support to such institutions and for matters connected therewith or incidental thereto”.

Primary and Subordinate Legislation

1.4

In modern day world, government activity influences almost every field of human behaviour, thus necessitating laws in regulating this ever-widening sphere of activity. Therefore, there is constant need to legislate, at a rapid pace, with a localized understanding, which however is cumbersome and impractical to perform, for the Union Legislature and State Legislature. As we move towards a more dynamic society, therefore the governance of the same extends to various levels of government bodies, as according to the complexity, furthermore delegated power (subordinate legislation) to authorities and officials.

Primary Legislation is the law that derives its source from the enactments passed by the Parliament or the State Legislatures, the bodies empowered by the Constitution of India, 1950 by its provisions. In addition to these the President and the Governor have limited powers to issue ordinances when the Parliament or the State Legislature are not in session.

Secondary Legislation/Sub-Ordinate Legislation arises from the need for empowering authorities (to legislate) working at the grass-root level to counter the daily challenges to the existing laws becomes a necessity. The provision for secondary legislation (in the form of regulations/bye laws) has been ingrained in the Constitution of India, 1950. Article 13.3 (a) of the Constitution of India, 1950 mentions law includes any Ordinance, order, bye-law, rule, regulation, notification, custom or usage having in the territory of India the force of law; therefore provision for such delegation (subordinate legislation) gains its prominence.

The Constitution of India, 1950 in its provisions illustrates of power delegation (if need be), Article 312- All India Services (1) Notwithstanding anything in Chapter VI of Part VI or Part XI, if the Council of States (Rajya Sabha) has declared by resolution supported by not less than two thirds of the members present and voting that it is necessary or expedient in the national interest so to do, Parliament may by law provide for the creation of one or more all India services (including an all India judicial service) common to the Union and the States, and, subject to the other provisions of this Chapter, regulate the recruitment, and the conditions of service of persons appointed, to any such service. (the Indian Administrative Service and the Indian Police Service shall be deemed to be services created by Parliament under this article)

Supreme Court of India in the Gwalior Rayon Mills Mfg. (Wing.) Co. Ltd. V. Asstt. Commissioner of Sales Tax and Others (All India Reporter 1974 SC 1660 (1667)), The legislatures because of limitations imposed upon by the time factor hardly go into matters of detail. Provision is, therefore, made for delegated legislation to obtain flexibility, elasticity, expedition and opportunity for experimentation. The practice of empowering the executive to make subordinate legislation within a prescribed sphere has evolved out of practical necessity and pragmatic needs of a modern welfare state.

Subordinate legislation is the legislation made by an authority subordinate to the legislature. Subordinate legislation is that which proceeds from any authority other than the sovereign power and is, therefore, dependent for its continued existence and validity on some superior or supreme authority. Most of the enactments provide for the powers for making rules, regulations, bye-laws or other statutory instruments which are exercised by the specified subordinate authorities. Such legislation is to be made within the framework of the powers so delegated by the legislature and is, therefore, known as delegated or subordinate legislation. The sub-ordinate legislation cannot go beyond the act or the objective of the act, or the same would be held invalid.

There are instances where pieces of subordinate legislation which tended to replace or modify the provisions of the basic law or attempted to lay down new law by themselves had been struck down as ultra vires either because of transgressing the ambit of the Act or the Act itself is inconsistent with the provisions of the Constitution of India.

Local Governance - The Constitution of India, 1950 itself provides provisions for decentralization of governance, for effective and adequate authority over a territory to look after the requirements. Part IX (Panchayat System) and Part IXA (Municipalities) of the Constitution of India, 1950 give them adequate powers and autonomy over their jurisdiction. These two bodies are one of the largest sources of sub-ordinate legislation, as regulations in these territories need to be revised very rapidly.

As, we have observed in the Covid-19 pandemic, how frequently, guidelines and regulations have been required to cater to the unprecedented circumstances we have been through. This would have been a cumbersome task for the Parliament or the State legislature to be able to analyse and react to the situation in a localized manner, taking adequate measures for the general well being and requirements of the population.

Exercise

Multiple Choice Questions (MCQ)

1. What are the sources of law?
 - (a) Constitution of India
 - (b) Constitution of India, judicial precedents, customary laws, statutes and ordinance
 - (c) Statutes enacted by the Parliament of India and State Legislatures
 - (d) Religion
2. Which Article in the Constitution of India, 1950 has provisions for introduction of a bill in the Parliament of India?
 - (a) Article 119
 - (b) Article 141
 - (c) Article 107
 - (d) Article 243
3. Money Bill is introduced in which House of the Parliament?
 - (a) Council of People – Lok Sabha
 - (b) Council of States – Rajya Sabha
 - (c) Both the Houses
 - (d) None of the Houses
4. Under what Article of the Constitution of India, 1950 is The President of India empowered to make an Ordinance?
 - (a) Article 243
 - (b) Article 123
 - (c) Article 129
 - (d) Article 368
5. The essence of Sub-Ordinate legislation can be found in which Article of the Constitution of India, 1950?
 - (a) Article 12
 - (b) Article 32
 - (c) Article 13
 - (d) Article 14

6. When was the Constitution of India passed by the Constituent Assembly?
 - (a) 26th January 1950
 - (b) 26th November 1949
 - (c) 25th November 1949
 - (d) 15th August 1947
7. Which is the highest Court in India?
 - (a) High Court
 - (b) Supreme Court of India
 - (c) International Court of Justice
 - (d) Sessions Court
8. Which Articles of the Constitution of India have the power to entertain petitions of violation of Fundamental Right?
 - (a) Article 32
 - (b) Article 226
 - (c) Article 226 and Article 32
 - (d) Article 356
9. Which is the highest civil court in a district?
 - (a) Sessions Court
 - (b) Supreme Court of India
 - (c) District Court
 - (d) High Court
10. Which Article of the Constitution of India empowers the legislature to make laws?
 - (a) Article 12
 - (b) Article 243
 - (c) Article 141
 - (d) Article 245
11. When was the Supreme Court of India established?
 - (a) 26th November 1949
 - (b) 26th January 1950
 - (c) 28th January 1950
 - (d) 1st October 1937

12. Which Article of the Constitution of India stipulates law made by the Supreme Court of India?
- (a) Article 141
 - (b) Article 245
 - (c) Article 368
 - (d) Article 352
13. What is the Schedule in the Constitution of India, for Separation of Subject for Legislature?
- (a) 9th Schedule
 - (b) 7th Schedule
 - (c) 32nd Schedule
 - (d) 14th Schedule
14. What kind of structure does the Indian Constitution have?
- (a) Unitary
 - (b) Federal
 - (c) Autocracy
 - (d) Totalitarian
15. Under which Article can we amend the provisions of the Constitution of India?
- (a) Article 356
 - (b) Article 368
 - (c) Article 254
 - (d) Article 245
16. Which is the lowest court to approach for criminal matters?
- (a) Munsif Court
 - (b) Judicial Magistrate
 - (c) Sessions Court
 - (d) District Court

17. Mention the number of judges in the Supreme Court of India including Chief Justice of India currently.
- (a) 23
 - (b) 32
 - (c) 34
 - (d) 46
18. Fundamental Rights are mentioned under which part of the Constitution of India?
- (a) Part-II
 - (b) Part-III
 - (c) Part-IX
 - (d) Part-XII
19. Municipalities are provided for authority under which part of the Constitution of India?
- (a) Part IX
 - (b) Part IXA
 - (c) Part III
 - (d) Part I
20. Under what Article of the Constitution of India, 1950 is the Governor of a State empowered to make an Ordinance?
- (a) Article 123
 - (b) Article 243
 - (c) Article 245
 - (d) Article 213
21. What Are Personal Laws?
- (a) Laws relating to inter personal behaviour
 - (b) Customs (religious beliefs) that have now been codified
 - (c) Laws that a person makes
 - (d) Laws based on opinion

22. Which Article of the Constitution of India, deal with inconsistency between laws made by Parliament and laws made by the Legislatures of States?
- (a) Article 245
 - (b) Article 254
 - (c) Article 368
 - (d) Article 32
23. What is a Private Bill?
- (a) A bill introduced by a member other than a Minister
 - (b) Bill introduced by a private citizen
 - (c) Bill introduced by a Private company
 - (d) A bill relating affairs which are private to individual
24. The Parliament for the Union of India which shall consist?
- (a) The President, the Council of States (Rajya Sabha) and the House of the People (Lok Sabha)
 - (b) Rajya Sabha
 - (c) Lok Sabha
 - (d) Legislative Assembly
25. Secondary/Sub-ordinate legislation cannot go beyond:
- (a) The ambit of the Act
 - (b) The ambit of the Act or the Constitution of India
 - (c) The Constitution of India
 - (d) Directive Principles of State Policy
26. Elements of Law include.
- (a) Command
 - (b) Duty
 - (c) Sanction
 - (d) All the above

27. As per the Historical definition of law, it is not universal in nature.

- (a) True
- (b) False
- (c) Partly True
- (d) Partly False

28. Is a primary source of Hindu law.

- (a) Vedas
- (b) Holy Kuran
- (c) Bible
- (d) None of the above

29. Is the most ancient source of Hindu Law

- (a) Judicial decisions
- (b) Personal Law
- (c) Statutes
- (d) Customs

30. Custom prevails in a particular locality.

- (a) Legal
- (b) General
- (c) Conventional
- (d) Local

31. Custom to be valid must not be:

- (a) Immemorial
- (b) Uncertain
- (c) Reasonable
- (d) In confirmation with Law and public morality

32. Rule of Court decision to be followed in future cases is known as
- (a) Doctrine of Court Decisis
 - (b) Doctrine of Stare Decisis
 - (c) Doctrine of Indoor Management
 - (d) None of the above
33. In case of any conflict between decisions of co-equal benches.....decision prevails
- (a) Later
 - (b) Previous
 - (c) Both (a)and (b)
 - (d) None of the above
34. Benches of two judges is known as
- (a) Small Bench
 - (b) Full Bench
 - (c) Division Bench
 - (d) None of the above
35. Supreme Court is bound by its own decisions.
- (a) True
 - (b) False
 - (c) Partly True
 - (d) Partly False
36. Precedents creates law for the whole country.
- (a) Declaratory
 - (b) Pervasive
 - (c) Absolutely Authoritative
 - (d) Original
37. Legislation can be
- (a) Supreme
 - (b) Subordinate
 - (c) Absolutely Authoritative
 - (d) All of the above

38. Shruthi includes.....number of Vedas.
- (a) 1
 - (b) 2
 - (c) 3
 - (d) 4
39. Hindu and Muhammedan law is
- (a) Personal Law
 - (b) Principal Law
 - (c) Historical Law
 - (d) Customary Law
40. “A Declaratory Precedent is one which is merely the application of already existing rule of law”. This was said by :
- (a) Ulpine
 - (b) Cicero
 - (c) Salmond
 - (d) None
41.is the last stage of law making and therefore , the lawyer or the jurist is more important than legislature.
- (a) Custom
 - (b) Social control
 - (c) Legislation
 - (d) None of these
42.refers to some pattern set for guiding the future conduct.
- (a) Doctrine of Stare Decisis
 - (b) Precedent
 - (c) Judicial Precedent
 - (d) Both A and B

43. Law Administrated by Chancellor is known as.
- (a) Statued Law
 - (b) Equity
 - (c) Equity Courts
 - (d) All of These
44. These customs which are no obligatory and are observed due to the pressure of public opinion is known as
- (a) Custom having sanction.
 - (b) Positive Morality
 - (c) Both A and B
 - (d) None of these
45. Customs that are enforced by the state are known as.
- (a) Customs having Sanction.
 - (b) Local Customs
 - (c) General Customs
 - (d) All of these
46. This is an essential condition for making a valid custom.
- (a) Compulsory Observations
 - (b) Peaceable Enjoyment
 - (c) Certainty
 - (d) All of these
47. The term precedent means.
- (a) Observation
 - (b) Set pattern for guiding the future conduct.
 - (c) Both A and B
 - (d) None of these

48.Article make clear that the law declared by the Supreme Court shall be binding on all the courts within the territory of India.
- (a) Article 171 of the Constitution
 - (b) Article 141 of the Constitution
 - (c) Article 187 of the Constitution
 - (d) All of these
49. Which Proceeds from the Sovereign power in the state or which derives the power directly from the constitution?
- (a) Supreme Legislation
 - (b) Obiter Dicta
 - (c) Judiciary
 - (d) Both A and C
50. Which of the following is not the branch of Law?
- (a) Civil Law
 - (b) Administrative Law
 - (c) Commercial Law
 - (d) None of these
51. Which of the following statement is not correct in context to the supreme court?
- (a) It is bound by its own decisions.
 - (b) Its decisions are binding on all courts in India.
 - (c) It is bound by the decision of the Federal court.
 - (d) None of these
52. Which of the following is NOT correct in context to the High court in India?
- (a) it is the court of coordinate jurisdiction.
 - (b) Privy Council Decisions are binding on the High Court.
 - (c) Its decisions are binding on all tribunals within its Jurisdiction.
 - (d) All of the above
53. A smallest bench in a high court consist of how many judges ?
- (a) Five
 - (b) Two
 - (c) One
 - (d) None of these

54. A bench of two Judges in High court is called as
- (a) Smallest Bench
 - (b) Division Bench
 - (c) Full bench
 - (d) None of the Above
55. The Hindu personal Law is basically found in.
- (a) Shruti
 - (b) Smriti
 - (c) Both A and B
 - (d) None of the above
56. Which of the following is not a Smriti?
- (a) Manu
 - (b) Yajnavalkya
 - (c) Narada
 - (d) Shruti
57. The guidance or authority of the past decisions of the court are called.
- (a) Judicial Precedents
 - (b) Original Precedents
 - (c) Persuasive Precedents
 - (d) None of the above
58. Legal customs and Conventional customs are a part of
- (a) Customs without Sanction
 - (b) Customs having Sanction.
 - (c) Judicial Customs
 - (d) Voluntary Customs
59. Which of the following is not a source of Indian Law?
- (a) English mercantile Law
 - (b) Judicial Law
 - (c) Civil Law
 - (d) None of the above

60. Decision of one High court have only a..... value in a court within the jurisdiction of another high court.
- (a) Voluntary
 - (b) Mandatory
 - (c) Persuasive
 - (d) All of the above
61. The decision given by Supreme court are recorded in
- (a) AIR
 - (b) SCC
 - (c) AIR and SCC
 - (d) ITR
62. Meaning of Intra vires
- (a) Within the power
 - (b) Amongst the other
 - (c) Beyond the power
 - (d) None of these
63. Which Law is related to the Commercial activities of the people of the society?
- (a) Constitutional Law
 - (b) Administrative Law
 - (c) Civil Law
 - (d) Mercantile Law
64. Past Decision of the courts for future cases is known as
- (a) Customs
 - (b) Previous work
 - (c) Precedence
 - (d) Historical record
65. In case of Hindu and Muslim Family Business, Which Laws prevail to divide their family properties?
- (a) Government Law
 - (b) Their own laws
 - (c) Legal laws
 - (d) None of these

66. Custom as a source has a very inferior place in the
- (a) Hindu Law
 - (b) Judicial decision
 - (c) Criminal law
 - (d) None of the above
67. A is one which is merely the application of an already existing rules of Law?
- (a) Conditionally authoritative precedents
 - (b) Declaratory precedents
 - (c) Persuasive precedents
 - (d) Absolutely authoritative precedent
68. Customs are considered as of Law.
- (a) Rules
 - (b) Source
 - (c) Principle
 - (d) Decision
69. Highest court of India .
- (a) Supreme court
 - (b) High court
 - (c) Civil court
 - (d) Tribunal
70. is the court whose decisions are binding on all courts and other judicial tribunals.
- (a) High court
 - (b) Supreme court
 - (c) Indian penal court
 - (d) None of the above
71. Find the odd one out
- (a) Manu
 - (b) Yojnavalkya
 - (c) Shruti
 - (d) Narada

State True or False:

1. Sessions Court is the lowest court to approach for criminal matters.
2. Money Bill is introduced in Lok Sabha.
3. Any Elected Minister can pass an ordinance.
4. There is no punishment for Contempt of Court.
5. The Supreme Court of India was established by Britishers.
6. We can approach the Court for violation of our Fundamental Rights.
7. The International Court of Justice is the highest court in the hierarchy of Indian Judicial System.
8. The President of India and the Governor of a State can pass an Ordinance.
9. Executive Magistrates have responsibilities only related to the judicial system.
10. Only acts passed by the Parliament of India or State Legislature are the laws.

Fill in the Blanks:

1. Law is a _____ of rules.
2. The need for empowering authorities to frame _____ working at the grass-root level.
3. The Part ____ provides for provisions for the Panchayat Raj system.
4. Mr. _____ was the head of the drafting committee of the Constitution of India, 1950.
5. Under Article _____ of the Constitution of India, 1950, The Supreme Court of India and the High Court of each state under Article _____ of the Constitution of India, 1950 have the powers to initiate action for contempt of Court.
6. Some states are provided with Legislative _____ and Legislative _____, both.
7. Article ____ of the Indian Constitution illustrates about recourse in situations of inconsistency between laws made by Parliament and laws made by the Legislatures of States.
8. An appeal against orders of subordinate courts in both _____ and _____ matters lies with the High Court.
9. The Supreme Court of India can under Article _____ can review its own orders or judgments.
10. Article _____ of Constitution of India, 1950 empowers all High Courts to practice superintendence over all the courts or tribunals within its territorial jurisdiction.
11. Case laws are _____ precedents.
12. The _____ Court can decide disputes between the Government of India and one or more states.

13. An ordinance is law, that can be brought into place by the _____ for the whole of India or any territory within and/or the _____ of any state for the concerned territory in case of any exigency.
14. Article _____ of the Constitution of India states that The Parliament for the Union shall be headed by the President and shall have two house.
15. The jurisdiction of Privy Council was abolished by the _____.

Short Essay Type Questions (Give the answers in one (or) two sentences)

1. Law/s

Ans: Law is a set of rules, all statutes, case laws (judicial precedents) and customary law, Ordinances, regulations and other mandates that affect us.

2. Lists in the Constitution

The statutes are enacted by the Parliament and State Legislatures according to their domain, mentioned in the 7th Schedule of the Constitution of India (the Union List, The State List and the Concurrent List).

3. Ordinance

In times of these exigencies The President of India 123. Power of President to promulgate Ordinances during recess of Parliament. Similar powers have been provided to the Governor of a State, under Article 213 of the Constitution of India, 1950, in territorial limit of the concerned state.

4. Bill

Article 107 of the Indian Constitution, 1950 specifies the provisions as to introduction and passing of Bills. (1) Subject to the provisions of Articles 109 and 117 with respect to Money Bills and other financial Bills, a Bill may originate in either House of Parliament. (a money bill is not introduced in the Council of States/Rajya Sabha – Article 109 of The Constitution of India, 1950).

5. Writ Jurisdiction

The right to approach the Court against violation of his fundamental rights prescribed under Part-III, as expressly provided under Article 32 which guarantees constitutional remedies in the form of writs.

6. Three levels of the Indian Judiciary System

The three levels of the Indian Judiciary system are :

1. Supreme Court , 2.High Court and 3.District & Subordinate Courts.

7. What is the highest court in India?

The Supreme Court is the Highest court in India. It is the apex court of the country and has Original, appellate, and advisory jurisdiction.

8. How many High Courts are there in India?

A. There are 25 High Courts in India. Each High Court is located in the capital of a state or Union territory.

9. What are the two types of Subordinate courts in India?

There are two types of Subordinate courts in India : 1. Civil Courts and 2. Criminal Courts.

1. Civil Courts deals with cases related to Property, Contracts and family law.
2. Criminal cases deal with Criminal cases such as theft, assault and murder.

10. What is the Constitution?

The Constitution is the Supreme Law of a Country. It Sets out the basic structure of the government and the fundamental rights of the citizens. The Constitution is usually written down and is difficult to change.

11. What is a unitary system of government?

A unitary system of government is one in which all power is vested in the central government. The states or Provinces have no independent power of their Own.

12. What is the federal system of government?

A Federal System of government is one in which power is divided between the central government and state government or Provinces. Each level of government has its own powers and responsibilities.

13. Who can introduce a bill?

In most countries , bills can be introduced by the members of the legislature, such as members of the parliament or the members of the state legislature. In some countries, bills can also be introduced by the executive branch of government.

14. What happens if a bill is not passed?

If a bill is not passed by the legislature ,it does not become law. The bill may be reintroduced in a future session of the legislature.

15. What is the Purpose of Criminal Law?

The Purpose of Criminal law is to protect the public from harm. It also serves to punish criminals and deter others from committing crimes.

16. What is the purpose of Civil law?

The purpose of Civil law is to resolve disputes between individuals or organizations and to protect the rights of individuals and organizations. It also serves to deter individuals and Organizations from engaging in harmful or unfair behaviour.

17. What is Common Law?

Common law is a system of law that is based on the decisions of judges. It is a judge-made law, as opposed to a law that is created by the legislature.

18. Where did common law Originate?

Common law originated in England in the 12th century. It was developed by the judges of the English courts as a way to resolve disputes that were not covered by the existing law.

19. What Countries use Common law?

Common law is used in many countries around the world, including the United states, Canada, Australia and India.

20. What is law enforcement?

Law enforcement is the act of enforcing the law. It is the process of ensuring that laws are obeyed and that criminals are brought to Justice.

21. Why is enforcing the law important?

Enforcing the law is important because it protects the rights of individuals and ensures that society functions smoothly. It also helps to deter crime and to bring criminals to justice.

22. What is the Ministry of Finance?

The Ministry of Finance is the government department responsible for the financial affairs of the country. It is responsible for formulating and implementing economic policy, managing the national debt and collecting taxes.

23. What is the Ministry of Law and Justice?

The Ministry of Law and Justice is the government department responsible for the administration of Justice in India. It is responsible for a wide range of functions such as providing legal aid , legal education and drafting legislation.

Answers**Multiple Choice Questions (MCQ)**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
b	c	a	b	c	b	b	c	c	d	b	a	b	b	b
16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
b	c	b	b	d	b	b	a	a	b	d	a	a	d	d
31	32	33	34	35	36	37	38	39	40	41	42	43	44	45
b	b	a	c	b	d	d	d	a	c	c	d	b	b	a
46	47	48	49	50	51	52	53	54	55	56	57	58	59	60
d	b	b	d	d	c	b	c	b	c	d	a	b	d	c
61	62	63	64	65	66	67	68	69	70	71				
c	a	d	c	b	d	b	b	a	a	c				

State True or False

1	2	3	4	5	6	7	8	9	10
F	T	F	F	F	T	F	T	F	F

Fill in the blanks:

1	Set	2	Regulation
3	IX	4	MR. B.R.Ambedkar
5	129, 215	6	Legislative Council and Legislative Assembly
7	254	8	Civil & Criminal
9	137	10	Article 227
11	Judicial	12	The Supreme Court of India
13	President, Governor	14	Article 79
15	Abolition of Privy Council Jurisdiction Act,1949		