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Q.P. Code = 63615

Total pages 7

Questions should be —  
 WRITTEN IN LEGIBLE HANDWRITING IN BLACK INK.  
 SIGNS, SKETCHES OR FIGURES IF ANY BE DRAWN IN NEAT BLACK INK,  
 so as to avoid mistakes in the printed question papers.

Duration ..... 3 ..... Hours.

Total Marks assigned to the paper 100.

Q. No.

N.B.:

Answer key

Business Law - I (79312)

Semester III

Question Paper Code: 00063615

Marks

Q. 1 a) Offer + Acceptance + Enforceability = Contract

Offer + Acceptance = Agreement

Rules regarding offer:

- Intention to create legal relation
- Certain
- Different from invitation to offer
- Communication
- Mere declaration of intention
- Special Terms

Q. 1 b) Who can accept, absolute, mode of acceptance, communication, mental acceptance is no acceptance, time limit, before the offer lapses and no acceptance without the knowledge of the offer

Q. 1 c) The act must be done at the desire of the promisor  
 • Consideration may move from any person

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- Past, present or future
- Of some value
- Real and not illusory
- Something other than the Promisor's existing obligations
- Lawful

### Exceptions:

- Registered agreement made out of natural love and affection
- Promise to compensate for past voluntary services
- Promise to pay a time barred debt
- Creation of agency
- Gifts

### Unenforceable Agreements:

#### Q.1 d) • Validity of minor's agreement

- No ratification
- No estoppel against minor
- No insolvency
- Minor as shareholder
- Liability of a person making a promise with a minor in favour of another person
- Liability of a person standing as a surety for a minor
- Minor as an agent
- Contract by parents or guardian under certain circumstances

### Enforceable Agreements

- Contracts for the benefit of a minor
- Minor's property liable for necessities
- Minor as a partner
- Right to hold property or interest

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Q. 2 a) Void Agreements

- Agreements by or with persons incompetent to contract
- Agreements entered into through a mutual mistake of fact between the parties
- Agreement, the object or consideration of which is unlawful fully or partly
- Agreements without consideration
- Agreements in restraint of marriage, trade, legal proceedings
- Wagering agreement
- Impossible agreement
- Agreements contingent on an uncertain future event, if the event becomes impossible
- Agreement to do things legal as well as illegal
- Uncertain agreements

Q. 2 b) Knowledge of falsehood, intention, availability of means to discover the truth, right to damages and whether amounts to tort.

Q. 2 c) • Supply of necessaries to incompetent persons, payment made by interested persons, non-gratuitous act, finder of goods and payment of money or delivery of goods by mistake or under coercion

Q. 2d) Discharge by breach of contract

- 1) Actual breach
- 2) Anticipatory breach of contract

Discharge by operation of law:

- 1) Insolvency 2) Material alteration 3) Death of the party 4) By refusing tender of performance
- 5) Where facilities promised are not provided
- 6) Discharge of a contract by accepting performance from a third party
- 7) Performance excused by law.

3 a) Parties, enter into an agreement, return of goods, purpose, effecting transfer of possession, no transfer of ownership, delivery of goods

3 b) Pledge and Lien

Meaning, creation, delivery of goods, kinds, legal relationship and right of sale

3 c) Contract of Indemnity with examples

Number of parties, must be a loss, object must be lawful, contract may be express or implied definition is not exhaustive and essentials of a contract

Examples to be given

3 d) Rights of a principal:

To enforce agents' duty, to repudiate the contract, to ratify or disown agents acts, to revoke the authority, to claim for loss or profit, to demand for accounts, to refuse remuneration

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- Q. 3 d) Duties of a principal  
 Principals duty to indemnify, to indemnify against consequences of acts done in good faith, to compensate the agent for injury caused, to pay remuneration, on contracts entered by agent with third party
- Q. 4 a) Definition, transfer of ownership, executed contract or executory contract conveyance of property, transfer of risk, rights of seller against the buyer's breach, Rights of buyer against the seller's breach, effect of insolvency of seller having possession of goods, effect of insolvency of the buyer before paying the price, right in rem/personam and in risk of destruction of goods.
- Q. 4 b) Condition as to title, description, sample and description, quality or fitness for buyer's purpose, merchantable quality, wholesomeness as to trade usage.
- Q. 4 c) Property passes when intended to pass, specific goods in a deliverable state, specific goods to be put in a deliverable state, specific goods in a deliverable state but the seller has

to do something to ascertain the price  
In the case of unascertained goods.

goods are ascertained, unconditional appropriation of the goods takes place

Q.4 d) Right of lien when it can be exercised and terminated & its meaning.  
 Right of stoppage in transit - its meaning, when it can be exercised, how it is effected, when the right of stoppage in transit is lost.

Q.5 a) Meaning of dishonour of cheques, procedure for taking action, punishment and when the banker is justified in dishonouring a cheque.

Q.5 b) Payment should be in accordance with what appears on the face of the instrument to be the intention of the parties

ii) Person to whom payment is made must be in possession of the instrument

iii) good faith and without negligence

Noting: meaning, what can be done, when compulsory

Protest: meaning, protest for better security, contents of a protest.

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- Q.5 c) Cheque and Bill of exchange  
Drawee, acceptance, payment,  
presentment, notice, crossing,  
stamp, countermanding payment,  
noting and protesting and payable  
to bearer on demand.
- Q.5 d) Essentials of a cheque :  
Requisites of bill of exchange  
Drawn upon a specified banker  
Payable on demand  
No stamp  
No Acceptance  
Payable to bearer.

